



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD AGENDA

VDOT Central Office Auditorium

1221 East Broad Street

Richmond, Virginia 23219

December 8, 2021

9:00 a.m. or upon adjournment of the December 7, 2021 Workshop if that meeting carries over to December 8, 2021.

**Attendees will be required to wear a mask unless
Proof of COVID vaccination is provided.**

Public Comments:

Approval of Minutes:

OFFICE OF LAND USE:

Presenting: Lynne Lloyd
Highway Systems Program Manager

1. Action on Discontinuance – Discontinuance – Secondary System of State Highways Route 799 in Giles County in the Salem District.

GOVERNANCE AND LEGISLATIVE AFFAIRS DIVISION:

Presenting: Jo Anne Maxwell
Division Administrator

2. Action on Amendment of the Land Use Permit Regulation and Delegation for Regulatory Changes Due to Renumbering of Code Sections.
3. Action on Periodic Regulatory Review.

MAINTENANCE DIVISION:

***Presenting: Robbie Prezioso*
*Division Administrator***

4. Action on Highway Naming: Renaming Portion of U. S. Route 1 (Jefferson Davis Highway) to “U.S. Route 1” in Caroline County Located in the Fredericksburg District.
5. Action on the Commemorative Naming of State Route 8, Webb Mills Road, from the Montgomery County line, south to the north corporate limit of the Town of Floyd near Route 695, Needmore Lane in Floyd County as the “Scott Allen Hylton Memorial Highway” Located in the Salem District.

INFRASTRUCTURE INVESTMENT DIVISION:

***Presenting: Kimberly Pryor*
*Division Director***

6. Action on FY22-27 Six-Year Improvement Program Transfers for September 21, 2021 through, November 10, 2021.

VIRGINIA DEPARTMENT OF TRANSPORTATION:

***Presenting: Chris Hall*
*Hampton Roads District Administrator***

7. Action on Agreement Authorizing the Commissioner to Enter into a Standard Project Administration Agreement between VDOT and HRTAC.

LOCATION AND DESIGN:

***Presenting: Chris Swanson*
*Assistant State Location and Design Engineer***

8. Action on Limited Access Control Changes (LACCs) for the Interstate 81 Southbound Widening from Mile Marker 8.1 to Mile Marker 9.7 Washington County and the City of Bristol.

OFFICE OF INTERMODAL PLANNING AND INVESTMENT:

***Presenting: Jitender Ramachandi*
*Statewide Transportation Planning Mgr,***

9. Action to Adopt the Policy for Development and Monitoring of VTrans Long-term Risk and Opportunity Register, VTrans Strategic Actions, and Direct Submittal of a Summary of the VTrans Planning Process to the Governor and the General Assembly.

VIRGINIA DEPARTMENT OF TRANSPORTATION:

***Presenting: Bart Thrasher*
*Chief Engineer***

10. Action on I-81 Corridor Improvement Program Annual Progress Report

VIRGINIA DEPARTMENT OF TRANSPORTATION:

Presenting: Laura Farmer
Chief Financial Officer

11. Authorizing the issuance and sale of the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2022.
12. Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation; Action on the Allocation of Funds made available to the Priority Transportation Fund.

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION:

Presenting: Jennifer DeBruhl
Chief of Public Transportation

13. Action Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2022-2027.

OFFICE OF INTERMODAL PLANNING AND INVESTMENT:

Presenting: Brooke Jackson
Senior Engineer/ SMART SCALE

14. Action on Adoption of SMART SCALE Round 5, Proposed Changes.

SCHEDULING AND CONTRACT:

Presenting: Harold Caples
Assistant State Construction Engineer

MAINTENANCE DIVISION:

Presenting: Robbie Prezioso
Division Administrator

15. Bids.

NEW BUSINESS:

ADJOURNMENT:

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Agenda item #1

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Discontinuance – Secondary System of State Highways Route 799 in Giles County

WHEREAS, Route 799, located in Giles County, measuring approximately 0.19 of a mile, is no longer necessary for the uses of the Secondary state highway system, and therefore no longer provides a public convenience that warrants maintenance at public expense, rendering it eligible for discontinuance; and

WHEREAS, the Giles County Board of Supervisors has approved a resolution, attached hereto as Exhibit A, supporting the discontinuance described as the 0.19 mile length of Route 799, as seen in the map attached hereto as Exhibit B; and

WHEREAS, pursuant to § 33.2-908 of the *Code of Virginia*, a section of highway may be discontinued from the Secondary state highway system by the Commissioner of Highways, with the approval of the Commonwealth Transportation Board, if the highway is deemed to be no longer necessary for the uses of the Secondary state highway system when a part of the highway no longer provides a public convenience that warrants maintenance at public expense; and

December 8, 2021

Resolution of the Commonwealth Transportation Board

Discontinuance – Secondary System of State Highways – Route 799 in Giles County

Page Two

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board approves the discontinuance of the roadway segment identified below and as depicted on Exhibit B attached hereto, as part of the Secondary system of state highways, pursuant to §33.2-908, *Code of Virginia*, as the roadway is no longer necessary for the uses of the Secondary state highway system and is no longer providing sufficient public convenience to warrant maintenance at public expense.

Secondary System of State Highways

Discontinuance

Salem District

Giles County

- Route 799

0.19 Mi.

Total Mileage Discontinued from the Secondary System:

0.19 Mi.

#####

CTB Decision Brief

Discontinuance - Secondary System of State Highways: Route 799 in Giles County

Issue: The Giles County Board of Supervisors approved a resolution which supports the discontinuance of Route 799 in Giles County that is 0.19 of a mile in length. Pursuant to §33.2-908 of the *Code of Virginia*, said discontinuance must be approved by the Commonwealth Transportation Board (Board).

Facts: Upon review of the area, VDOT staff determined that the 0.19 mile length of Route 799 should be discontinued as a part of the Secondary System of State Highways, pursuant to § 33.2-908 of the *Code of Virginia*, as it no longer provides a public convenience that warrants maintenance at public expense.

The Giles County Board of Supervisors supported, by resolution on November 18, 2021 (Exhibit A, attached), the discontinuance of the 0.19 mile length of Route 799 (road noted in “Blue” on Exhibit B, attached).

In accordance with §33.2-908, notice of the discontinuance was published in the *Roanoke Times* and the *Virginia Leader* newspapers on September 29, 2021 (Exhibit C, attached). The Giles County Board of Supervisors and property owners with land abutting the section of roadway considered for discontinuance received notice via registered mail.

Recommendation: VDOT recommends the Board approve the discontinuance of Route 799 referenced above.

Action Required by CTB: The *Code of Virginia* requires a majority of the Board’s members to approve the proposed discontinuance. A resolution describing the proposed road to be discontinued is provided for the Board’s consideration.

Result if Approved: If approved, VDOT will suspend all of its maintenance activity on the roadway segment.

Options: Approve, Deny or Defer

Public Comments/Reaction: There were no public comments made at the Giles County Board of Supervisors meeting regarding this proposed discontinuance and there were no requests for a public hearing.

**Exhibit A
Giles County Resolution**

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF GILES, VIRGINIA:

- I. That the Giles County Board of Supervisors supports the discontinuance of a portion of VDOT Secondary Route 799, unnamed, Giles County, Virginia, as follows:

WHEREAS, the Virginia Department of Transportation has notified the Giles County Board of Supervisors of its intent to discontinue Route 799 from the intersection of Route 799 and US460 to the terminus of Route 799, a distance of 0.19 miles; and

WHEREAS, the sketch attached and incorporated herein as a part of this resolution, defines the adjustment required in the secondary system of state highways as a result of the discontinuance of said portion of Route 799; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILES COUNTY, VIRGINIA:

That the Giles County Board of Supervisors hereby concurs with and supports the Commonwealth Transportation Board's changes to the secondary system of state highways as identified on the attached sketch, pursuant to §33.2-908.B of the Code of Virginia; and

BE IT FURTHER RESOLVED:

That a certified copy of this resolution be forwarded to the Residency Engineer of the Virginia Department of Transportation Christiansburg Residency.

- II. That this resolution shall be in force and effect upon adoption.

Adopted this 18th day of November, 2021.

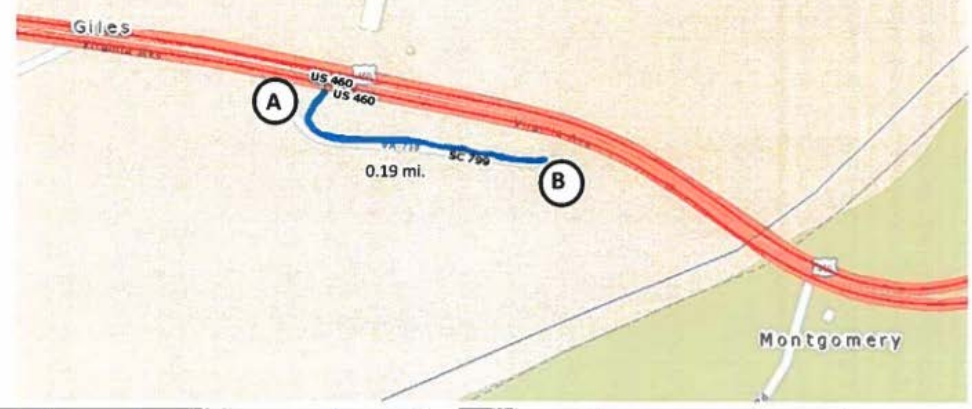
	YES	NO	ABSTAIN	ABSENT
P. Baker	<u>X</u>	_____	_____	_____
J. Lawson	<u>X</u>	_____	_____	_____
P. Martin	<u>X</u>	_____	_____	_____
R. McCoy	<u>X</u>	_____	_____	_____
J. Morris	<u>X</u>	_____	_____	_____


Chris McKlarney, Clerk

SHEET 1 OF 1

UPC:

PLEASE SUBMIT FORM AM-4.2 FOR EACH ROADWAY SEGMENT AND THE ENTIRE PROJECT INCLUDING THE MILEAGE AND PAVEMENT TYPES REFLECTING POST-CONSTRUCTION CONDITIONS.



NOT TO SCALE.


ROUTE	ACTION	SEGMENT	STATION	LENGTH
799	DISCONTINUANCE	A-B	From the intersection of Rte. 799 and US-460 (A) to the end of state maintenance at (B)	0.19

Legend

GILES COUNTY

Changes in the VDOT Secondary System on:

Route 799

 Segment of Secondary Road location to be discontinued.



Office of Land Use
Date: 8/16/2021


Salem District -
Christiansburg
Residency

Exhibit B
Sketch of Proposed Road to be Discontinued

Exhibit C

Public Notice of Discontinuance

Published in the *Roanoke Times* and the *Virginia Leader* on September 29, 2021



**Route 799 (Old Virginia Avenue)
Giles County**

Willingness to Hold a Public Hearing
Notice of Intent to Discontinue Maintenance of a Public Road
Segment

Pursuant to the provisions of §33.2-908 of the Code of Virginia, the Virginia Department of Transportation (VDOT) will consider discontinuance of an end segment of Route 799 (Old Virginia Avenue) in Giles County. The total length of the discontinuance is 0.19 mile.

This matter is being considered by VDOT because the road segment does not provide sufficient public service to warrant maintenance at public expense.

VDOT is willing to hold a public hearing prior to considering the discontinuance if the county or one or more landowners whose property is impacted by the discontinuance makes a request. A public hearing may be requested in writing to Ms. Alex Chaney, Land Use Engineer, 105 Cambria Street, Christiansburg, VA 24073 or by email at alexandria.chaney@vdot.virginia.gov on or prior to **October 29, 2021**.

Additional information about the proposed discontinuance is available at VDOT's Christiansburg Residency Office at the address listed above, 540-381-7201, 1-800-367-7623, TTY/TDD 711. Please call ahead so VDOT can make arrangements for personnel to share more information or answer your questions.

VDOT ensures nondiscrimination and equal employment in all programs and activities in accordance with Title VI and Title VII of the Civil Rights Act of 1964. If you need special assistance for persons with disabilities or limited English proficiency, contact VDOT at 540-387-5552, 1-800-367-7623, TTY/TDD 711.



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Agenda item # 2

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: Seconded By: Action:

Title: Amendment of the Land Use Permit Regulation

WHEREAS, the Land Use Permit Regulation permits work activities on the VDOT right of way for construction, utility installations, entrances, events and other activities; and

WHEREAS, in specifying land use permit fees, particularly for renewable energy generation permits, section 710 of the regulation includes a reference to Code of Virginia § 67-1103, which was part of the Virginia Energy Plan and specified right of way fees for renewable energy generators; and

WHEREAS, Chapter 387 of the 2021 Special Session of the General Assembly recodified statutes relating to mining and energy, and as part of that recodification, moved § 67-1103 and the other sections in its chapter to a newly created chapter in Title 56; and

WHEREAS, due to this recodification, the reference in the Land Use Permit regulation for § 67-1103 should now reference § 56-617.

NOW, THEREFORE, BE IT RESOLVED, that the CTB hereby approves the amendment of the Land Use Permit Regulation, particularly 24VAC30-151-710, to change the reference to § 67-1103 to the new Code section § 56-617.

Resolution of the Board
Amendment of the Land Use Permit Regulation
December 8, 2021
Page 2 of 2

BE IT FURTHER RESOLVED, that the CTB further authorizes the Commissioner of Highways or his designee to take all necessary and appropriate actions to effectuate this amendment in the Virginia Administrative Code.

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Commonwealth Transportation Board (CTB) Decision Brief

Amendment of Land Use Permit Regulation

Issue: A Code of Virginia section that is referenced by the Land Use Permit Regulation has been relocated to a different Title of the Code by the General Assembly, and the reference in the Land Use Permit Regulation must be changed to reference the new section number.

Facts:

The Land Use Permit Regulation permits work activities on the VDOT right of way for construction, utility installations, entrances, events and other activities. The regulation authorizes VDOT to charge fees for permit applications as well as for the occupation of the public right of way. Those fees are specified in section 710 of the regulation.

In specifying such fees, particularly for renewable energy generation permits, section 710 includes a reference to Code of Virginia § 67-1103, which was part of the Virginia Energy Plan and specified right of way fees for renewable energy generators. However, Chapter 387 of the 2021 Special Session of the General Assembly recodified statutes relating to mining and energy, and as part of that recodification, moved § 67-1103 and the other sections in its chapter to a newly created chapter in Title 56. No changes to the substance of the Code sections were made as part of the recodification. Due to this recodification, the reference in the Land Use Permit regulation for § 67-1103 should now reference § 56-617.

Recommendations: VDOT recommends approval of the amendment of section 710 of the Land Use Permit Regulation so that the reference to § 67-1103 instead correctly references § 56-617.

Action Required by CTB: The *Code of Virginia* requires a majority vote of the CTB to amend the Land Use Permit Regulation.

Result, if Approved: If approved, the Commissioner of Highways or his designee will take all actions necessary to effectuate the amendment in the Virginia Administrative Code.

Options: Approve, Deny, or Defer

Public Comments/ Reaction: N/A

Decision Brief

Location Approval for the Route 636 (Nash Road) Extension

Chesterfield County

March 18, 2020

Page 2 of 2

Ninety-seven (97) citizens attended the Citizens Information Meeting. Sixty-five (65) written comments were submitted. Thirty-five (35) supported the project, twenty-four (24) did not support the project and six (6) provided no response / not sure.

Based on the written comments received and to alleviate or minimize the impacts and concerns expressed by citizens, a preferred alternative alignment (“Proposed Alignment”) was developed consisting of sections of Alternative 1 and Alternative 3 for the location of the Project.

On February 19, 2020 the Chesterfield County Board of Supervisors endorsed the Proposed Alignment for the location of the Project. See attached exhibit.



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Agenda item # 3

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Periodic Regulatory Review

WHEREAS, the Virginia Administrative Process Act (the APA), particularly in §§ 2.2-4007.1 and 2.2-4017 of the *Code of Virginia*, requires that all state agencies that adopt regulations periodically review those regulations, including consideration of: 1) the extent to which regulations remain supported by statutory authority and do not duplicate, overlap, or conflict with state or federal law; 2) the nature of complaints or comments received from the public; 3) whether the regulations are necessary for the protection of public health, safety and welfare; 4) whether the regulations are clearly written and easily understandable; 5) whether the regulations' economic impacts on small businesses and families are minimized as much as possible; and 6) the length of time since the regulation has been evaluated; and

WHEREAS, Executive Order Number 14 (2018, amended) requires all regulations to be so reviewed every four years and specifies the procedures for conducting such review; and

WHEREAS, the Virginia Department of Transportation (VDOT) conducted a periodic review of the regulations listed in the table below, and pursuant to the requirements set forth in the APA and the process established in the Executive Order, notified the public of the regulations' ongoing periodic review on the Virginia Regulatory Town Hall website and solicited comment from the public for a minimum of 21 days, satisfying the minimum statutory requirement; and 3

WHEREAS, VDOT has completed all facets of the regulatory review of the regulations listed in the table below in accordance with the Executive Order 14 and the APA, including the

completion of a Periodic Review Report of Findings for each regulation (attached as Exhibits A through C); and

WHEREAS, no public comments were submitted regarding the regulations under periodic review and based upon the results of the review, VDOT recommends action for each regulation as determined in the relevant Periodic Review Report of Findings for each regulation and set forth in the table below:

Chapter	Title	Proposed Disposition
24 VAC 30-120	Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices	Retain as is.
24 VAC 30-451	Airport Access Fund Policy	Repeal (but retain policy).
24 VAC 30-551	Integrated Directional Signing Program (IDSP) Participation Criteria	Retain as is.

; and,

WHEREAS, the Commonwealth Transportation Board originally adopted the regulations listed in the table above pursuant to its authority in § 33.2-210 of the *Code of Virginia* and other relevant sections of the *Code of Virginia*.

NOW THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board approves and adopts the respective Periodic Review Report of Findings for each of the regulations listed in the table above, including the proposed disposition for each regulation.

BE IT FURTHER RESOLVED, that the Commonwealth Transportation Board directs the Commissioner of Highways or his designees to take all actions necessary to complete the periodic reviews for the regulations listed in the table above, and for those regulations for which repeal is approved, to complete the process necessary to repeal said regulations.

BE IT FURTHER RESOLVED, that the Commonwealth Transportation Board affirms that any current Policies of the Commonwealth Transportation Board relating to those regulations for which repeal is approved shall not be affected by this repeal action, however, the Commonwealth Transportation Board directs the Commissioner of Highways or his designees to begin a review of those Policies and to present any recommendations for further revisions or other action on those Policies to the Commonwealth Transportation Board no later than December 30, 2022.

#####

CTB Decision Brief **Periodic Regulatory Review**

Issue: The Administrative Process Act (APA) requires all state agencies that adopt regulations to periodically review those regulations. Executive Order 14 (2018) mandates that these reviews take place every four years to determine if the regulation should be continued with no changes or be amended or be repealed. In accordance with these requirements, the Virginia Department of Transportation (VDOT) has reviewed the regulations listed below and is providing recommendations as to the action to be taken by the Commonwealth Transportation Board (CTB) for each regulation.

Facts:

- The APA, particularly in §§ 2.2-4007.1 and 2.2-4017 of the *Code of Virginia*, requires that all state agencies that adopt regulations periodically review those regulations, including consideration of: 1) the extent to which regulations remain supported by statutory authority and do not duplicate, overlap, or conflict with state or federal law; 2) the nature of complaints or comments received from the public; 3) whether the regulations are necessary for the protection of public health, safety and welfare; 4) whether the regulations are clearly written and easily understandable; 5) whether the regulations' economic impacts on small businesses and families are minimized as much as possible; and 6) the length of time since the regulation has been evaluated.
- The Governor's Executive Order Number 14 (2018, amended) requires all regulations to be so reviewed every four years and specifies the procedures for conducting such review. Chapter 444 of the 2018 Acts of Assembly requires the Department of Planning and Budget (DPB) to track and report to the General Assembly annually which agencies are complying with the periodic review requirements.
- VDOT conducted a periodic review of the regulations listed in the table below, and pursuant to the requirements set forth in the APA and the process established in the Executive Order, notified the public of the regulations' ongoing periodic review on the Virginia Regulatory Town Hall website and solicited comment from the public for at least 21 days, satisfying the minimum statutory requirement. No public comments were submitted regarding the regulations under periodic review by the CTB.
- VDOT has completed all facets of the regulatory review of the regulations listed in the table below, and has completed the Periodic Review Report of Findings for each regulation (Attached as Exhibits A-C), which is to be filed with the Virginia Registrar to complete the periodic review process.
- The regulations reviewed and which are to be considered by the CTB are listed in the table below, along with the proposed disposition of the regulation. The table is followed by a description of each regulation and the findings made by VDOT based upon the review.

Chapter	Title	Proposed Disposition
24 VAC 30-120	Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices	Retain as is.
24 VAC 30-451	Airport Access Fund Policy	Repeal (but retain policy).
24 VAC 30-551	Integrated Directional Signing Program (IDSP) Participation Criteria	Retain as is.

- **24 VAC 30-120 Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices**

Pursuant to § 33.2-1200, “[i]n order to promote the safety, convenience, and enjoyment of travel on and protection of the public investment in highways within the Commonwealth, attract tourists and promote the prosperity, economic well-being, and general welfare of the Commonwealth, and preserve and enhance the natural scenic beauty or aesthetic features of the highways and adjacent areas, the General Assembly declares it to be the policy of the Commonwealth that the erection and maintenance of outdoor advertising in areas adjacent to the rights-of-way of the highways within the Commonwealth shall be regulated in accordance with the terms of this article [article 1 of Chapter 12 of Title 33.2] and regulations promulgated by the Board pursuant thereto.” Further, §33.2-1220 of the Code of Virginia states that the CTB “may issue regulations and is authorized to enter into agreements with the United States as provided in 23 U.S.C. § 131 with respect to the regulation and control of signs, advertisements, and advertising structures in conformity with § 33.2-1217, provided that such agreements shall not prevent the General Assembly of Virginia from amending or repealing § 33.2-1217 at any time, and provided further that in the event the federal law is amended to lessen the special restrictions applicable to signs, advertisements, and advertising structures adjacent to Interstate System or federal-aid primary highways, the Board is authorized to adopt regulations to conform to such change in federal law and to amend any agreement with the United States relating to such control.” The regulation is necessary to comply with federal and state law, and protects the public investment in the Commonwealth’s highways, promotes the safety and recreational value of public travel, and preserves the natural beauty of the Commonwealth. VDOT recommends retaining the regulation as is.

- **24 VAC 30-451 Airport Access Fund Policy**

Section 33.2-1509 authorizes the CTB to use certain funds “for constructing, reconstructing, maintaining, or improving access roads within localities to ... licensed, public-use airports.” The CTB has adopted an Airport Access Fund Policy and VDOT has developed a guide for the Airport Access Program which provides additional details for the program. The Airport Access Program Guide can be posted as a guidance document on Townhall, and provide sufficient guidance without the need for a separate regulation. Because the enabling legislation does not specifically require regulation, the guidance document is a viable alternative option. VDOT recommends repealing the regulation while retaining the Policy.

- **24 VAC 30-551 Integrated Directional Signing Program (IDSP) Participation Criteria**

Section 33.2-218 of the Code of Virginia authorizes the CTB to “establish reasonable fees to be collected by the Commissioner of Highways from any qualified entity for the purpose of participating in the Integrated Directional Sign Program (IDSP) administered by the Department or its agents that is designed to provide information to the motoring public relating to gasoline and motor vehicle services, food, lodging, attractions, or other categories as defined by the IDSP.”

Section 33.2-1220 of the Code of Virginia authorizes the CTB to issue regulations with respect to the regulation and control of, among other things, signs in conformity with § 33.2-1217.” Signage under the IDSP is not comprised of advertisements, but rather consists of signage placed on the right of way that contributes to the public health, safety, and welfare by facilitating motorist awareness and accessibility, and providing a safe and convenient means of directing motorists, to historical, cultural, or commercial attractions/ services. It consolidates four specific highway signing programs described below:

- Specific Travel Services (Logo) Signs: guide motorists to specific gas, food, lodging, camping and attraction locations along Virginia’s interstates and limited-access highways.
- Tourist-Oriented Directional Signs (TODS): a program for signs used along roads that do not have limited access, such as most primary and secondary highways, to guide motorists to businesses, services, recreation and other facilities nearby.
- Supplemental Guide Signs: guide motorists traveling from outside the immediate area to specific cultural, recreational, historical, governmental, educational, military and other sites of interest on limited access, primary or secondary roadways.
- General Motorist Services Logo Signs: use standard symbols or general terms to let motorists know that services such as hospitals, public phones, gas, food, lodging, or camping are nearby.

In addition, the IDSP incorporates special programs signing criteria for the following programs:

- Civil War Trails;

- Birding and Wildlife Trails;
- Wayfinding Signs;
- Virginia Waterways Signage; and
- State Scenic River Signs
- Winery Signage Program

The IDSP criteria address issues such as: requirements businesses and other program participants must meet for eligibility, new categories for specific programs, and fee structures. VDOT recommends retaining the regulation as is.

Recommendations: VDOT recommends that the Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices and the Integrated Directional Signing Program (IDSP) Participation Criteria be retained as regulations as is. VDOT recommends that the Airport Access Fund Policy regulation be repealed while any existing policy and procedures relating to the Airport Access Program be retained as CTB policies or guidance documents, as appropriate.

Action Required by CTB: A resolution will be presented for CTB approval authorizing VDOT to complete the periodic review of these regulations by filing the respective Periodic Review Report of Findings for each regulation listed, and to authorize the Commissioner of Highways or his designee to take any actions necessary to repeal the regulations that are recommended to be so repealed.

Result, if Approved: The periodic reviews of the noted regulations will be completed, and the regulations will be retained as is or repealed as recommended.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: There were no comments or other input received from the public.



townhall.virginia.gov

Periodic Review and Small Business Impact Review Report of Findings

Agency name	Commonwealth Transportation Board
Virginia Administrative Code (VAC) Chapter citation(s)	24 VAC30-120
VAC Chapter title(s)	Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices
Date this document prepared	8/24/2021

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the **Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code**.

Acronyms and Definitions

Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.

CTB means the Commonwealth Transportation Board.
U.S.C. means the United States Code.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The Commonwealth Transportation Board promulgated the Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices, 24 VAC 30-120, pursuant to its general authority to “make regulations that are not in conflict with the laws of the Commonwealth for the protection of and covering traffic on and for the use of systems of state highways” under § 33.2-210 of the *Code of Virginia*.

More specifically, pursuant to § 33.2-1200 of the *Code of Virginia*, “[i]n order to promote the safety, convenience, and enjoyment of travel on and protection of the public investment in highways within the Commonwealth, attract tourists and promote the prosperity, economic well-being, and general welfare of the Commonwealth, and preserve and enhance the natural scenic beauty or aesthetic features of the highways and adjacent areas, the General Assembly declares it to be the policy of the Commonwealth that the erection and maintenance of outdoor advertising in areas adjacent to the rights-of-way of the highways within the Commonwealth shall be regulated in accordance with the terms of this article [article 1 of Chapter 12 of Title 33.2] and regulations promulgated by the Board pursuant thereto.” Further, § 33.2-1220 of the *Code of Virginia* states that the CTB “may issue regulations and is authorized to enter into agreements with the United States as provided in 23 U.S.C. § 131 with respect to the regulation and control of signs, advertisements, and advertising structures in conformity with § 33.2-1217, provided that such agreements shall not prevent the General Assembly of Virginia from amending or repealing § 33.2-1217 at any time, and provided further that in the event the federal law is amended to lessen the special restrictions applicable to signs, advertisements, and advertising structures adjacent to Interstate System or federal-aid primary highways, the Board is authorized to adopt regulations to conform to such change in federal law and to amend any agreement with the United States relating to such control.”

Alternatives to Regulation

Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.

The regulation is necessary to enforce restrictions and requirements on outdoor advertising along or in sight of federal-aid highways in compliance with federal law. Without such regulation, the US Secretary of Transportation could, under federal law, withhold up to 10% of the federal-aid funds that the Commonwealth would otherwise be eligible to receive. The regulation is the least burdensome means for accomplishing its purpose.

Public Comment

Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

No comments were received from the public during the public comment period.

Commenter	Comment	Agency response

Effectiveness

Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in Executive Order 14 (as amended, July 16, 2018), including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.

23 U.S.C. 131(a) states that “The Congress hereby finds and declares that the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System and the primary system should be controlled in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve natural beauty.” The Rules and Regulations Controlling Outdoor Advertising and Directional and Other Signs and Notices are written to be consistent with and comply with the federal requirements, and are necessary for the protection of public health, safety and welfare. The regulation is clearly written and easily understandable.

Decision

Explain the basis for the promulgating agency’s decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).

The regulation is necessary to comply with federal and state law, and protects the public investment in the Commonwealth’s highways, promotes the safety and recreational value of public travel, and preserves the natural beauty of the Commonwealth. Therefore, the CTB recommends retaining the regulation as is.

Small Business Impact

As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency’s consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency’s decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

The regulation is necessary to enforce restrictions and requirements on outdoor advertising along or in sight of federal-aid highways in compliance with federal law. The CTB has received no complaints concerning the regulation. The regulation is not complex, and is consistent with federal and state law. The regulation was last amended in 2004, and the most recent periodic review of the regulation was in 2001.



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Periodic Review and Small Business Impact Review Report of Findings

Agency name	Commonwealth Transportation Board
Virginia Administrative Code (VAC) Chapter citation(s)	24 VAC30-451
VAC Chapter title(s)	Airport Access Fund Policy
Date this document prepared	8/26/2021

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the **Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code**.

Acronyms and Definitions

Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.

CTB means the Commonwealth Transportation Board.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The Commonwealth Transportation Board has "the power and duty to make regulations that are not in conflict with the laws of the Commonwealth for the protection of and covering traffic on and for the use of systems of state highways" pursuant to § 33.2-210. Section 33.2-1509 authorizes the CTB to use certain

funds “for constructing, reconstructing, maintaining, or improving access roads within localities to ... licensed, public-use airports.”

Alternatives to Regulation

Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.

The CTB has adopted a policy for the Airport Access Program and VDOT has developed a guide consistent with that policy which provides additional details for the program. The Airport Access Program Guide can be posted as a guidance document on Townhall, and provide sufficient guidance without the need for a separate regulation. Because the enabling legislation does not specifically require regulation, the guidance document is a viable alternative option.

Public Comment

Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

No comments were received from the public during the public comment period.

Commenter	Comment	Agency response

Effectiveness

Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in Executive Order 14 (as amended, July 16, 2018), including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.

New or expanding airports and funding for airport access are recognized as valuable tools in economic development for localities. The regulation is clearly written and easily understandable.

Decision

Explain the basis for the promulgating agency’s decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).

The Airport Access program guide can serve the same purposes as the regulation if posted on Townhall as a guidance document. Therefore, the CTB recommends repeal of the regulation.

Small Business Impact

As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

With the adoption of the Airport Access Program Guide as a guidance document, there is no continued need for the regulation. The CTB has received no complaints concerning the regulation. The regulation is not complex, and does not conflict with federal or state law. The regulation was last amended in 2012, and has not been subject to a prior periodic review.



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Periodic Review and Small Business Impact Review Report of Findings

Agency name	Commonwealth Transportation Board
Virginia Administrative Code (VAC) Chapter citation(s)	24 VAC30-551
VAC Chapter title(s)	Integrated Directional Signing Program (IDSP) Participation Criteria
Date this document prepared	8/26/2021

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the **Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code**.

Acronyms and Definitions

Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.

- "CTB" means the Commonwealth Transportation Board.
- "IDSP" means the Integrated Directional Signage Program.
- "TODS" means Tourist-Oriented Directional Signs.
- "U.S.C." means the United States Code.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The Commonwealth Transportation Board has “the power and duty to make regulations that are not in conflict with the laws of the Commonwealth for the protection of and covering traffic on and for the use of systems of state highways” pursuant to § 33.2-210 of the *Code of Virginia*. Section 33.2-218 of the *Code of Virginia* authorizes the CTB to “establish reasonable fees to be collected by the Commissioner of Highways from any qualified entity for the purpose of participating in the Integrated Directional Sign Program (IDSP) administered by the Department or its agents that is designed to provide information to the motoring public relating to gasoline and motor vehicle services, food, lodging, attractions, or other categories as defined by the IDSP.”

Section 33.2-1220 of the *Code of Virginia* states that the CTB “may issue regulations and is authorized to enter into agreements with the United States as provided in 23 U.S.C. § 131 with respect to the regulation and control of signs, advertisements, and advertising structures in conformity with § 33.2-1217.” Signage under the IDSP is not comprised of advertisements, but rather consists of signage placed on the right of way that contributes to the public health, safety, and welfare by facilitating motorist awareness and accessibility, and providing a safe and convenient means of directing motorists, to historical, cultural, or commercial attractions/ services.

Alternatives to Regulation

Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.

No viable alternatives to the regulation were identified or considered as part of this periodic review.

Public Comment

Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

No Comments were received from the public during the public comment period.

Commenter	Comment	Agency response

Effectiveness

Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in Executive Order 14 (as amended, July 16, 2018), including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.

The Integrated Directional Signing Program (IDSP) contributes to the public health, safety, and welfare by facilitating motorist awareness and accessibility to historical, cultural, or commercial attractions. It consolidates four specific highway signing programs described below:

- Specific Travel Services (Logo) Signs: guide motorists to specific gas, food, lodging, camping and attraction locations along Virginia’s interstates and limited-access highways.

- Tourist-Oriented Directional Signs (TODS): a program for signs used along roads that do not have limited access, such as most primary and secondary highways, to guide motorists to businesses, services, recreation and other facilities nearby.
- Supplemental Guide Signs: guide motorists traveling from outside the immediate area to specific cultural, recreational, historical, governmental, educational, military and other sites of interest on limited access, primary or secondary roadways.
- General Motorist Services Logo Signs: use standard symbols or general terms to let motorists know that services such as hospitals, public phones, gas, food, lodging, or camping are nearby.

In addition, the IDSP incorporates special programs signing criteria for the following programs:

- Civil War Trails;
- Birding and Wildlife Trails;
- Wayfinding Signs;
- Winery Signage Program;
- Virginia Waterways Signage; and
- State Scenic River Signs

Further, additional criteria and considerations for the integration of the Winery Signage Program are addressed in the IDSP.

The IDSP criteria address issues such as: requirements businesses and other program participants must meet for eligibility, new categories for specific programs, and fee structures. The regulation is clearly written and easily understandable.

Decision

Explain the basis for the promulgating agency’s decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).

The IDSP program contributes to the Commonwealth’s economy, and the regulation provides clear guidance on the use of the IDSP program. The CTB recommends retaining the regulation as is. VDOT is working to study the participation criteria based on HB1740 from the 2021 General Assembly Session. However, at this time, the study is not complete, and no recommendations have yet been made. The CTB will consider such recommendations and take appropriate action with respect to the regulation upon receipt of the study findings.

Small Business Impact

As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency’s consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency’s decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

VDOT is working to study the IDSP participation criteria based on HB1740 from the 2021 General Assembly Session and pursuant to the study process, has received some comments regarding those criteria.. However, at this time, the study is not complete, and no recommendations have yet been made. The regulation is not complex, nor does it conflict with federal or state law. The regulation was adopted in 2006 and has not been amended nor has it been the subject of a periodic review.





COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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Agenda Item # 4

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ **Seconded By:** _____

Action: _____

**Title: Highway Naming: Renaming Portion of U. S. Route 1 (Jefferson Davis Highway) to
“U.S. Route 1” in Caroline County**

WHEREAS, Caroline County seeks to and has requested that the Commonwealth Transportation Board (CTB) rename the entire portion of U.S. Route 1 within Caroline County, from “Jefferson Davis Highway” to “U.S. Route 1”; and

WHEREAS, in accordance with § 33.2-213 of the *Code of Virginia*, by resolution dated September 28, 2021, Caroline County, through its Board of Supervisors, has expressed its intent and requested that the CTB rename the portion of U.S. Route 1, (Jefferson Davis Highway), located within the boundaries of Caroline County, to “U.S. Route 1”; and

WHEREAS, § 33.2-213 provides that the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located or by the private entity whose name is attached to the transportation facility so named; and

WHEREAS, Caroline County, in a letter from the County Administrator dated October 5, 2021, has agreed that the law (§ 33.2-213) requires Caroline County to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

Resolution of the Board

Highway Naming: Renaming Portion of U.S. Route 1 to “U.S. Route 1” in Caroline County

December 8, 2021

Page 2 of 2

NOW THEREFORE BE IT RESOLVED, pursuant to § 33.2-213 of the *Code of Virginia*, the CTB hereby renames the entire portion of U.S. Route 1 located within Caroline County, from “Jefferson Davis Highway” to “U.S. Route 1”.

BE IT FURTHER RESOLVED, that VDOT is directed to produce, place, and maintain the signs calling attention to this naming as funding is made available by the locality, and to secure payment from Caroline County for these costs as required by law.

####

CTB Decision Brief

Highway Naming: Renaming U.S. Route 1, Jefferson Davis Highway, to “U.S. Route 1” in Caroline County

Issue: Approval of the Commonwealth Transportation Board (CTB) is sought for the renaming of U.S. Route 1, within the boundaries of Caroline County, from “Jefferson Davis Highway” to “U.S. Route 1”, as requested by Caroline County, pursuant to § 33.2-213 of the *Code of Virginia*.

Facts: The Caroline County Board of Supervisors enacted a resolution on September 28, 2021 requesting that the CTB rename the portion of U.S. Route 1 designated as Jefferson Davis Highway within Caroline County to “U.S. Route 1”.

Pursuant to § 33.2-213, the CTB has the power and duty to give suitable names to state highways, bridges, interchanges, and other transportation facilities and change the names of any highways, bridges, interchanges, or other transportation facilities forming a part of the systems of state highways, provided that, in a case such as this, the governing body within which the portion of the facility is located has passed a resolution requesting such naming. Pursuant to the statute, the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB, while the costs of producing, placing, and maintaining these signs shall be paid by the localities in which they are located.

Recommendations: VDOT recommends this request be approved.

Action Required by CTB: The *Code of Virginia*, § 33.2-213, requires a majority of the CTB members to approve a resolution naming a highway or bridge, as appropriate. A resolution will be provided for the CTB’s consideration.

Result if Approved: The entire portion of U.S. Route 1, Jefferson Davis Highway, that is within Caroline County, will be renamed to “U.S. Route 1”, as requested by Caroline County. Caroline County, in a letter from the County Administrator dated October 5, 2021, has agreed that § 33.2-213 of the *Code of Virginia* requires Caroline County to bear the costs of producing, placing, and maintaining the signs calling attention to this naming.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: VDOT is not aware of any opposition to this proposal.

County of Caroline
Michael A. Finchum, Director
Department of Planning
& Community Development
233 West Broaddus Avenue
Bowling Green, Virginia 22427
(804) 633-4303 Main
(804) 633-1766 Fax
E-mail: mfinchum@co.caroline.va.us



October 5, 2021

Mr. Kyle Bates
Residency Administrator
VDOT Fredericksburg District

Dear Mr. Bates,

Attached for referral to the Commonwealth Transportation Board (CTB) is R 16/21, adopted by the Caroline County Board of Supervisors BOS on September 28, 2021 renaming Route 1 in Caroline County to U.S. Route 1, and requesting the CTB do the same. The adoption of U.S. Route 1 as the name reflects the understanding of most residents and businesses, and is used by most for directions and as a point of reference.

The Caroline County Board of Supervisors is fully aware that the County bears the cost for the purchase, installation and maintenance of new street name signs, as required by law.

Respectfully,

Charles M. Culley, Jr.
County Administrator

Caroline County, Virginia

Board of Supervisors



Jeffrey S. Black
Western Caroline District

Clayton T. Forehand
Madison District

Nancy L. Long
Port Royal District

Jeffery M. Sili
Bowling Green District

Floyd W. Thomas
Mattaponi District

Reginald L. Underwood
Reedy Church District

Charles M. Culley, Jr.
County Administrator

RESOLUTION R 16/21

Caroline County, VA



2009

A RESOLUTION TO REQUEST THE COMMONWEALTH TRANSPORTATION BOARD TO CHANGE THE NAME OF JEFFERSON DAVIS HIGHWAY IN CAROLINE COUNTY TO U.S. ROUTE 1

WHEREAS, the General Assembly adopted House Bill 2075, renaming U.S. Route 1 from Jefferson Davis Highway to Emancipation Highway, effective January 1, 2022; and

WHEREAS, the Governor of Virginia signed HB 2075 into law on March 30, 2021, which is further codified by Section 33.2-213 of the Code of Virginia; and

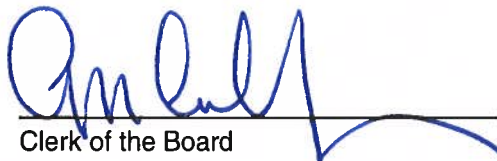
WHEREAS, the January 1, 2022 effective date provides localities the opportunity to rename U.S. Route 1 from Jefferson Davis Highway to a locally adopted road name; and

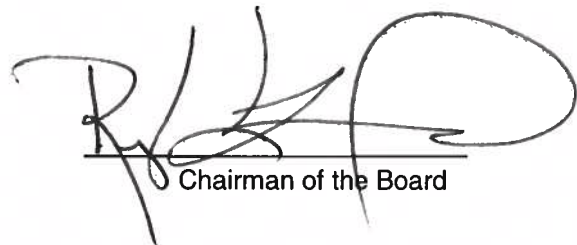
WHEREAS, the Board desires to adopt a local road name prior to the January 1, 2022 effective date, consistent with the legislation.

NOW THEREFORE BE IT RESOLVED by the Caroline County Board of Supervisors on this 28th day of September, 2021 that Jefferson Davis Highway in Caroline County be renamed to U.S. Route 1, and requests the CTB to approve the name change; and

BE IT FURTHER RESOLVED that a copy of this Resolution shall be forwarded to the Virginia Department of Transportation (VDOT) Fredericksburg Residency Administrator.

Adopted this 28th day of September, 2021


Clerk of the Board

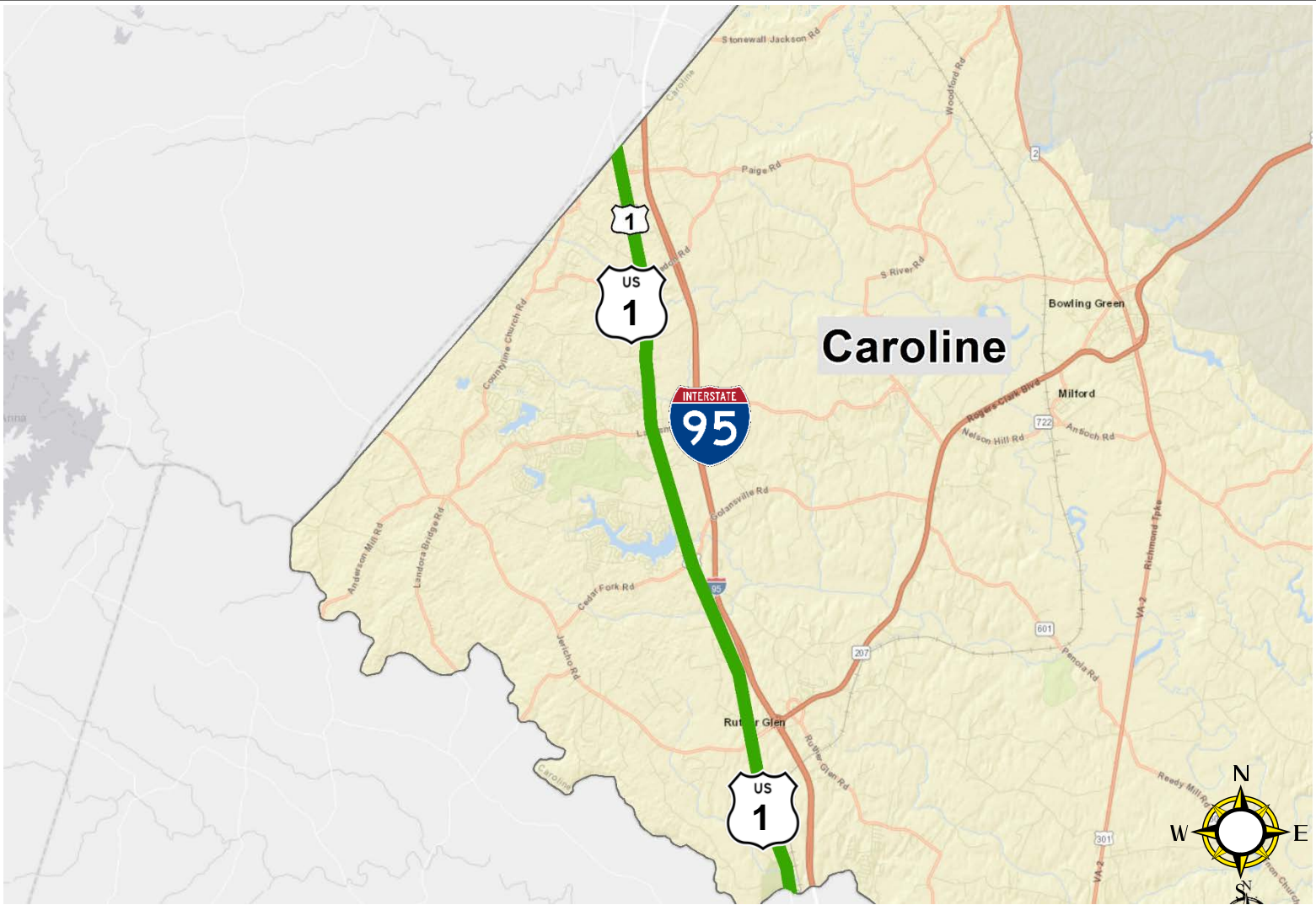

Chairman of the Board

"Committed To Service, Dedicated To The People"

212 North Main Street, P. O. Box 447, Bowling Green, Virginia 22427

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Maintenance Division

CTB Meeting: December 8, 2021

Caroline County Proposed Highway Segment Naming: "U.S. Route 1"

 Proposed Highway Naming



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda Item # 5

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Highway Naming: “Scott Allen Hylton Memorial Highway”

WHEREAS, Floyd County wishes to honor and memorialize the life and contributions of Scott Allen Hylton to his community and his country; and

WHEREAS, in accordance with § 33.2-213 of the *Code of Virginia*, Floyd County has requested, by resolution dated June 8, 2021, that the Commonwealth Transportation Board (CTB), to honor and memorialize the life, service, contributions and ultimate sacrifice of Scott Allen Hylton, name State Route 8, Webb Mills Road, from the Montgomery County line, south to the north corporate limit of the Town of Floyd near Route 695, Needmore Lane, Floyd County as the “Scott Allen Hylton Memorial Highway”; and

WHEREAS, § 33.2-213 provides that the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located or by the private entity whose name is attached to the transportation facility so named; and

WHEREAS, the Floyd County Administrator indicated in a letter dated October 29, 2021 that Floyd County agrees to pay VDOT for the costs of producing, placing, and maintaining the signs calling attention to this naming.

NOW THEREFORE BE IT RESOLVED, pursuant to § 33.2-213 of the *Code of Virginia*, the CTB hereby names State Route 8, Webb Mills Road, from the Montgomery County line, south to the north corporate limit of the Town of Floyd near Route 695, Needmore Lane, Floyd County as the "Scott Allen Hylton Memorial Highway"; and

BE IT FURTHER RESOLVED, that VDOT is directed to produce, place, and maintain the signs calling attention to this naming, and secure payment from Floyd County for these costs as required by law.

#####

CTB Decision Brief

Highway Naming: “Scott Allen Hylton Memorial Highway”

Issue: Approval of the Commonwealth Transportation Board (CTB) is sought for the commemorative naming of State Route 8, Webb Mills Road, from the Montgomery County line, south to the north corporate limit of the Town of Floyd near Route 695, Needmore Lane in Floyd County as the “Scott Allen Hylton Memorial Highway”, as requested by Floyd County.

Facts: The Floyd County Board of Supervisors enacted a resolution on June 8, 2021 memorializing the life, service, contributions and ultimate sacrifice of Mr. Scott Allen Hylton. Based on that resolution, Mr. Hylton grew up in Floyd County Virginia and was a 1978 graduate of Floyd County High School.

Mr. Hylton served with distinction for a time with the Floyd County Sheriff’s office. He had served overall in law enforcement for 20 years with the Hillsville Police Department, Radford University Police Department and Floyd County Sheriff’s Office. He also served his country as a member of the United States Army National Guard.

Throughout his 20 year career, Officer Scott Hylton earned a reputation for devotion to duty and for a fair and friendly approach to the citizens he served. His calm, friendly demeanor earned him many friends and admirers among both law enforcement colleagues and the community at large.

While serving those citizens of his community, Officer Scott Allen Hylton made the ultimate sacrifice and was killed in the line of duty with the Christiansburg Police on May 9, 2003.

Recommendations: The Virginia Department of Transportation (VDOT) recommends this request be approved.

Action Required by CTB: The *Code of Virginia*, § 33.2-213, requires a majority of the CTB members to approve a resolution naming a highway or bridge, as appropriate. A resolution will be provided for the CTB’s consideration.

Result if Approved: State Route 8, Webb Mills Road, from the Montgomery County line, south to the north corporate limit of the Town of Floyd near Route 695, Needmore Lane in Floyd County will be known as the “Scott Allen Hylton Memorial Highway”, as requested by Floyd County. In accordance with § 33.2-213 of the *Code of Virginia*, Floyd County agrees, by letter dated October 29, 2021, to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: VDOT is not aware of any opposition to this proposal.



October 29, 2021

Mr. David Clarke
Virginia Department of Transportation

Dear Mr. Clarke,

The Board of Supervisors on July 27, 2021 passed a resolution to request the Commonwealth Transportation Board name Route 8 the "Scott Allen Hylton Memorial Highway." As required by CTB policy, the County agrees to pay the costs of fabrication, installation and maintenance of signs associated with this naming.

Thank you,

A handwritten signature in black ink that reads "Linda S. Millsaps". The signature is written in a cursive style with a large initial "L".

Dr. Linda S. Millsaps
County Administrator

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF FLOYD COUNTY, VIRGINIA, HELD ON TUESDAY, JUNE 8, 2021, AT 8:30 A.M. IN THE BOARD ROOM OF THE COUNTY ADMINISTRATION BUILDING, THEREOF:

PRESENT: Joe D. Turman, Chairman; Jerry W. Boothe, Vice Chairman; W. Justin Coleman, Linda D. Kuchenbuch, and Lauren D. Yoder, Board Members; Linda S. Millsaps, County Administrator; Cynthia B. Ryan, Assistant County Administrator.

The following action was taken:

On a motion of Supervisor Turman, seconded by Supervisor Coleman, and unanimously carried, it was resolved to adopt the following resolution:

Highway Naming of Route 8 "Scott Allen Hylton Memorial Highway"

WHEREAS, Scott Allen Hylton grew up in Floyd County Virginia and was a 1978 graduate of Floyd County High School;

WHEREAS, Scott Allen Hylton served with distinction for a time with the Floyd County Sheriff's office;

WHEREAS, Scott Allen Hylton had served overall in law enforcement for 20 years with the Hillsville Police Department, Radford University Police Department, and Floyd County Sheriff's Office and was also a member of the Army National Guard;

WHEREAS, Hylton was killed in the line of duty with the Christiansburg Police on May 9, 2003;

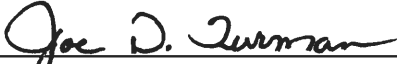
WHEREAS, throughout his 20-year career, Officer Scott Hylton earned a reputation for devotion to duty and for a fair, but friendly approach to the citizens he served;

WHEREAS, Officer Scott Hylton's calm, friendly demeanor earned him many friends and admirers among both law-enforcement colleagues and the community at large;


WHEREAS, Section 33.2-213 of the Code of Virginia authorizes the Commonwealth Transportation Board (CTB) to give suitable names to state highways, bridges, interchanges, and other transportation facilities and change the names of any highways, bridges, interchanges, or other transportation facilities forming a part of the systems of state highways;

WHEREAS, Section 33.2-213 provides that the Virginia Department of Transportation shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB;

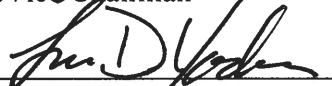
NOW, THEREFORE, BE IT RESOLVED, that Floyd County, in accordance with Section 33.2-213 of the Code of Virginia, does hereby request that the CTB name Route 8 in Floyd County from the Montgomery County line, south to the north Corporate Limit of the Town of Floyd near Route 685 Needmore Road as the Scott Allen Hylton Memorial Highway.

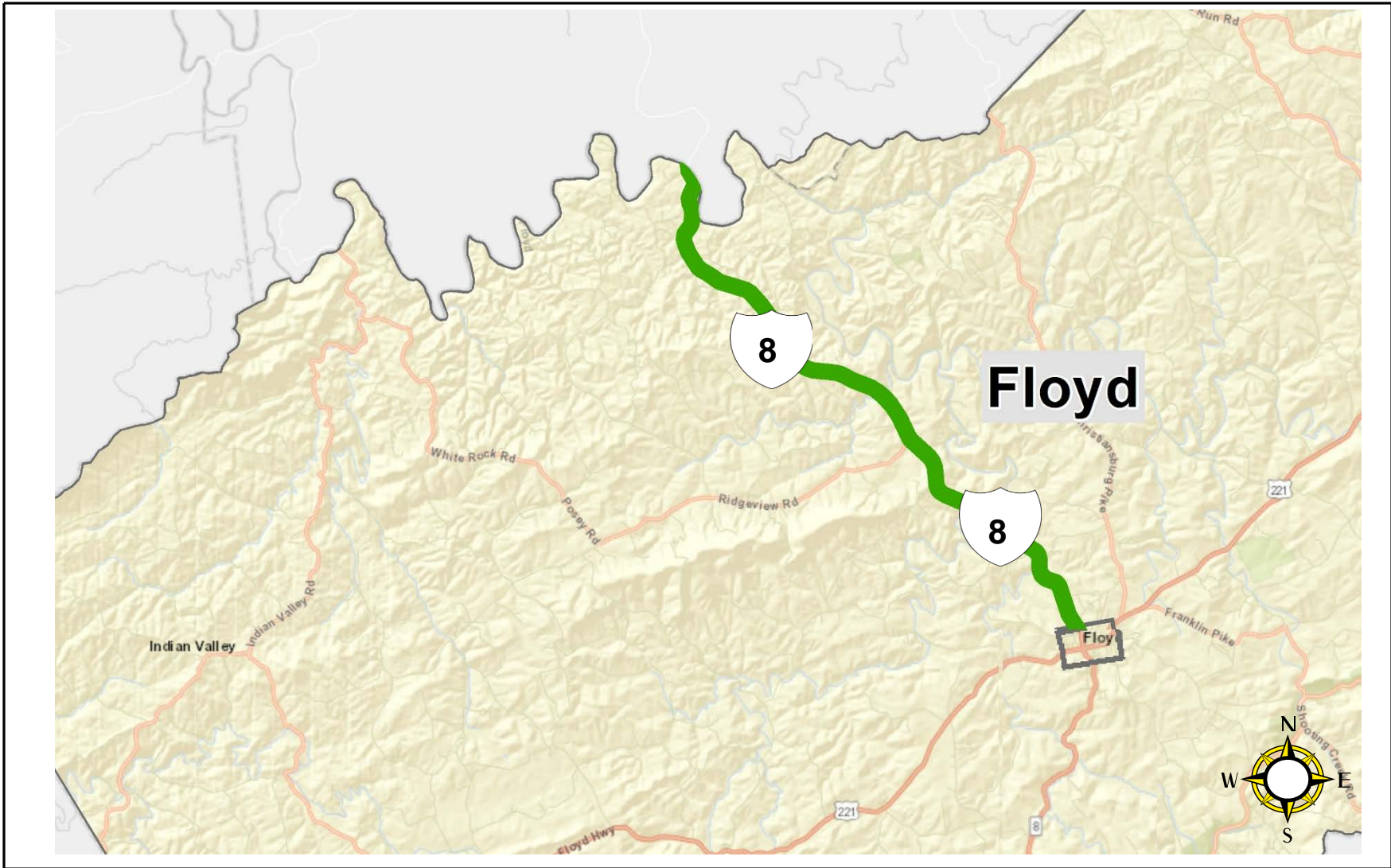

Chairman


Vice Chairman


Supervisor


Supervisor


Supervisor




Floyd

Floy



Maintenance Division
CTB Meeting: December 08, 2021

Floyd County
Proposed Highway Segment Naming:
“Scott Allen Hylton Memorial Highway”

 Proposed Highway Naming



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
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Agenda item # 6

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: Seconded By:

Action:

Title: FY22-27 Six-Year Improvement Program Transfers
For September 21, 2021 through November 10, 2021

WHEREAS, Section 33.2-214(B) of the Code of Virginia requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (Program) of anticipated projects and programs. After due consideration, the Board adopted a Final Fiscal Years 2022-2027 Program on June 23, 2021; and

WHEREAS, the Board authorized the Commissioner, or his designee, to make transfers of allocations programmed to projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project; and

Table with 2 columns: Total Cost Estimate and Threshold. Rows include categories like <\$5 million, \$5 million to \$10 million, and >\$10 million with corresponding allocation increase thresholds.

Resolution of the Board

FY22-27 Six-Year Improvement Program Transfers for September 21, 2021 through November 10, 2021

December 8, 2021

Page 2 of 2

WHEREAS, the Board directed that (a) the Commissioner shall notify the Board on a monthly basis should such transfers or allocations be made; and (b) the Commissioner shall bring requests for transfers of allocations exceeding the established thresholds to the Board on a monthly basis for its approval prior to taking any action to record or award such action; and

WHEREAS, the Board is being presented a list of the transfers exceeding the established thresholds attached to this resolution and agrees that the transfers are appropriate.

NOW THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board, that the attached list of transfer requests exceeding the established thresholds is approved and the specified funds shall be transferred to the recipient project(s) as set forth in the attached list to meet the Board's statutory requirements and policy goals.

####

CTB Decision Brief

FY2022-2027 Six-Year Improvement Program Transfers For September 21, 2021 through November 10, 2021

Issue: Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program) in accordance with statutes and federal regulations. Throughout the year, it may become necessary to transfer funds between projects to have allocations available to continue and/or initiate projects and programs adopted in the Program.

Facts: On June 23, 2021, the CTB granted authority to the Commissioner of Highways (Commissioner), or his designee, to make transfers of allocations programmed to projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<\$5 million	up to a 20% increase in total allocations
\$5 million to \$10 million	up to a \$1 million increase in total allocations
>\$10 million	up to a 10% increase in total allocations up to a maximum of \$5 million increase in total allocations

In addition, the CTB resolved that the Commissioner should bring requests for transfers of allocations exceeding the established thresholds to the CTB on a monthly basis for its approval prior to taking any action to record or award such action.

The CTB will be presented with a resolution for formal vote to approve the transfer of funds exceeding the established thresholds. The list of transfers from September 21, 2021 through November 10, 2021 is attached.

Recommendations: VDOT recommends the approval of the transfers exceeding the established thresholds from donor projects to projects that meet the CTB's statutory requirements and policy goals.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to adopt changes to the Program for Fiscal Years 2022– 2027 that include transfers of allocated funds exceeding the established thresholds from donor projects to projects that meet the CTB's statutory requirements and policy goals.

Result, if Approved: If approved, the funds will be transferred from the donor projects to projects that meet the CTB's statutory requirements and policy goals.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
1	Bristol, Statewide	Reed Creek Historic Truss Bridge Rehabilitation, STATEWIDE TAP BALANCE ENTRY- UNALLOCATED	94261, 70466	Bristol	Town of Wise - Norton Road Ped Improvements	111385	Accounts Receivable - Urban (CNL222), Local Funds for Enhancement Projects (NPL206), Local Project Contributions - Access (NOP023), TAP Statewide (CF6100)	\$280,480	\$1,046,701	\$1,046,701	36.6%	Transfer of surplus funds recommended by District and Local Assistance Division from a completed project and the Statewide TAP Balance Entry line item to an underway project.
2	Bristol	I-81 Median Guardrail - Smyth Co.	109920	Bristol	NORTON ROAD - CONSTRUCT NEW SIDEWALK-PHASE 2 AND PHASE 3	113767	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$177,543	\$895,093	\$895,093	24.7%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to fund an underway project.
3	Bristol	I-81 Median Guardrail - Smyth Co.	109920	Bristol	NORTON ROAD - CONSTRUCT NEW SIDEWALK-PHASE 4	113983	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$227,969	\$583,519	\$583,519	64.1%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to fund a scheduled project.
4	Bristol, Statewide	Route 19 Signal and Crossover Closures, ENHANCED CURVE SIGNING and MARKING - BRISTOL DISTRICTWIDE, STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	109786, 117965, 70700	Bristol	ENHANCED CURVE SIGNING & MARKING - BRISTOL DISTRICTWIDE	115915	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101), VA Safety State - State (CS3550)	\$3,323,723	\$6,423,679	\$6,423,679	> 100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from scheduled projects to a scheduled project.
5	Bristol	Route 23 and 671 Wise Co. - Dual Actuated Beacons	111746	Bristol	INSTALL GUARDRAIL - ROUTE 82 RUSSELL CO	117772	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$8,000	\$19,856	\$19,856	67.5%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to a scheduled project.
6	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Bristol	UNSIGNALIZED INTERSECTIONS - BRISTOL DISTRICTWIDE	118122	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$382,223	\$2,010,000	\$2,010,000	23.5%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
7	Culpeper	District-wide Edgeline Rumble Strips Installations	116016	Culpeper	District-wide Centerline Rumble Strips Installations	116015	VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$70,000	\$281,969	\$281,969	33.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division between underway projects.
8	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Culpeper	District-wide Unsignalized Intersections Improvements	117406	Open Container Funds - Statewide (CNF221), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101), VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$2,207,223	\$3,135,000	\$3,135,000	> 100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
9	Fredericksburg	#SMART20 - ROUTE 1/ENON ROAD INTERSECTION AND ROADWAY IMP	105722	Fredericksburg	Berea Church Road - Reconstruction	107194	Revenue Sharing Local Match (NPL201), Revenue Sharing State Match (CNS202)	\$1,267,174	\$8,834,902	\$7,567,728	16.7%	Transfer of surplus funds recommended by District and Local Assistance Division between scheduled projects.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
10	Fredericksburg	FREDERICKSBURG DGP DEALLOCATION BALANCE ENTRY	T21762	Fredericksburg	#HB2.FY17 -- PEDESTRIAN IMPROVEMENTS AT RTE 17/17B INTERSECT	109470	DGP - NHPP (GF1100), DGP - NHPP Soft Match (GF1101), DGP - State (GS0100)	\$206,590	\$939,149	\$939,148	28.2%	Transfer of surplus funds recommended by District from the District DGP Deallocation Balance Entry line item to fund a completed project.
11	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Fredericksburg	DISTRICT-WIDE SYSTEMIC UNSIGNALIZED INTER (FY23-FY25)	116592	VA Safety Open Container - Federal (CF30C0)	\$1,502,222	\$1,724,444	\$1,724,444	>100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
12	Fredericksburg	#SGR Fredericksburg-VDOT SGR Bridge-Balance Entry	T13913	Fredericksburg	#SGR22VB-BRDG BEAM REHAB-RTE626/628 CSX-FED ID 18141/18145	119100	SGR Bridge State (SSB700)	\$481,087	\$2,706,492	\$2,225,405	21.6%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to an underway project.
13	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Fredericksburg	#395CIP EXIT 126 TO EXIT 10 N CAROLINE CNTY TO DC CORE RT 1	120322	I-95 Corridor Funds - State (CS9195)	\$1,155,691	\$6,934,144	\$6,934,144	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
14	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Fredericksburg	#395CIP EXIT 133 TO EXIT 9 FREDBG TO PENTAGON / CRYSTAL CITY	120323	I-95 Corridor Funds - State (CS9195)	\$1,525,833	\$9,155,000	\$9,155,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
15	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Fredericksburg	SYSTEMIC PEDESTRIAN CROSSING INSTALL - DISTRICTWIDE	120379	Open Container Funds - Statewide (CNF221), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$3,589,032	\$3,589,032	\$3,589,032	100.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
16	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Fredericksburg	#I95CIP - EXIT 133 - NEW PARK AND RIDE LOT	120524	I-95 Corridor Funds - State (CS9195)	\$4,533,333	\$21,200,000	\$21,200,000	27.2%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
17	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Hampton Roads	Chesapeake Blvd/ Cromwell Drive Int. Improvements	108797	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$370,000	\$1,360,000	\$1,123,000	37.4%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to an underway project.
18	Statewide	STATEWIDE RAIL SAFETY BALANCE ENTRY	70704	Hampton Roads	Aberdeen Rd. - Upgrade Flashing Lights and Add Gates	111080	Rail Highway Crossings (CF4100), Rail Highway Crossings Soft Match (CF4101)	\$185,111	\$445,111	\$445,111	71.2%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Rail Safety Balance Entry line item to an underway project.
19	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 EB - EXIT 256	120324	I-64 Corridor Funds - State (CS9164)	\$783,333	\$3,000,000	\$3,000,000	35.3%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
20	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Hampton Roads	HAMPTON ROADS HSIP UNSIGNALIZED INTERSECTIONS 2	120334	Open Container Funds - Statewide (CNF221), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101), VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$1,865,000	\$1,865,000	\$1,865,000	100.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
21	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 Both - EXIT 291/ I-464 INTERCHANGE	120375	I-64 Corridor Funds - State (CS9164), Other Interstate Corridor Funds - State (CS9199)	\$34,999,310	\$140,000,000	\$140,000,000	33.3%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
22	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 WB - EXIT 284	120389	I-64 Corridor Funds - State (CS9164)	\$1,600,000	\$5,700,000	\$5,700,000	39.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
23	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 EB - EXIT 284	120390	I-64 Corridor Funds - State (CS9164)	\$1,333,333	\$5,400,000	\$5,400,000	32.8%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
24	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Lynchburg	DISTRICTWIDE - UNSIGNALIZED INTERSECTIONS	119588	VA Safety Open Container - Federal (CF30C0)	\$1,172,222	\$2,100,000	\$2,100,000	> 100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
25	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Lynchburg	LYNCHBURG DISTRICT SYSTEMIC CURVE DELINEATION	120234	HSIP - Bike and Pedestrian (CNF053), HSIP - Highways (CNF052), HSIP - State Match (CNS251), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$1,373,750	\$1,373,750	\$1,373,750	100.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
26	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Northern Virginia	NOVA SYSTEMIC PEDESTRIAN CROSSINGS PH3	116723	Open Container Funds - Statewide (CNF221), VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1), VA Safety State - State (CS3SS0)	\$12,570,229	\$16,332,717	\$16,332,717	> 100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
27	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Northern Virginia	#OTHERINT - I-495 NEXT PH 1-VDOT OVERSIGHT & TMP	116754	Other Interstate Corridor Funds - State (CS9199)	\$57,600,000	\$57,600,000	\$52,400,000	100.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
28	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Northern Virginia	NOVA SYSTEMIC UNSIGNALIZED INTERSECTION PH2	120286	VA Safety Open Container - Federal (CF30C0)	\$1,427,223	\$1,427,223	\$1,427,223	100.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
29	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Northern Virginia	#I95CIP EXIT 160 TO EXIT 177 CENTRAL PWC TO DOWNTOWN ALEX	120316	I-95 Corridor Funds - State (CS9195)	\$1,028,167	\$6,169,000	\$6,169,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
30	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Northern Virginia	#I95CIP I-95 SB - EXIT 160 - INTERCHANGE IMPROVEMENTS	120460	I-95 Corridor Funds - State (CS9195), Other Interstate Corridor Funds - State (CS9199)	\$18,864,882	\$76,000,000	\$76,000,000	33.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
31	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Northern Virginia	#I95CIP EXIT 158 - PARK & RIDE LOT ENHANCEMENT & RESTRIPIPING	120461	I-95 Corridor Funds - State (CS9195)	\$309,333	\$840,000	\$840,000	58.3%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
32	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Northern Virginia	#I95CIP EX.158 - P&R LOT ENHANCEMENT, RESTRIPIPING & EXPANSION	120462	I-95 Corridor Funds - State (CS9195)	\$4,600,000	\$16,200,000	\$16,200,000	39.7%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
33	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Northern Virginia	#I95CIP EXIT 152 PARK & RIDE LOT ENHANCEMENT & RESTRIPIPING	120463	I-95 Corridor Funds - State (CS9195)	\$251,500	\$660,000	\$660,000	61.6%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
34	Statewide	Statewide SYIP Balance Entry	-1179	Northern Virginia	Route 1 Multimodal Corridor Improvements	115882	PTF (CNS246); CPR (CNB267)	\$134,400,000	\$138,400,000	\$180,000,000	> 100%	Transfer of surplus funds from the Statewide Six-Year Improvement Program Balance Entry line item to a scheduled project.
35	Richmond	#SGR Richmond - VDOT SGR Bridge - Balance Entry	T13914	Richmond	#SGR17VB - BR REPLACE RT 92 OVER BUTCHERS CREEK (Fed 11943)	104955	SGR Bridge Federal NHPP (SFB110), SGR Bridge Soft Match NHPP (SFB111), SGR Bridge State (SSB700)	\$427,262	\$2,427,262	\$2,427,262	21.4%	Transfer of surplus funds recommended by the District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to an underway project.
36	Richmond	RTE 1 - ADD TRAFFIC SIGNAL AND TURN LANES, SYSTEMIC UNSIGNALIZED INTERSECTION TREATMENTS - DISTRICTWIDE, RTE 95 - UPGRADE SIGNS	104661, 107045, 107769	Richmond	SYSTEMIC PEDESTAL TO MAST ARM SIGNAL IMPROVEMENTS - URBAN	110841	Local Project Contributions - Urban (NOP723), Open Container Funds - Statewide (CNF221), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$565,241	\$2,295,716	\$2,295,716	32.7%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to an underway project.
37	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Richmond	SYSTEMIC UNSIGNALIZED INTERSECTION TREATMENTS - DISTRICTWIDE	116693	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101), VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$2,672,223	\$3,600,000	\$3,600,000	> 100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
38	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Richmond	SYSTEMIC CURVE DELINEATION - DISTRICTWIDE	120283	HSIP - Bike and Pedestrian (CNF053), HSIP - Highways (CNF052), HSIP - State Match (CNS251), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$1,708,128	\$1,708,128	\$1,708,128	100.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
39	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Richmond	SYSTEMIC PEDESTRIAN CROSSINGS - DISTRICTWIDE	120284	Open Container Funds - Statewide (CNF221), VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$3,462,812	\$3,462,812	\$3,462,812	100.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
40	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I64CIP - I-64WB EXIT 181 IMPROVE INTERCHANGE CONFIGURATION	120374	I-64 Corridor Funds - State (CS9164)	\$2,875,000	\$12,000,000	\$12,000,000	31.5%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
41	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I64CIP - I-64 INCREASE BUS FREQUENCY- RTE7 / NINE MILE ROAD	120384	I-64 Corridor Funds - State (CS9164)	\$1,302,733	\$7,816,397	\$7,816,397	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
42	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I64CIP: I-64 E/W HICKORY HAVEN-NEW/RELOCATE P&R LOT	120441	I-64 Corridor Funds - State (CS9164)	\$1,333,333	\$6,500,000	\$7,116,691	25.8%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
43	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I64CIP - I-64 - BOTTOM'S BRIDGE-EXPAND P&R OR RELOCATE	120444	I-64 Corridor Funds - State (CS9164)	\$1,000,000	\$3,100,000	\$3,300,003	47.6%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
44	Salem	SALEM DGP DEALLOCATION BALANCE ENTRY	T21767	Salem	#HB2.FY17 Route 311 / Route 419 Int. Safety & Congestion Imp	108904	DGP - State (GS0100)	\$1,817,994	\$3,775,000	\$3,775,000	92.9%	Transfer of surplus funds recommended by District from the District DGP Deallocation Balance Entry line item to a scheduled project.
45	Salem	#SGR22VP FY22 Plant Mix Craig Primaries, #SGR22VP FY22 Plant Mix Botetourt Co. Primaries	118858, 118859	Salem	#SGR22VP FY22 Plant Mix Carroll Co. Primaries	118860	SGR Paving State (SSP700)	\$582,447	\$1,955,952	\$1,955,952	42.4%	Transfer of surplus funds recommended by District and Maintenance Division from scheduled projects to a scheduled project.
46	Salem	#SGR22VP FY22 Plant Mix Botetourt Co. Primaries	118859	Salem	#SGR22VP FY22 Plant Mix Henry Co. Primaries	118861	SGR Paving State (SSP700)	\$505,271	\$1,763,839	\$1,763,839	40.1%	Transfer of surplus funds recommended by District and Maintenance Division between scheduled projects.
47	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Salem	FY 23 Unsignalized Intersections	T23424	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101), VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$2,312,221	\$2,534,443	\$2,534,443	> 100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
48	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Staunton	STAUNTON DISTRICT ENHANCED CURVE SIGNING AND DELINEATION	116683	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$124,715	\$450,000	\$325,285	38.3%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
49	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Staunton	STAUNTON DISTRICT UNSIGNALIZED INTERSECTION IMPROVEMENTS	116686	Open Container Funds - Statewide (CNF221), Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101), VA Safety Open Container - Federal (CF30C0)	\$1,460,000	\$3,210,000	\$1,750,000	83.4%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
50	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Staunton	#64CIP I-64 EB INSTALL HIGH-FRICTION SURFACE PAVEMENT	120397	I-64 Corridor Funds - State (CS9164)	\$600,000	\$600,000	\$600,000	100.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
51	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Staunton	#I64CIP - I-64 EB - MM 23 - INSTALL FLASHING CHEVRONS	120399	I-64 Corridor Funds - State (CS9164)	\$120,000	\$120,000	\$120,000	100.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
52	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Staunton	#I64CIP I-64 WB - EXIT 87 INSTALL HIGH-FRICTION SURFACE PAVE	120400	I-64 Corridor Funds - State (CS9164)	\$480,000	\$480,000	\$480,000	100.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
53	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Staunton	#164CIP - I-64 WB INSTALL HIGH-FRICTION SURFACE PAVEMENT	120401	I-64 Corridor Funds - State (CS9164)	\$500,000	\$2,300,000	\$2,300,000	27.8%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
54	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#I95CIP O&M SAFETY SERVICE PATROL FY23-25 - PROGRAM UPC	120395	I-95 Corridor Funds - State (CS9195)	\$2,610,646	\$15,663,877	\$15,663,877	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
55	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#I95CIP O&M-- TRIP TOWING PROGRAM FY23-25	120501	I-95 Corridor Funds - State (CS9195)	\$1,479,366	\$8,876,196	\$8,876,196	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
A	Statewide	STATEWIDE SYIP UPDATE BALANCE ENTRY	T1179	Bristol	RTE 58 - PARALLEL LN-CORRIDOR DEV (RHEA VALLEY)	16382	Route 58 Corridor Funds (CNS581)	\$1,469,396	\$55,915,734	\$54,446,338	2.7%	Transfer of surplus funds recommended by District and Budget and Federal Management Division from the Statewide SYIP Balance Entry line item to fund a scheduled project.
B	Bristol	BRISTOL DGP DEALLOCATION BALANCE ENTRY	T21760	Bristol	#HB2.FY17 WIDEN RTE. 11 (2 TO 4 LANES)	105753	DGP - State (GS0100)	\$13,593	\$9,489,993	\$9,489,993	0.1%	Transfer of surplus funds recommended by District from the District DGP Deallocation Balance Entry line item to fund a completed project.
C	Bristol	I-81 Median Guardrail - Smyth Co.	109920	Bristol	INSTALL GUARDRAIL UPGRADES - RTE 67 TAZEWELL CO	117770	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$8,000	\$138,148	\$138,148	6.1%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to a scheduled project.
D	Bristol	I-81 Median Guardrail - Smyth Co., Route 23 and 671 Wise Co. - Dual Actuated Beacons	109920, 111746	Bristol	INSTALL GUARDRAIL UPGRADES - ROUTE 16 TAZEWELL CO	117771	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$8,000	\$108,836	\$108,836	7.9%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to a scheduled project.
E	Bristol	Route 23 and 671 Wise Co. - Dual Actuated Beacons	111746	Bristol	INSTALL GUARDRAIL - ROUTE 615 RUSSELL CO	117773	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$8,000	\$83,775	\$75,775	10.6%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to a scheduled project.
F	Statewide	STATEWIDE SYIP UPDATE BALANCE ENTRY	T1179	Bristol	CFX - 121/460 Poplar Creek Phase B - Final Design and CN	118490	Route 58 Bond Proceeds (CNB581)	\$2,072,500	\$171,299,542	\$171,299,542	1.2%	Transfer of surplus funds recommended by District and Budget and Federal Management Division from the Statewide SYIP Balance Entry line item to fund a scheduled project.
G	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Culpeper	#OTHERINT - I-66 - INSTALL SEQUENTIAL DYNAMIC LED CHEVRONS	120453	Other Interstate Corridor Funds - State (CS9199)	\$25,000	\$700,000	\$700,000	3.7%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
H	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Culpeper	#OTHERINT - I-66 - CCTV CAMERAS	120454	Other Interstate Corridor Funds - State (CS9199)	\$30,835	\$185,000	\$185,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
I	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Culpeper	#OTHERINT- I-66 - CMS	120455	Other Interstate Corridor Funds - State (CS9199)	\$58,335	\$350,000	\$350,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
J	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Culpeper	#OTHERINT -I-66 EXIT 31 EXT DECEL LANE & INSTALL WARNING SIGNS	120486	Other Interstate Corridor Funds - State (CS9199)	\$150,000	\$1,100,000	\$1,100,000	15.8%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
K	Fredericksburg	#SGR Fredericksburg-VDOT SGR Bridge-Balance Entry	T13913	Fredericksburg	#SGR17VB - BRIDGE REPLACE RT 1 CHOPAWAMSIC CREEK ID 18057	111406	SGR Bridge Federal NHPP (SFB110), SGR Bridge Soft Match NHPP (SFB111), SGR Bridge State (SSB700)	\$919,503	\$8,669,503	\$8,669,503	11.9%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to a scheduled project.
L	Fredericksburg	I-95 SAFETY IMPROVEMENTS AT ROUTE 3	107715	Fredericksburg	SIGNAL REBUILDS	112892	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$175,000	\$1,475,000	\$1,475,000	13.5%	Transfer of surplus funds recommended by District and Traffic Engineering Division between completed projects.
M	Fredericksburg	DISTRICTWIDE TRENCH WIDENING - VARIOUS LOCATIONS	113367	Fredericksburg	DISTRICTWIDE - TRENCH WIDENING (TOP 100 SEGMENTS)	117572	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$239,084	\$1,953,442	\$1,320,120	13.9%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to a scheduled project.
N	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Fredericksburg	#395CIP EXIT 140 W. STAFFORD CNTY TO CAPITOL HILL (RT. 4)	120321	I-95 Corridor Funds - State (CS9195)	\$742,824	\$4,456,941	\$4,456,941	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
O	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 BOTH - ROUTE 972 (TIDEWATER TO NNSB VIA HRBT)	120317	I-64 Corridor Funds - State (CS9164)	\$149,766	\$898,598	\$898,598	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
P	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 BOTH-NEWPORT NEWS 106(NN,WARWICK BLVD DENBIGH)	120318	I-64 Corridor Funds - State (CS9164)	\$672,288	\$4,033,729	\$4,033,729	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
Q	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 BOTH NWPRT NWS RTE 107 NWPRT NWS/WWCK BLVD/DNB	120319	I-64 Corridor Funds - State (CS9164)	\$585,249	\$3,511,492	\$3,511,492	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
R	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 EB-EXIT 278	120325	I-64 Corridor Funds - State (CS9164)	\$1,000,000	\$5,100,000	\$5,100,000	24.4%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
S	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Hampton Roads	#I64CIP I-64 WB - EXIT 282	120391	I-64 Corridor Funds - State (CS9164)	\$1,000,000	\$5,200,000	\$5,200,000	23.8%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
T	District-wide	FOREST HIGHWAY BALANCE ENTRY	73245	Hampton Roads	FORT MONROE PROJECT-CITY OF HAMPTON	120555	Federal Lands Access Program (CF7110), Local Project Contributions - Access (NOP023)	\$550,000	\$4,798,500	\$4,798,500	12.9%	Transfer of surplus funds recommended by District and Local Assistance Division from the Forest Highway Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
U	Lynchburg	ROUTE 460EBL - SHOULDER WIDENING (APPOMATTOX RESIDENCY), RTE 29 - DYNAMIC FLASHING LIGHTS AT RTE 642, RTE 29 - INSTALL DYNAMIC FLASHING LIGHT SYSTEM AT RTE 699, DISTRICTWIDE CENTERLINE RUMBLE STRIP INSTALLATION, , RTE 29 - DYNAMIC FLASHERS AT RTE 6 (SOUTHERN INT.)	107014, 111315, 111316, 112887, 114026	Lynchburg	BUS 29 - CONSTRUCT SIDEWALK (MADISON HEIGHTS)	109586	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$203,277	\$2,056,454	\$2,056,454	11.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to an underway project.
V	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Lynchburg	DISTRICTWIDE - PEDESTRIAN CROSSINGS	119672	VA Safety HSIP - Federal (CF3HS0), VA Safety HSIP - Softmatch (CF3HS1)	\$3,273	\$400,000	\$400,000	0.8%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.
W	Northern Virginia	NORTHERN VIRGINIA (NOVA) CMAQ BALANCE ENTRY	70716	Northern Virginia	VAN DORN ST-BEAUREGARD ST MULTI-USE TRAIL	105563	CMAQ : Northern Virginia (CF5M10), CMAQ Match : Northern Virginia (CS5M11)	\$2,118,238	\$3,577,107	\$3,353,923	> 100%	Transfer of surplus funds recommended by District and MPO from the District CMAQ Balance Entry line item to a scheduled project.
X	Northern Virginia	Holmes Run Trail Connector	111401	Northern Virginia	ITS INTEGRATION - PHASEIII	106563	CMAQ : Northern Virginia (CF5M10), CMAQ Match : Northern Virginia (CS5M11), Local Funds - Urban (NPL224), Northern Virginia (CNF214)	\$228,051	\$4,331,396	\$4,331,396	5.6%	Transfer of surplus funds recommended by District and MPO from a cancelled project to fund a scheduled project.
Y	Northern Virginia	#SGR Northern Virginia-VDOT SGR Bridge-Balance Entry	T13917	Northern Virginia	#SGR18VB-PIGGOTT BOTTOM RD OVER BR OF CATOCTIN CR - Fed11305	111689	Primary Formula - State : Discretionary (CNS472), SGR Bridge Federal BROS (SFBR50), SGR Bridge Soft Match BROS (SFBR51)	\$339,191	\$2,039,436	\$2,039,436	19.9%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to a scheduled project.
Z	Richmond	#SGR Richmond - VDOT SGR Bridge - Balance Entry	T13914	Richmond	#SGR18VB - BRIDGE REHAB I-95 OVER RT 608 (REYMET RD) CN ONLY	111302	SGR Bridge State (SSB700)	\$907,999	\$6,693,178	\$6,693,178	15.7%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to an underway project.
AA	Statewide	STATEWIDE HIGHWAY SAFETY BALANCE ENTRY	70700	Richmond	I-195 - SAFETY IMPROVEMENTS	112051	Safety (statewide) (CF3100), Safety Soft Match (statewide) (CF3101)	\$185,962	\$1,650,212	\$1,650,212	12.7%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
AB	Richmond	#SGR Richmond - VDOT SGR Bridge - Balance Entry	T13914	Richmond	#SGR19VB - BRIDGE MAJOR REHAB RT 1 OVER CSX RW	113389	SGR Bridge Federal NHPP (SFB110), SGR Bridge Soft Match NHPP (SFB111), SGR Bridge State (SSB700)	\$587,855	\$3,527,855	\$3,527,855	20.0%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to an underway project.
AC	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I64CIP - I-64 E/WB - BROAD STREET - SHORT PUMP BUS SERVICE	120380	I-64 Corridor Funds - State (CS9164)	\$624,106	\$3,744,635	\$3,744,635	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AD	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I64CIP - E/WB EXPRESS BUS ROUTE-22x SHORT PUMP TO DOWNTOWN	120381	I-64 Corridor Funds - State (CS9164)	\$502,914	\$3,017,484	\$3,017,484	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AE	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#IOtherInt - I-85 - SSP ROUTE	120382	Other Interstate Corridor Funds - State (CS9199)	\$60,000	\$360,000	\$360,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AF	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-295 - SSP ROUTE - EXIT 43 TO 535	120383	Other Interstate Corridor Funds - State (CS9199)	\$60,000	\$360,000	\$360,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AG	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-85 - SIGNS AND MARKINGS US 1	120439	Other Interstate Corridor Funds - State (CS9199)	\$41,665	\$250,000	\$250,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AH	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I95CIP - I-95 SB - EXIT 53 - EXTEND ACCELERATION LANE	120440	I-95 Corridor Funds - State (CS9195)	\$500,000	\$4,500,000	\$4,403,248	12.5%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AI	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#I95CIP - I-95 N/S EXIT 58 WOODS EDGE - NEW PARK & RIDE LOT	120442	I-95 Corridor Funds - State (CS9195)	\$550,000	\$7,100,000	\$7,645,827	8.4%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AJ	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-85 - CCTV CAMERAS	120443	Other Interstate Corridor Funds - State (CS9199)	\$154,165	\$925,000	\$925,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AK	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-85 - CMS	120458	Other Interstate Corridor Funds - State (CS9199)	\$58,335	\$350,000	\$350,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
AL	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-295 - CCTV CAMERAS	120467	Other Interstate Corridor Funds - State (CS9199)	\$246,665	\$1,480,000	\$1,480,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AM	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-85 - PORTABLE CMS	120468	Other Interstate Corridor Funds - State (CS9199)	\$23,335	\$140,000	\$140,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AN	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-85 - PSAP INTEGRATIONS (3)	120483	Other Interstate Corridor Funds - State (CS9199)	\$45,000	\$270,000	\$270,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AO	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-295 - CMS	120484	Other Interstate Corridor Funds - State (CS9199)	\$291,665	\$1,750,000	\$1,750,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AP	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Richmond	#OTHERINT - I-295 - HIGH WIND WARNING	120502	Other Interstate Corridor Funds - State (CS9199)	\$33,335	\$200,000	\$200,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AQ	Salem	#SGR Salem - VDOT SGR Bridge - Balance Entry	T13911	Salem	#SGR18VB - RT 760 OVER ROA.RVR. (STR 15105) - SUPER REPLACE	110620	SGR Bridge Federal NHPP (SFB110), SGR Bridge Soft Match NHPP (SFB111)	\$175,380	\$1,941,495	\$1,766,115	9.9%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item to an underway project.
AR	Salem	SALEM DGP DEALLOCATION BALANCE ENTRY	T21767	Salem	#SMART18 - Virginia Ave Pedestrian Safety Accommodation	111363	DGP - State (GS0100)	\$124,311	\$764,226	\$764,226	19.4%	Transfer of surplus funds recommended by District from the District DGP Deallocation Balance Entry line item to fund a completed project.
AS	Staunton	#SGR Staunton - VDOT SGR Bridge - Balance Entry, #SGR19VB - RT 17/50/522 MILLWOOD PIKE BRIDGE OVER I-81	T13915, 113535	Staunton	#SGR19VB - Bridge (Fed 16958) RT 11 Over NF Shen River	104182	SGR Bridge State (SSB700)	\$891,376	\$8,764,185	\$8,764,185	11.3%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District SGR Bridge Balance Entry line item and a scheduled project to an underway project.
AT	Staunton	RTE 37 - SAFETY IMPROVEMENTS	107020	Staunton	RICHMOND AVE - STATLER BLVD INTERSECTION	111047	HSIP - Highways (CNF052), HSIP - State Match (CNS251)	\$135,551	\$934,970	\$934,970	17.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to an underway project.
AU	Statewide, Staunton	#I81CIP NWRO TOWING SERVICES FY20-22 - TRIP PROGRAM, #I81CIP SWRO TOWING SERVICES FY20-22 - TRIP PROGRAM	116427, 116428	Staunton	#I81CIP NWRO TOWING SERVICES FY22-27 TRIP PROGRAM	119159	I-81 Corridor Funds - State (CS9181)	\$894,329	\$15,655,919	\$15,667,539	6.1%	Transfer of surplus funds recommended by District from completed projects to an underway project.

Six-Year Improvement Program Allocation Transfer Threshold Report

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comments
AV	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Staunton	#OTHERINT I-66 WB SEQUENTIAL DYNAMIC LED CHEVRONS	120398	Other Interstate Corridor Funds - State (CS9199)	\$2,500	\$970,000	\$970,000	0.3%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AW	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Staunton	#OTHERINT - I-66 - PSAP INTEGRATION (1)	120402	Other Interstate Corridor Funds - State (CS9199)	\$15,000	\$90,000	\$90,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AX	Statewide	#I81CIP SWRO TOWING SERVICES FY20-22 - TRIP PROGRAM	116428	Statewide	#I81CIP SWRO TOWING SERVICES FY22-27 TRIP PROGRAM	118899	I-81 Corridor Funds - State (CS9181)	\$1,141,196	\$15,902,786	\$15,902,786	7.7%	Transfer of surplus funds recommended by District from a completed project to an underway project.
AY	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#I64 / 664 CIP O&M SSP PROGRAM - O&M ONLY	120320	I-64 Corridor Funds - State (CS9164)	\$141,267	\$847,604	\$847,604	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
AZ	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#OTHERINT - I-77 OPERATIONAL IMPROVEMENTS - TRIP	120396	Other Interstate Corridor Funds - State (CS9199)	\$25,000	\$150,000	\$150,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
BA	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#OtherInt - I-77 OPERATIONAL IMPROVEMENTS - CCTV CAMERAS	120516	Other Interstate Corridor Funds - State (CS9199)	\$61,665	\$370,000	\$370,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
BB	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#OtherInt - I-77 OPERATIONAL IMPROVEMENTS - PCMS	120517	Other Interstate Corridor Funds - State (CS9199)	\$35,000	\$210,000	\$210,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
BC	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#OtherInt I-77 OPERATIONAL IMPROVEMENTS - PSAP INTEGRATIONS	120518	Other Interstate Corridor Funds - State (CS9199)	\$45,000	\$270,000	\$270,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.
BD	Statewide	INTERSTATE CORRIDOR IMPROVEMENT PLAN SYIP BALANCE ENTRY	115762	Statewide	#OtherInt I-77 OPERATIONAL IMPROVEMENTS - SSP HAZARD DEVICES	120519	Other Interstate Corridor Funds - State (CS9199)	\$3,835	\$23,000	\$23,000	20.0%	Transfer of surplus funds recommended by District from the Statewide Interstate Corridor Balance Entry line item to a scheduled project.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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Agenda item # 7

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By:

Seconded By:

Action:

Title: Authorization for the Commissioner of Highways to enter into a Project Agreement Between the Virginia Department of Transportation and the Hampton Roads Transportation Accountability Commission Relating to Segments 1 (UPC 119637), 4A/4B (UPC 119824), and 4C (UPC 119638) of the Hampton Roads Express Lane Network

WHEREAS, the Virginia General Assembly, pursuant to Chapter 26 of Title 33.2 of the Code of Virginia, has established the Hampton Roads Transportation Accountability Commission (HRTAC), a political subdivision of the Commonwealth; and

WHEREAS, the Virginia General Assembly, pursuant to § 33.2-2600 of the Code of Virginia, has also established the Hampton Roads Transportation Fund to fund new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23; and

WHEREAS, pursuant to § 33.2-2608, HRTAC may enter into contracts or agreements necessary or convenient for the performance of its duties and the exercise of its powers under Chapter 26; and

WHEREAS, § 33.2-214 (C) of the Code of Virginia empowers the Commonwealth Transportation Board (CTB) to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes; and

Resolution of the Board

Authorization for the Commissioner of Highways to enter into a Project Agreement Between the Virginia Department of Transportation and the Hampton Roads Transportation Accountability Commission Relating to Segments 1 (UPC 119637), 4A/4B (UPC 119824), and 4C (UPC 119638) of the Hampton Roads Express Lane Network

December 8, 2021

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WHEREAS, VDOT has made briefings to the CTB, HRTAC, and the Hampton Roads Transportation Planning Organization (HRTPO), demonstrating the operational benefits of the Hampton Roads Express Lanes (HREL) Network concept providing for continuous high-occupancy toll (HOT) lanes travel on Interstate 64 in Hampton Roads between the interchange of Interstate 64 and Jefferson Avenue in Newport News and the interchange of Interstates 64, 264, and 664 in the Bowers Hill section of Chesapeake; and

WHEREAS, on May 21, 2020, the HRTPO identified and adopted the Regional Express Lanes Network, consistent with the HREL Network concept, “as a component of the Regional Priority Projects ... identified by the HRTPO in its 2040 Long Range Transportation Plan to collectively provide the greatest impact on reducing congestion for the greatest number of citizens residing in Hampton Roads,” recommending that HRTAC pursue funding, development, and implementation for the network; and

WHEREAS, on May 28, 2020, HRTAC voted to fund the HREL Network in the FY21-FY26 Plan of Finance—Six Year Operating and Capital Program; and

WHEREAS, HRTAC at its June 18, 2020, meeting approved the FY2021-FY2026 Plan of Finance and the HRTAC Debt Management Plan to fund the HREL Network; and

WHEREAS, the CTB adopted the HREL Network concept of operation and approved the *Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network* (MTA) with HRTAC at its August 14, 2020, meeting; and

WHEREAS, HRTAC, at its August 18, 2020, meeting approved and authorized the execution and delivery of the MTA; and

WHEREAS, pursuant to the MTA, at such time as the Parties are prepared to commence the design and construction of any element of the HREL Project, VDOT and HRTAC are to enter into a Standard Project Agreement for Funding and Administration (SPA), substantially in the form attached to the MTA as Exhibit 9, for such element (or sub-element), whereupon VDOT will procure all goods and services necessary to design and construct the applicable element of the HREL Project; and

WHEREAS, on November 24, 2020, the CTB authorized the Commissioner to enter into separate SPAs with HRTAC for phase 1 of the preliminary engineering tasks for Segments 1, 4A/4B, and 4C of the HREL Network (UPC’s 117840, 117839, and 117841); and

WHEREAS, the execution of separate SPAs for phase 1 of the preliminary engineering tasks was necessary at that time to include the projects in the 2045 Long Range Transportation Plan and the Transportation Improvement Program; to prepare Segment 1, a design- build project, for the request for qualifications advertisement; and to advance Segments 4A/4B (a design-bid-build project) and 4C (a design-build project) to public hearings; and

Resolution of the Board

Authorization for the Commissioner of Highways to enter into a Project Agreement Between VDOT and the Hampton Roads Transportation Accountability Commission Relating to Segments 1 (UPC 119637), 4A/4B (UPC 119824) and 4C (UPC 119638) of the Hampton Roads Express Lane Network

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WHEREAS, the segment projects have advanced such that the remaining preliminary engineering and full right of way work for the above referenced segments of the HREL Network is ready to commence; and

WHEREAS, it is noted that notwithstanding the sequence of events which, as set forth in Section 3.01 (c) of the MTA, contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the terms of the SPAs that are the subject of this requested action provide for/contemplate amendments to add the construction tasks and any other activities and funding required to accomplish project delivery for said segments; and

WHEREAS, it is anticipated that HRTAC will meet on December 16, 2021, to approve the use of HRTAC funds and execution of the SPAs between VDOT and HRTAC, for the remaining preliminary engineering and full right of way work for Segments 1, 4A/4B, and 4C of the HREL Network; and

WHEREAS, pursuant to § 33.2-214, VDOT requests that the CTB authorize the Commissioner to enter into separate SPAs with HRTAC for the remaining preliminary engineering and full right of way tasks for Segments 1, 4A/4B, and 4C of the HREL Network, which SPAs are attached hereto respectively as Exhibits A, B, and C, and further requests that the CTB authorize the Commissioner to amend these SPAs as needed for each segment in order to add the construction tasks and any other activities required to accomplish project delivery for said segments.

NOW, THEREFORE, BE IT RESOLVED, the CTB hereby authorizes the Commissioner of Highways to enter into the SPAs with HRTAC, attached hereto as Exhibits A, B, and C, relating to the use of HRTAC funds for the remaining preliminary engineering and full right of way tasks for Segments 1, 4A/4B, and 4C, respectively, of the HREL Network, with such changes and additions as the Commissioner deems necessary.

BE IT FURTHER RESOLVED, that the Commissioner is authorized to execute future amendments to these SPAs as needed by adding the construction tasks and any other activities required to accomplish project delivery for said segments and is directed to report back to the CTB any and all amendments so executed.

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CTB Decision Brief

Authorization for the Commissioner of Highways to Enter into a Project Agreement Between the Virginia Department of Transportation and the Hampton Roads Transportation Accountability Commission Relating to Segments 1 (UPC 119637), 4A/4B (UPC 119824), and 4C (UPC 119638) of the Hampton Roads Express Lane Network

Issue: The Virginia Department of Transportation (VDOT) is requesting that the Commonwealth Transportation Board (CTB) authorize the Commissioner of Highways (Commissioner) to enter into standard project agreements for funding and administration (SPAs) with the Hampton Roads Transportation Accountability Commission (HRTAC) to advance preliminary engineering and right of way work for each of Segments 1, 4A/4B, and 4C of the Hampton Roads Express Lane Network (HREL) located in the Hampton Roads District, and to authorize the Commissioner to enter into future amendments to the SPAs to address construction and other activities necessary to accomplish project delivery for said segments.

Facts:

- VDOT has made briefings to the CTB, HRTAC, and Hampton Roads Transportation Planning Organization (HRTPO), demonstrating the operational benefits of the HREL network providing for continuous high-occupancy toll (HOT) lanes travel on Interstate 64 in Hampton Roads between the interchange of Interstate 64 and Jefferson Avenue in Newport News and the interchange of Interstates 64, 264, and 664 in the Bowers Hill section of Chesapeake.
- On May 21, 2020, HRTPO identified and adopted the Regional Express Lanes Network, consistent with the HREL Network concept, “as a component of the Regional Priority Projects ... identified by the HRTPO in its 2040 Long Range Transportation Plan to collectively provide the greatest impact on reducing congestion for the greatest number of citizens residing in Hampton Roads,” recommending that HRTAC pursue funding, development, and implementation for the network.
- On May 28, 2020, HRTAC voted to endorse inclusion of the HREL Network in the FY21-FY26 Plan of Finance–Six Year Operating and Capital Program and at their June 18, 2020, meeting approved the HRTAC Debt Management Plan to fund the HREL Network.
- The CTB and HRTAC developed and adopted the HREL Network concept of operation and approved the *Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network* (MTA) on August 14, 2020, and August 18, 2020, respectively.
- Pursuant to the MTA, at such time as the Parties are prepared to commence the design and construction of any element of the HREL Project, VDOT and the Commission are to enter into a SPA, substantially in the form attached to the MTA as Exhibit 9, for such element (or sub-element), whereupon VDOT will procure all goods and services necessary to design and construct the applicable element of the HREL Project.
- The HREL Network was split into the following phases:
 - Segment 1: Interstate 64 at the Interstate 564 Interchange in Norfolk to the Interstate 264 Interchange in Norfolk;

- Segment 4A/4B: Interstate 64 at the Jefferson Avenue Interchange in Newport News to the LaSalle Interchange in Hampton; and
- Segment 4C: Interstate 64 at the LaSalle Interchange in Hampton to the Settlers Landing Interchange in Hampton.
- On November 24, 2020, the CTB authorized the Commissioner to enter into separate SPAs with HRTAC for phase 1 preliminary engineering tasks for Segments 1, 4A/4B and 4C of the HREL Network (UPC's 117840, 117839 and 117841).
- Execution of separate SPAs for phase 1 of the preliminary engineering tasks was necessary at that time to include these projects in the 2045 Long Range Transportation Plan and the Transportation Improvement Program; to prepare Segment 1 (a design-build project) for the request for qualifications advertisement; and to advance Segments 4A/4B (a design-bid-build project) and 4C (a design-build project) to public hearings.

The remaining preliminary engineering and right of way work for the above referenced segments of the HREL is ready to commence and will be addressed by three individual SPAs that are the subject of this resolution.

It is noted that while the sequence of events as set forth in Section 3.01 (c) of the MTA contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the terms of the SPAs that are the subject of this requested action provide for/contemplate amendments to add the construction tasks and any other activities and funding required to accomplish project delivery for said segments.

Section 33.2-214 (C) of the *Code of Virginia* empowers the CTB to enter into contracts (agreements) with local districts, commissions, agencies or other entities created for transportation purposes.

It is anticipated that HRTAC will meet on December 16, 2021, to approve the use of HRTAC funds and execution of the SPAs between VDOT and HRTAC relating to the use of said funds for the remaining preliminary engineering and right of way tasks for Segments 1, 4A/4B, and 4C of the HREL Network.

Recommendation: VDOT recommends that the CTB delegate to the Commissioner the authority to enter into the HREL SPAs with HRTAC relating to the use of HRTAC funds for the remaining preliminary engineering and right of way activities for Segments 1, 4A/4B, and 4C of the HREL Network, attached hereto as Exhibits A, B, and C, respectively, with such changes and additions as the Commissioner of Highways deems necessary. VDOT also recommends that the CTB allow the Commissioner to execute amendments to these SPAs for each segment as needed by adding the construction phase tasks and any other activities required to accomplish project delivery, in conjunction with a requirement to report back to the CTB any and all amendments so executed.

Action Required by the CTB: Approve by majority vote the resolution providing the authorization recommended herein.

Result, if Approved: The Commissioner will be authorized to enter into the SPAs between VDOT and HRTAC for use of HRTAC funds to pay the costs for the remaining preliminary engineering and right of way activities for Segments 1, 4A/4B, and 4C of the HREL Network, and to execute amendments to these SPAs to include the construction tasks and any other activities needed to accomplish project delivery.

Options: Approve, Deny or Defer

Public Comments/Reactions: N/A

**Standard Project Agreement for Funding and Administration
between
Hampton Roads Transportation Accountability Commission
and
Virginia Department of Transportation
(Hampton Roads Express Lanes Network Project Elements)**

HRTAC Project Title: Segment 1 (Full Build) Project

HRTAC Project Number: UPC 119637 (Advanced Activity UPC 117840 linked)

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and executed in duplicate on this ____ day of _____, 2021, as between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT").

WITNESSETH

WHEREAS, Chapter 766 of the 2013 Acts of Assembly established the Hampton Roads Transportation Fund (the "HRTF"), and provides that moneys deposited in the HRTF are to be used solely for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, Chapter 678 of the 2014 Acts of Assembly (now codified in Section 33.2-2600 *et seq.* of the Code of Virginia, as amended) (the "HRTAC Act") created HRTAC as a political subdivision of the Commonwealth of Virginia, and moved the responsibility to determine the projects that will be funded by the HRTF from the Hampton Roads Transportation Planning Organization to HRTAC;

WHEREAS, under Sections 33.2-2606 and 33.2-2607 of the Code of Virginia, HRTAC is also authorized to issue bonds and other evidences of debt, and to impose and collect certain tolls;

WHEREAS, under Chapter 703 of the 2020 Acts of Assembly (H1438)(the "HREL Tolling Legislation"), HRTAC is also authorized to impose and collect tolls in designated high-occupancy toll lanes on certain portions of Interstate 64;

WHEREAS, HRTAC is required to use all moneys that it receives, whether from the HRTF, bond proceeds, collections from any tolls imposed by HRTAC or otherwise (collectively, "HRTAC-Controlled Moneys"), for the benefit of those counties and cities that are embraced by HRTAC and in accordance with applicable law;

WHEREAS, VDOT is the Virginia state agency responsible for building, maintaining and operating the interstate, primary, and secondary state highway systems ("VDOT Highways");

WHEREAS, in light of (i) VDOT's responsibilities with respect to VDOT Highways and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, and (ii) the determinations of VDOT and HRTAC to coordinate their efforts with respect to, among other things, the development, tolling, financing, procurement and delivery of the Hampton Roads Express Lanes Network Project (the "HREL Project"), VDOT and HRTAC entered into a Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network dated August 18, 2020 (such agreement as thereafter amended and modified from time to time, the "Master Agreement");

WHEREAS, the Master Agreement contemplates that HRTAC may from time to time enter into Standard Project Agreements for Funding and Administration pursuant to which VDOT will procure all goods and services necessary to design and construct elements of the HREL Project;

WHEREAS, pursuant to the Master Agreement, the parties are prepared to have VDOT proceed with the services described on Appendix A in respect of the project set forth and described on Appendix A to this Agreement (the "Project");

WHEREAS, notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties agree that this SPA addressing Preliminary Engineering and Right of Way phases of this Project will be amended to add construction and remaining Project delivery details as needed, as well as related funding, prior to award authorization at a later date;

WHEREAS, HRTAC has determined that the Project would benefit the cities and counties that are embraced by HRTAC, it otherwise satisfies the requirements of the HRTAC Act, and it is consistent with the HREL Tolling Legislation;

WHEREAS, VDOT agrees to administer and/or develop the Project in accordance with the budget (the "Project Budget") and cashflow and construction schedule (the "Project Schedule") set forth and described on Appendix B to this Agreement (this Agreement and its appendices may be amended from time to time by mutual agreement of the parties to address mutually agreed changes relating to, among other things, Project scope, design, funding and regulatory approvals);

WHEREAS, HRTAC desires to provide funding for the administration and/or development of the Project out of HRTAC-Controlled Moneys, subject to the terms, conditions and limitations set forth herein;

WHEREAS, the Commonwealth Transportation Board ("CTB") has the authority, pursuant to Section 33.2-214 of the Code of Virginia, to cause VDOT to enter into this Agreement and has authorized the Commissioner of Highways to enter into agreements with HRTAC for project administration and development purposes, and Section 33.2-2608 of the Code of Virginia authorizes HRTAC to enter into this Agreement;

WHEREAS, the CTB, by resolution passed on January 14, 2015, resolved that any agreement between VDOT and HRTAC for project services shall provide that overruns or other additional project costs shall be prorated between HRTAC and VDOT so that each party bears a proportionate share of the additional costs based on each party's percentage responsibility of the project budget;

WHEREAS, HRTAC's governing body and the CTB have each authorized that their respective designee(s) execute this Agreement on their respective behalf(s) as evidenced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

1. Complete or perform or cause to be completed or performed all work relating to the Project, as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with (i) any and all applicable federal, state, and local laws and regulations, and (ii) all terms and conditions of the Master Agreement and this Agreement, including, without limitation, the Project Budget and Project Schedule reflected in Appendix B, which Project Budget and Project Schedule (A) VDOT represents have been prepared in good faith, in accordance with the practices and procedures that VDOT uses for projects where the state or VDOT bears the cost of the project (including, without limitation, the practices used to price and budget services that may be internally sourced, such as Construction Engineering Inspection/CEI), and (B) the parties acknowledge may be amended pursuant to Section A.8 below or as follows:
 - (a) In the event that VDOT determines, after receipt of proposals or bids for any work related to the Project, that the cost of the contract for said work will result in a significant reduction in costs associated with a portion of the Project Budget reflected in Appendix B that is allocated to work covered by the contract, then VDOT shall notify HRTAC's Executive Director of the significant reduction in costs. For purposes of this Section A.1(a), HRTAC and VDOT agree that a "significant reduction in costs" shall mean a reduction in costs that has the effect of reducing, in Appendix B, (x) the costs for the particular portion of the Project Budget allocated to work covered by the contract by more than 20 percent or (y) the entire Project Budget either by more than 10 percent or \$10,000,000, whichever applies. In the event there is a significant reduction in costs, VDOT

and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the effect of the reduction (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state or federal contributions, then the commitment of each funding source would be reduced by its proportionate share of the reduction in costs, which proportionate share will be based on the funding source's proportionate responsibility for the total budgeted costs before the reduction was realized) (for the avoidance of doubt, the amount by which a commitment is reduced shall be considered deobligated from the Project).

- (b) In the event that any federal or state funding not previously available for the Project becomes available for any portion of the Project Budget reflected in Appendix B, then VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the benefit of the additional funding (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state contributions, but federal funding subsequently becomes available, then the respective commitments of HRTAC and the state would be reduced by each party's proportionate share of the additional funds, which proportionate share will be based on the party's proportionate responsibility for the total budgeted cost before the additional funding became available).
- (c) In the event that application is made for federal or state funding or loans not previously available for the Project, then VDOT will, to the extent within its reasonable control, provide reasonable support to such application and, if any such funding or loans are awarded or otherwise become available, take action to satisfy conditions and comply with requirements of such funding or loans, in each case as may be reasonably requested by HRTAC.

2. Without limiting the foregoing, VDOT shall:

- (a) Select contractors, contract with contractors, and administer and enforce contracts all in a manner that is consistent in all material respects with the policies, procedures and practices that VDOT uses where the state or VDOT bears the cost of a project; for example, VDOT shall use its customary policies, procedures and practices relating to requesting bids/proposals, negotiating/finalizing terms and conditions of contracts (using, where applicable, standard terms/forms), and monitoring and enforcing performance of contracts;

- (b) Not enter into any contract to perform the work related to the Project if (i) the cost of that contract would exceed the portion of the Project Budget reflected in Appendix B that is allocated to the work covered by that contract, (ii) the cost of that contract, when aggregated with the cost of all other contracts relating to the Project that have been, or are expected to be, entered into would exceed the Project Budget reflected in Appendix B, or (iii) the schedule in the contract for performing and paying for the work related to the Project would be materially different (whether accelerated or delayed) from the Project Schedule set forth in Appendix B; in addition, if the bids or proposals received for any portion of the Project are not qualitatively consistent with VDOT's standards for that work or quantitatively within VDOT's projections for that work, each as determined by VDOT in its good faith judgment, VDOT shall (i) undertake a new procurement, or (ii) recommend alternative measures to HRTAC, and seek HRTAC's advice and consent regarding pursuit of those alternative measures. If HRTAC grants its written consent to a modification to the Project Budget and/or Project Schedule in order to permit VDOT to enter into a contract to perform the work, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to reflect the modified Project Budget and Project Schedule.
 - (c) Involve HRTAC in any procurement consistent with the terms of the Master Agreement.
- 3. Perform or have performed in accordance with VDOT's standards for highways, bridges and tunnels (or that otherwise are applicable to the work under the Project) all design and engineering, all environmental work, and all right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions, as is required by this Agreement or that may be necessary for completion of the Project pursuant to the terms of this Agreement. If VDOT determines that a delay will more likely than not prevent the completion of a material phase of the Project (e.g., PE or ROW acquisition), or the entire Project, in accordance with the Project Schedule, VDOT shall notify HRTAC in writing and provide HRTAC with such information as HRTAC may reasonably request, including information pertaining to potential corrective measures and remedies against the contractor (if VDOT and HRTAC mutually develop a model notice for such purposes, VDOT's notice will follow the format of the model).
- 4. Not use any funds provided by HRTAC, including the funds specified on Appendix B, to pay any Project cost if, as applicable, the HRTAC Act or HREL Tolling Legislation does not permit such Project cost to be paid with HRTAC funds.

5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which HRTAC will provide funding for such multiple funding phases (as scheduled on Appendix B), HRTAC may not have sufficient cash flows to permit accelerated funding to VDOT and to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to HRTAC's Executive Director explaining VDOT's reasons why HRTAC should authorize acceleration to the next funding phase. (As used in this Agreement, "Executive Director" shall mean HRTAC's Chairman if at any applicable time, HRTAC has not engaged a dedicated, full-time Executive Director.) HRTAC's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and HRTAC's current and projected cash flow position and make a recommendation to HRTAC whether to authorize VDOT's requested accelerated funding. The foregoing shall not prohibit VDOT from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from HRTAC for having advance funded a future phase of the Project; however, VDOT further recognizes that HRTAC's reimbursement to VDOT for having advance funded a phase of the Project will be dependent upon HRTAC's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which the reimbursement of any such advanced funding is otherwise consistent with the terms of this Agreement, including Appendix B.
6.
 - (a) Permit (and assist) HRTAC's Executive Director to periodically update HRTAC's cash flow estimates for the Project with the objective toward keeping those estimates accurate throughout the performance of the Project. VDOT shall provide all available information reasonably required by HRTAC so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the performance of the Project as described in Appendix B.
 - (b) Provide HRTAC's Executive Director with the monthly reports described on Appendix D.
7. Provide to HRTAC's Executive Director requests for payment consistent with Appendix C (and the most recently approved HRTAC cash flow estimates) that include (a) HRTAC's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by HRTAC, and (b) certifications that all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by HRTAC, VDOT can expect to receive payment within

twenty (20) days upon receipt by HRTAC. Approved payments may be made by means of electronic transfer of funds from HRTAC to or for the account of VDOT.

8. (a) Promptly notify HRTAC's Executive Director if VDOT determines that any additional, unbudgeted costs may be incurred to perform and complete the Project ("Additional Costs"), which notice shall include a description of the Additional Costs, an explanation of how they arose and the assumptions in the initial budget regarding those costs, and a detailed estimate of the Additional Costs. VDOT shall make recommendations regarding any curative actions that may be available relating to such Additional Costs, including any potential modification or reduction that may be made to the Project scope or design, or any other action, in order to stay within the initial budget for the Project. If the Additional Costs can be absorbed in the Project Budget by modifying or reducing the scope or design of the Project (or avoided by cancelling the Project or any portion thereof), HRTAC may, in its sole discretion, elect to (i) authorize VDOT to proceed with such modifications or reductions, (ii) authorize the Additional Costs (or if a combination of (i) and (ii) is feasible, HRTAC may elect such combination), or (iii) elect to cancel the Project or a portion thereof; provided, however, in any case, the respective obligations of VDOT and HRTAC, as modified by the elected alternative, shall be set forth in an amendment to this Agreement (VDOT and HRTAC shall work in good faith to finalize and execute such amendment). If the Additional Costs cannot be absorbed in the initial budget by modifying or reducing the scope or design of the Project (and HRTAC elects option (ii) above), then, subject to Section F below, such Additional Costs shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget. In the event that HRTAC elects to cancel the Project (or any portion thereof) pursuant to this Section A.8(a)(iii), (A) all compensation due and owing to any and all contractors for work on the Project that has been completed at the time of cancellation, shall be paid in accord with Appendix B, and (B) subject to Section F, all reasonable costs associated with the cancellation due and owing to said contractors pursuant to the terms of the contracts with the contractors, which terms shall be consistent with VDOT's standard contract terms relating to contract cancellation and termination, (the "Breakage Compensation"), shall be paid with HRTAC-Controlled Moneys, unless VDOT and HRTAC mutually determine that cancellation of the Project is necessary or warranted, in which case, the Breakage Compensation shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on

the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget.

- (b) VDOT shall not include in any contract with a contractor working on the Project any term, condition or remedy in respect of Additional Costs that is more favorable to the contractor than the terms, conditions or remedies VDOT includes in standard contracts where the state or VDOT bears the cost of the project.
 - (c) The Additional Costs may include costs incurred by VDOT as a result of contractor claims relating to the Project made pursuant to the VDOT Roads and Bridge Specifications and §§ 33.2-1101 through 33.2-1105 of the Code, as amended. VDOT shall promptly notify HRTAC if any such claims are made or VDOT receives a notice of intent to file a claim or other written communication from a contractor relating to a claim or contractual dispute that could result in increased contract costs, and whether in each such case the claimed amount is expected to become, or result in, Additional Costs (and the estimate thereof) or is expected to have a material adverse effect on the contingency reserves established as part of the Project Budget (and the estimated effect thereon). VDOT shall be responsible to handle all such claims and notices of intent, but VDOT may not settle any claim or notice of intent to file a claim and thereafter submit it as an Additional Cost pursuant to Section A.8(a) unless the settlement has been approved by HRTAC. Funding for the settlement will be prorated based on the respective proportionate share of the HRTAC-Controlled Moneys and state and federal funds in the Project Budget. Should the claim not be settled, any final judgment from a court of competent jurisdiction shall be paid in accordance with the proration rule set forth in the preceding sentence.
 - (d) Notwithstanding anything to the contrary set forth herein, if any additional cost (including, without limitation, any additional cost relating to a contractor claim described in Section A.8(c) above) arises out of or results from VDOT's negligence, breach of contract, willful misconduct or violation of law ("VDOT Fault"), HRTAC shall not be responsible for such additional costs. Any notice provided by VDOT to HRTAC pursuant to Section A.8(c) above shall be accompanied by a certification from VDOT that it has determined in good faith that any Additional Costs do not arise out of or result from VDOT Fault.
9. Release or return any unexpended funds to HRTAC no later than 90 days after final payment has been made in respect of the Project.

10. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations.
11. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
12. Reimburse HRTAC (or such other entity as may have provided funds) for all funds provided by HRTAC (or on behalf of HRTAC) and, to the extent applicable and permitted by law, with interest earned at the rate earned by HRTAC, (a) that VDOT misapplied, used or requisitioned in contravention of the HRTAC Act or any other applicable law, or any term or condition of this Agreement or (b) the expenditure of which arose out of VDOT Fault.
13. Be solely responsible for the administration and/or development of the Project and all engagements, commitments and agreements with contractors (and, without limiting the foregoing, shall ensure that such engagements, commitments and agreements contain all terms that, pursuant to the Master Agreement or this Agreement, are required to be included therein). VDOT shall ensure that VDOT's contractors maintain surety bonds and insurance in amounts and with coverages that VDOT requires under its Road and Bridge Specifications for all work to be performed for the Project, and name HRTAC and its members, officers, employees and, if applicable, any HRTAC lender and any bond trustee, as additional insureds on any such insurance policy, and present HRTAC with satisfactory evidence thereof before any work on the Project commences.
14. If in connection with the work VDOT engages outside legal counsel approved by the Attorney General (as opposed to utilizing the services of the Office of the Attorney General), VDOT will give HRTAC notice of the engagement so as to ensure that no conflict of interest may arise from any such representation (VDOT also shall ensure that such engagements are consistent with the practices and terms that VDOT uses where it is solely responsible for project costs).
15. Subject to and consistent with the requirements of Section E of this Agreement, upon final payment to all contractors for the Project, if the Project is or is part of a VDOT Highway, VDOT will use the Project (a) for its intended purposes for the duration of the Project's useful life, and (b) in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project (which

duty and obligation excludes the Tolling O&M Duties, as defined in the Master Agreement, except as otherwise provided in the Master Agreement or in any other contract between VDOT and HRTAC under which VDOT is responsible to perform such duties as a contractor to HRTAC) after its completion (including responsibility to correct any defects or to cause any defects to be corrected)(and, without limiting the foregoing, shall perform its operations and maintenance obligations in accordance with the terms of the Master Agreement), and, except as and to the extent provided under the Master Agreement (with respect to Tolling O&M Duties), under no circumstances will HRTAC have any responsibility or obligation to operate and/or maintain the Project (or correct defects with respect to the Project).

16. Comply with all applicable federal, state and local laws and regulations, including without limitation requirements of the Virginia Public Procurement Act.
17. Recognize that VDOT or its contractors are solely responsible for obtaining, and shall obtain, all permits, permissions and approvals necessary to construct and/or operate the Project, including, but not limited to, obtaining all required VDOT and local land use permits, zoning approvals, environmental permits, and regulatory approvals.
18. Recognize that if the Project is being funded, in whole or in part, with federal and/or state funds (in addition to HRTAC-Controlled Moneys), that VDOT shall (a) take any and all necessary actions to satisfy any conditions to such additional federal and/or state funding (provided that such actions are within the control of VDOT) and to enforce any commitments made in connection therewith, (b) comply with all applicable federal and Commonwealth funding requirements within the control or purview of VDOT, and (c) include in its contracts with contractors provisions that permit such contracts to be terminated, without penalty, if the funding is rescinded or otherwise becomes unavailable (for clarification, a provision shall not be deemed to include a penalty solely as a result of terms that require payment of compensation due and owing at the time of cancellation and reasonable costs associated with cancellation provided that such costs are consistent with costs paid pursuant to VDOT's standard contract terms relating to contract cancellation and termination). VDOT acknowledges and agrees that if funding from such an additional federal or state source is rescinded or otherwise becomes unavailable HRTAC (i) shall not be responsible for any amount in excess of its commitment set forth on Appendix B, and (ii) may (A) replace said reduced funding with HRTAC Controlled-Moneys or (B) may request VDOT to immediately suspend or discontinue all work relating to the Project, provided if HRTAC requests suspension HRTAC shall be responsible for the costs reasonably incurred in connection with such suspension. Should HRTAC not replace the reduced funding or request

VDOT to suspend or discontinue work, VDOT may reduce the Project scope or take any other actions needed to reduce the Project costs to the Project Budget.

19. Provide a certification to HRTAC no later than 90 days after final payment for the Project that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.
20. Notify HRTAC if VDOT determines that a delay will more likely than not prevent the timely completion of a material phase of the Project, including information regarding potential corrective measures and remedies against the contractor.
21. With respect to modifications to any agreement with a contractor, concede to HRTAC any resulting savings, if HRTAC-Controlled Moneys are funding 100% of the applicable work, or if the cost savings relate to work funded with HRTAC-Controlled Moneys and state and/or federal funds, concede such savings to such parties *pro rata*, based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget for such work.
22. Include in any agreement with a contractor an assessment of liquidated damages in accordance with the Master Agreement if either substantial completion or final acceptance is not achieved by the applicable deadline. Unless otherwise agreed by the parties acting reasonably, any liquidated damages (as well as other damages paid by a contractor, insurance proceeds, or recoveries from third parties) received by VDOT in respect of the Project shall be administered in accordance with the terms of the Master Agreement.
23. Terminate any agreement with a contractor upon the written request of HRTAC if (a) VDOT has failed to exercise the right to terminate such agreement for cause, but only (i) if such failure is reasonably expected to have a material adverse effect on HRTAC and (ii) following consultation between HRTAC and VDOT regarding the reasons, if any, for VDOT's failure to exercise such right; or (b) HRTAC determines in good faith that HRTAC has suffered a material adverse change in its ability to satisfy its obligations under this Agreement and it is in HRTAC's best interests for VDOT to terminate the contractor's agreement for convenience.

B. HRTAC's Obligations

HRTAC shall:

1. Subject to the limitations as to amounts set forth in Appendix B (and subject to Section F of this Agreement), provide to VDOT the funding authorized by HRTAC for the Project, on a reimbursement basis as set

forth in this Agreement and as specified in Appendix B to this Agreement or the most updated amendment thereto, as approved by HRTAC.

2. Assign a person to serve as a Program Coordinator for the Project, who will be responsible for review of the Project on behalf of HRTAC for purposes of ensuring it is being completed in compliance with this Agreement and all HRTAC requirements. (In the absence of an assigned person, HRTAC's Executive Director shall serve as the Program Coordinator.) HRTAC's Program Coordinator will be responsible for overseeing, managing, reviewing, and processing, in consultation with HRTAC's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. HRTAC's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the scope of the Project as set forth on Appendix A or to the Project Budget and Project Schedule as set forth on Appendix B.
3. Route to HRTAC's assigned Program Coordinator all VDOT payment requisitions and the summaries of actual costs submitted to HRTAC for the Project. After submission to HRTAC, HRTAC's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. HRTAC's Program Coordinator will then make a recommendation to the HRTAC's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is, in HRTAC's reasonable judgment, deemed insufficient, within twenty (20) days from receipt, HRTAC's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed in order to authorize the payment request. Payment will be withheld until all deficiencies identified by HRTAC have been corrected to HRTAC's reasonable satisfaction. Under no circumstances will HRTAC authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the HRTAC Act or this Agreement.
4. Route all of VDOT's accelerated or supplemental requests for funding from HRTAC under Sections A.5 and A.8, respectively, of this Agreement to HRTAC's Executive Director. HRTAC's Executive Director will initially review those requests and all supporting documentation with HRTAC's CFO. After such initial review, HRTAC's Executive Director will make a recommendation to HRTAC's Finance Committee for its independent consideration and review. HRTAC's Finance Committee will thereafter make a recommendation on any such request to HRTAC for final determination by HRTAC.

5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the HRTAC Act and other applicable law. Such compliance reviews may entail (i) review of VDOT's financial records for the Project, (ii) on-Project site inspections and (iii) review of a contractor's books and records in relation to the Project to the extent VDOT has access thereto.
6. Acknowledge that if, as a result of HRTAC's review of any payment requisition or of any HRTAC compliance review, HRTAC staff determines that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, HRTAC staff will promptly advise HRTAC's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to HRTAC's initial findings. HRTAC's staff will review VDOT's response and make a recommendation to HRTAC's Finance Committee. HRTAC's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to HRTAC. If HRTAC makes a final determination that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, the parties should engage in dispute resolution as provided in Section D of this Agreement. Pending final resolution of the matter, HRTAC will withhold further funding on the Project. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Upon making final payment to VDOT for the Project, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans, if any, developed pursuant to or in association with the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
8. Be the sole determinant of the amount and source of HRTAC funds to be provided and allocated to the Project and the amounts of any HRTAC funds to be provided in excess of the amounts specified in Appendix B.
9. Have no obligation to pay or reimburse VDOT for any cost (including, without limitation, compensation paid or payable to any contractor) arising out of VDOT Fault.

C. Term

1. This Agreement shall (i) be effective upon adoption and execution by both parties and (ii) unless terminated earlier in accordance with its terms, expire ninety (90) days after the date on which VDOT makes final payment

to Project contractor(s) and all contractor claims have been resolved or are barred.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by HRTAC of this Agreement. If so terminated, HRTAC shall pay for all Project costs incurred in accordance with the terms of this Agreement through the date of termination and all reasonable costs incurred by VDOT to terminate all Project-related contracts. The Virginia General Assembly's failure to appropriate funds to HRTAC as described in Section F of this Agreement and/or repeal or amendment of the legislation establishing the HRTF or HRTAC's powers shall not be considered material breaches of this Agreement by HRTAC if such failure to appropriate or such repeal or amendment eliminates funds in the HRTF to be used for the Project or renders HRTAC without legal authority to provide funding for the Project. Before initiating any proceedings to terminate under this Section, VDOT shall give HRTAC sixty (60) days written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing HRTAC an opportunity to investigate and cure any such alleged breach.
3. HRTAC may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to HRTAC all funds HRTAC provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by HRTAC. Before initiating any proceedings to terminate under this Section, HRTAC shall give VDOT sixty (60) days' written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing VDOT an opportunity to investigate and cure any such alleged breach. Prior to termination, if VDOT has substantially completed the Project or a portion that is severable (meaning it is subject to independent use), VDOT may request that HRTAC excuse VDOT from refunding funds paid in respect of the substantially completed Project or portion, and HRTAC may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds HRTAC provided to VDOT for the substantially completed Project or portion thereof. No such request to be excused from refunding will be allowed (a) where VDOT has either misused or misapplied HRTAC funds in contravention of this Agreement or applicable law, or (b) without the prior written consent of any lender to HRTAC, if the terms of HRTAC's loan agreement with such lender require such consent.
4. Upon (a) expiration or earlier termination of this Agreement and (b) payment of all eligible expenses as set forth in Section C.3 above, VDOT will release or return to HRTAC all unexpended HRTAC funds and, to the extent permitted by law, with interest earned at the rate earned by HRTAC, no later than sixty (60) days after the date of such expiration or earlier termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer promptly in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. HRTAC's Executive Director and the Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to HRTAC and to the Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law or in equity, including all judicial remedies. The foregoing dispute resolution method shall not bar either party's right to seek equitable relief on an emergency basis. Neither party will seek or accept an award of attorneys' fees or costs incurred in connection with resolution of a dispute.

E. HRTAC's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by HRTAC under this Agreement ("Assets") for the designated transportation purposes of the Project, in accordance with applicable law throughout the useful life of each such Asset, and in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If VDOT intends to sell, convey, or dispose any Asset funded with HRTAC funds or intends to use any Asset for a purpose inconsistent with this Agreement or the Master Agreement, VDOT shall notify HRTAC's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, HRTAC's Executive Director shall notify HRTAC of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Asset(s) so as to ensure compliance with all applicable requirements and terms of the HRTAC Act and the Master Agreement (without limiting the foregoing, VDOT acknowledges that (i) under the HRTAC Act and applicable law, HRTAC is vested with the right to impose and collect tolls on facilities constructed by the Commission and holds a license to, among other things, use the tolling infrastructure and system, and (ii) under the HREL Tolling Legislation, HRTAC is vested with the right to impose and collect tolls on the portion of the HREL Project facility that has been designated by the CTB for use as high-occupancy toll lanes). All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to HRTAC and the Commissioner for their respective approval.

F. Appropriations Requirements

1. Nothing herein shall require or obligate HRTAC to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body for the Project.
2. The parties acknowledge that all funding provided by HRTAC pursuant to the HRTAC Act is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the HRTF pursuant to applicable provisions of the Code of Virginia and any other moneys that the General Assembly appropriates for deposit into the HRTF are subject to appropriation by the General Assembly and (ii) HRTAC's obligations under this Agreement are subject to such moneys being appropriated to the HRTF by the General Assembly.
3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available to VDOT for HRTAC projects.
4. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to HRTAC that such additional funds have been allocated and authorized by the CTB and/or appropriated by the Virginia General Assembly as may be applicable or have been obtained through another independent, lawful source.

G. Representations and Warranties

1. VDOT hereby represents and warrants to HRTAC as of the date of this Agreement as follows:
 - (a) VDOT is an agency of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
 - (b) VDOT has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of VDOT has been duly authorized to execute and deliver it on behalf of VDOT;
 - (c) the execution and delivery by VDOT of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where

such violation will have a material adverse effect on the ability of VDOT to perform its obligations under this Agreement;

- (d) this Agreement has been duly authorized, executed, and delivered by VDOT and constitutes a valid and legally binding obligation of VDOT, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however,* that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
- (e) there is no action, suit, proceeding, investigation, or litigation pending and served on VDOT which challenges VDOT's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the VDOT official executing this Agreement, and VDOT has disclosed to HRTAC any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which VDOT is aware.

2. HRTAC hereby represents and warrants to VDOT as of the date of this Agreement as follows:

- (a) HRTAC is a body politic and a political subdivision of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
- (b) HRTAC has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of HRTAC has been duly authorized to execute and deliver it on behalf of HRTAC;
- (c) the execution and delivery by HRTAC of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where such violation will have a material adverse effect on the ability of HRTAC to perform its obligations under this Agreement;

- (d) this Agreement has been duly authorized, executed, and delivered by HRTAC and constitutes a valid and legally binding obligation of HRTAC, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however*, that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
- (e) there is no action, suit, proceeding, investigation, or litigation pending and served on HRTAC which challenges HRTAC's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the HRTAC official executing this Agreement, and HRTAC has disclosed to VDOT any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which HRTAC is aware.

H. Tax Covenants for Bond-Funded Projects

VDOT shall comply in all material respects with the Tax Covenants for Bond-Funded Projects set forth in Appendix F (*Tax Covenants for Bond-Funded Projects*).

I. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: HRTAC, to the attention of its Executive Director and Chairman;
723 Woodlake Drive
Chesapeake, VA 23320
- 2) to: VDOT, to the attention of:
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

J. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

K. Modification or Amendment

(a) This Agreement may not be modified or amended, except pursuant a written agreement that is duly authorized, executed and delivered by both parties.

(b) If HRTAC is able to obtain a source of funding for the Project that would reduce or replace the amount of HRTAC-Controlled Moneys expended on the Project, VDOT and HRTAC will work in good faith to amend this Agreement so it takes into account that other funding.

(c) VDOT and HRTAC will work in good faith to adopt such amendments to this Agreement as VDOT and HRTAC may mutually agree are necessary and desirable in connection with any bond financing.

L. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, member, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

M. No Agency

VDOT represents that it is not acting as a partner or agent of HRTAC; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

N. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

O. Incorporation of Recitals and Appendices

The recitals and Appendices to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that the recitals are true and correct.

P. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

Q. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

R. Survival

The following provisions shall survive the expiration or earlier termination of this Agreement: Sections A.4, A.9, A.12, A.15, A.17, A.19, A.22, B.5 and B.7, and Sections C through R.

[Signature page follows]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Hampton Roads Transportation Accountability Commission

By: _____

Name: _____

Title: _____

Date: _____

Virginia Department of Transportation

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

HAMPTON ROADS EXPRESS LANES NETWORK PROJECT ELEMENTS

SEGMENT 1 (FULL BUILD) PROJECT – UPC 119637

Scope: The work associated with this Standard Project Agreement for the Segment 1 Full Build project is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117840) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 1 of the Hampton Roads Express Lane Network and is anticipated to eventually encompass, pursuant to an amendment, construction of the Segment. The Segment 1 project, which is approximately 9 miles in length, is located on I-64 in the City of Norfolk from approximately 1800' east of Patrol Road bridge (end WB full roadway section for HRBT Widening project) to approximately 3900' east of Curlew Drive bridge (western end of Twin Bridges carrying I-64 over the Eastern Branch Elizabeth River). The purpose is to convert the inside shoulder along I-64 to a part time high occupancy toll (HOT) managed lane. The existing EB and WB general purpose lanes will remain as is with three lanes in each direction. There will be widening in spot locations to maintain a minimum shoulder width in both directions. The EB and WB Tidewater Drive bridges will be rehabilitated and widened and the EB and WB Chesapeake Boulevard bridges will be replaced. Additional right of way will be required in spot locations (approximately 7 parcels). This project will have minimal utility relocations. The interstate in this corridor currently has 3 general purpose lanes in each direction. The proposed design includes three general purpose lanes and one part time HOT shoulder that would be open in the opposite direction of the reversible HOT lanes in this corridor. Professional engineering contractor(s) engaged by VDOT and/or their sub-contractors will provide design and engineering support services required to award the project to a design build team.

APPENDIX B

HAMPTON ROADS EXPRESS LANES NETWORK ELEMENTS

SEGMENT 1 (FULL BUILD) PROJECT – UPC 119637

PROJECT BUDGET AND PROJECT SCHEDULE

Project Budget: SEGMENT 1 (FULL BUILD) PROJECT:

*Preliminary Engineering	\$9,464,037
Right of Way (RW)	\$9,660,775
**Construction (CN)	\$0
<hr/> Total Cost	<hr/> \$19,124,792

*An additional \$5,621,500 was previously approved for preliminary engineering under a separate advanced activity SPA executed on April 1st, 2021 (UPC 117840) and the sums set forth herein will be available for the Segment 1 (Full Build) Project.

**Notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties agree that this SPA addressing Preliminary Engineering and Right of Way phases of this Project will be amended to add Construction and other project delivery details as necessary as well as funding prior to award authorization at a later date as shown in the schedule below.

The work associated with this Standard Project Agreement for the Segment 1 is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117840), develop the RFQ and RFP plans, conduct the virtual and in-person public hearings, and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 1 of the Hampton Roads Express Lane Network.

These tasks include but are not limited to the following:

NEPA Categorical Exclusion investigation and documentation, cost estimate & schedule refinements, HREL Network communication plan, public information meetings with localities and others as requested, finalize RFP plans and contract requirements, acquire RW, obtain permits, RFQ level plan development and advertisement RFP level plan development, complete two phase best value Design-Build contractor procurement processes necessary to award construction and public hearing.

Project Schedule: Segment 1 (FULL BUILD) Project (all dates are estimates):

- **Preliminary Engineering (PE):**

- PE Start (Adv Act): September 22, 2020 (Advanced Activity UPC 117840)
- PE Start (Full Build): October 21, 2021
- PE End: August 4, 2022
- **Right of Way (RW):**
 - RW Start: August 4, 2022
 - RW End: August 5, 2022
- **Construction (CN):**
 - CN Start: August 5, 2022
 - CN End: December 19, 2025

APPENDIX C

FORM OF PAYMENT REQUISITION

HRTAC Project Title and Number: Hampton Roads Express Lanes Network Elements, Segment 1 (FULL BUILD) Project - UPC 119637

Project Scope/Services Description: The work associated with this Standard Project Agreement for the Segment 1 is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117840) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 1 of the Hampton Roads Express Lane Network.

Draw Request Number: _____

Date: _____, 20__

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

Attention _____, Program Coordinator:

This requisition is submitted in connection with the Standard Project Agreement for Funding and Administration for the project services noted above and dated _____, 20__ (the "Agreement") between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT"). VDOT hereby requests \$_____ of HRTAC funds, to pay the costs of the project services described and set forth in Appendices A and B of the Agreement ("Project Services") and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of VDOT's costs of the Project Services, (ii) VDOT is responsible for payment to vendors/contractors, (iii) VDOT is not in breach or default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in another Appendix to the Agreement, (iv) the representations and warranties made by VDOT in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of VDOT, no condition exists under the Agreement that would allow HRTAC to withhold the requested advance.

VIRGINIA DEPARTMENT OF TRANSPORTATION

By: _____

Name: _____

Title: _____

Recommended For Payment

By: _____

Name: _____

Title: HRTAC Program Coordinator

DETAILED PAYGO REQUEST

Draw Request Number: _____
 HRTAC Project Number: UPC 119637

Request Date: _____
 Project Title: HRELN Segment 1

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$9,464,037			\$ -
Design Work/ Engineering	\$9,464,037	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Work	\$9,660,755	-	-	\$ -
Construction	\$0	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$19,124,792	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by HRTAC
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
3. Column C- Please list the invoice number as it appears on the Invoice
4. Column D- Please list the appropriate Cost Category based on the Project Category breakout above

5. Column E- Please enter the dollar amount listed on the invoice.

6. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

REPORTS TO BE PROVIDED BY VDOT

1) Monthly Project Expenditure Report which lists, by category of expense (*e.g.*, engineering, ROW, utility relocations, construction), (a) information regarding expenditures to date against the budget, both monthly and for the life of the project, and a statement of the percent completed; and (b) such other information as VDOT customarily provides with monthly expenditure reports.

2) Monthly Project Report which provides (a) an overview of progress on major project tasks; (b) information regarding the budget (such as, the baseline planned forecast, any approved changes thereto, the monthly expenditures, the cumulative expenditures, and the cumulative forecasted expenditures); (c) future key tasks; and (d) significant issues.

APPENDIX E

OFFICIAL AUTHORIZING DOCUMENTS

APPENDIX F

TAX COVENANTS FOR BOND-FUNDED PROJECTS

1. (A) VDOT (the Department) shall not permit the "Proceeds" of any "Commission Bonds" or any "Financed Property" to be used in any manner that would result in either: (1) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the "Code;" (2) 5% or more of such Proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code; (3) 5% or more of such Proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; or (4) more than an aggregate of \$15,000,000 of Proceeds of any single Commission Bond issue being considered as having been used in any trade or business, any output facility or to make or finance loans as described in (1), (2) or (3) above; **provided, however,** that if HRTAC (the Commission) and the Department receive an opinion of nationally recognized bond counsel concluding that such use or action will not affect the exclusion of interest on the Commission Bonds from gross income of the holders thereof for federal tax purposes under existing law, the Department need not comply with such restrictions.

(B) Notwithstanding the foregoing, the Department and the Commission agree that the provisions herein shall not apply to Proceeds of Commission Bonds derived from "qualified bonds" (as defined in Section 141(e) of the Code (or any successor provisions thereto or regulations thereunder)) the Commission may from time to time issue. In the event any such "qualified bonds" are issued by the Commission, the Department agrees that it will not permit Proceeds of Commission Bond derived from such "qualified bonds" to be used in a manner that fails to comply with the provisions of Section 141(e) and 142(a) of the Code (or any successor provisions thereto or regulations thereunder). The provisions of this subparagraph (B) shall not negate any provision in the Agreement or other agreement between the Commission and the Department that requires mutual consent of the parties or Commission approval of a concession arrangement in respect of the Project.

2. the Department agrees not to requisition or spend the proceeds of any the Commission Bond for any cost of the Project not constituting a "Capital Expenditure."

3. Except as may be described in writing to the Commission, the Department neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Department is receiving or may receive Proceeds of Commission Bonds.

4. The Department acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by the Commission to the contractors/vendors, or (ii) the Department remits payment to the contractors/vendors within five banking days after the date on which the Commission advances the amount of the requisition. The Commission may request the detailed information in order to compute the rebate liability to the U.S. Treasury on the Commission's bonds or other debt financing pursuant to Section 148 of the Code. In addition, the Department shall provide the Commission with any further

information reasonably requested by the Commission from time to time concerning the matters described in this Appendix F.

5. The following terms have the meanings assigned to them below whenever they are used in this Appendix F.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Code” means the Internal Revenue Code of 1986, as amended.

“Financed Property” means any property financed in whole or in part by any allocation of Commission Bond Proceeds.

“Commission Bond” means any Commission bond or other debt instrument that is a “tax-exempt bond” or a “tax-advantaged bond” (as defined in Treasury Regulations Section 1.150-1(a)).

“Proceeds” means the sale proceeds of any Commission Bond, together with the investment earnings on such proceeds, to the extent allocated to the Project.

**Standard Project Agreement for Funding and Administration
between
Hampton Roads Transportation Accountability Commission
and
Virginia Department of Transportation
(Hampton Roads Express Lanes Network Project Elements)**

HRTAC Project Title: Segment 4A/4B (Full Build) Project

HRTAC Project Number: UPC 119824 (Advanced Activity UPC 117839 linked)

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and executed in duplicate on this ____ day of _____, 2021, as between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT").

WITNESSETH

WHEREAS, Chapter 766 of the 2013 Acts of Assembly established the Hampton Roads Transportation Fund (the "HRTF"), and provides that moneys deposited in the HRTF are to be used solely for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, Chapter 678 of the 2014 Acts of Assembly (now codified in Section 33.2-2600 *et seq.* of the Code of Virginia, as amended) (the "HRTAC Act") created HRTAC as a political subdivision of the Commonwealth of Virginia, and moved the responsibility to determine the projects that will be funded by the HRTF from the Hampton Roads Transportation Planning Organization to HRTAC;

WHEREAS, under Sections 33.2-2606 and 33.2-2607 of the Code of Virginia, HRTAC is also authorized to issue bonds and other evidences of debt, and to impose and collect certain tolls;

WHEREAS, under Chapter 703 of the 2020 Acts of Assembly (H1438)(the "HREL Tolling Legislation"), HRTAC is also authorized to impose and collect tolls in designated high-occupancy toll lanes on certain portions of Interstate 64;

WHEREAS, HRTAC is required to use all moneys that it receives, whether from the HRTF, bond proceeds, collections from any tolls imposed by HRTAC or otherwise (collectively, "HRTAC-Controlled Moneys"), for the benefit of those counties and cities that are embraced by HRTAC and in accordance with applicable law;

WHEREAS, VDOT is the Virginia state agency responsible for building, maintaining and operating the interstate, primary, and secondary state highway systems ("VDOT Highways");

WHEREAS, in light of (i) VDOT's responsibilities with respect to VDOT Highways and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, and (ii) the determinations of VDOT and HRTAC to coordinate their efforts with respect to, among other things, the development, tolling, financing, procurement and delivery of the Hampton Roads Express Lanes Network Project (the "HREL Project"), VDOT and HRTAC entered into a Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network dated August 18, 2020 (such agreement as thereafter amended and modified from time to time, the "Master Agreement");

WHEREAS, the Master Agreement contemplates that HRTAC may from time to time enter into Standard Project Agreements for Funding and Administration pursuant to which VDOT will procure all goods and services necessary to design and construct elements of the HREL Project;

WHEREAS, pursuant to the Master Agreement, the parties are prepared to have VDOT proceed with the services described on Appendix A in respect of the project set forth and described on Appendix A to this Agreement (the "Project");

WHEREAS, notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties agree that this SPA addressing Preliminary Engineering and Right of Way phases of this Project will be amended to add construction and remaining Project delivery details as needed, as well as related funding, prior to award authorization at a later date;

WHEREAS, HRTAC has determined that the Project would benefit the cities and counties that are embraced by HRTAC, it otherwise satisfies the requirements of the HRTAC Act, and it is consistent with the HREL Tolling Legislation;

WHEREAS, VDOT agrees to administer and/or develop the Project in accordance with the budget (the "Project Budget") and cashflow and construction schedule (the "Project Schedule") set forth and described on Appendix B to this Agreement (this Agreement and its appendices may be amended from time to time by mutual agreement of the parties to address mutually agreed changes relating to, among other things, Project scope, design, funding and regulatory approvals);

WHEREAS, HRTAC desires to provide funding for the administration and/or development of the Project out of HRTAC-Controlled Moneys, subject to the terms, conditions and limitations set forth herein;

WHEREAS, the Commonwealth Transportation Board ("CTB") has the authority, pursuant to Section 33.2-214 of the Code of Virginia, to cause VDOT to enter into this Agreement and has authorized the Commissioner of Highways to enter into agreements with HRTAC for project administration and development purposes, and Section 33.2-2608 of the Code of Virginia authorizes HRTAC to enter into this Agreement;

WHEREAS, the CTB, by resolution passed on January 14, 2015, resolved that any agreement between VDOT and HRTAC for project services shall provide that overruns or other additional project costs shall be prorated between HRTAC and VDOT so that each party bears a proportionate share of the additional costs based on each party's percentage responsibility of the project budget;

WHEREAS, HRTAC's governing body and the CTB have each authorized that their respective designee(s) execute this Agreement on their respective behalf(s) as evidenced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

1. Complete or perform or cause to be completed or performed all work relating to the Project, as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with (i) any and all applicable federal, state, and local laws and regulations, and (ii) all terms and conditions of the Master Agreement and this Agreement, including, without limitation, the Project Budget and Project Schedule reflected in Appendix B, which Project Budget and Project Schedule (A) VDOT represents have been prepared in good faith, in accordance with the practices and procedures that VDOT uses for projects where the state or VDOT bears the cost of the project (including, without limitation, the practices used to price and budget services that may be internally sourced, such as Construction Engineering Inspection/CEI), and (B) the parties acknowledge may be amended pursuant to Section A.8 below or as follows:
 - (a) In the event that VDOT determines, after receipt of proposals or bids for any work related to the Project, that the cost of the contract for said work will result in a significant reduction in costs associated with a portion of the Project Budget reflected in Appendix B that is allocated to work covered by the contract, then VDOT shall notify HRTAC's Executive Director of the significant reduction in costs. For purposes of this Section A.1(a), HRTAC and VDOT agree that a "significant reduction in costs" shall mean a reduction in costs that has the effect of reducing, in Appendix B, (x) the costs for the particular portion of the Project Budget allocated to work covered by the contract by more than 20 percent or (y) the entire Project Budget either by more than 10 percent or \$10,000,000, whichever applies. In the event there is a significant reduction in costs, VDOT

and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the effect of the reduction (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state or federal contributions, then the commitment of each funding source would be reduced by its proportionate share of the reduction in costs, which proportionate share will be based on the funding source's proportionate responsibility for the total budgeted costs before the reduction was realized) (for the avoidance of doubt, the amount by which a commitment is reduced shall be considered deobligated from the Project).

- (b) In the event that any federal or state funding not previously available for the Project becomes available for any portion of the Project Budget reflected in Appendix B, then VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the benefit of the additional funding (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state contributions, but federal funding subsequently becomes available, then the respective commitments of HRTAC and the state would be reduced by each party's proportionate share of the additional funds, which proportionate share will be based on the party's proportionate responsibility for the total budgeted cost before the additional funding became available).
- (c) In the event that application is made for federal or state funding or loans not previously available for the Project, then VDOT will, to the extent within its reasonable control, provide reasonable support to such application and, if any such funding or loans are awarded or otherwise become available, take action to satisfy conditions and comply with requirements of such funding or loans, in each case as may be reasonably requested by HRTAC.

2. Without limiting the foregoing, VDOT shall:

- (a) Select contractors, contract with contractors, and administer and enforce contracts all in a manner that is consistent in all material respects with the policies, procedures and practices that VDOT uses where the state or VDOT bears the cost of a project; for example, VDOT shall use its customary policies, procedures and practices relating to requesting bids/proposals, negotiating/finalizing terms and conditions of contracts (using, where applicable, standard terms/forms), and monitoring and enforcing performance of contracts;

- (b) Not enter into any contract to perform the work related to the Project if (i) the cost of that contract would exceed the portion of the Project Budget reflected in Appendix B that is allocated to the work covered by that contract, (ii) the cost of that contract, when aggregated with the cost of all other contracts relating to the Project that have been, or are expected to be, entered into would exceed the Project Budget reflected in Appendix B, or (iii) the schedule in the contract for performing and paying for the work related to the Project would be materially different (whether accelerated or delayed) from the Project Schedule set forth in Appendix B; in addition, if the bids or proposals received for any portion of the Project are not qualitatively consistent with VDOT's standards for that work or quantitatively within VDOT's projections for that work, each as determined by VDOT in its good faith judgment, VDOT shall (i) undertake a new procurement, or (ii) recommend alternative measures to HRTAC, and seek HRTAC's advice and consent regarding pursuit of those alternative measures. If HRTAC grants its written consent to a modification to the Project Budget and/or Project Schedule in order to permit VDOT to enter into a contract to perform the work, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to reflect the modified Project Budget and Project Schedule.
 - (c) Involve HRTAC in any procurement consistent with the terms of the Master Agreement.
- 3. Perform or have performed in accordance with VDOT's standards for highways, bridges and tunnels (or that otherwise are applicable to the work under the Project) all design and engineering, all environmental work, and all right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions, as is required by this Agreement or that may be necessary for completion of the Project pursuant to the terms of this Agreement. If VDOT determines that a delay will more likely than not prevent the completion of a material phase of the Project (e.g., PE or ROW acquisition), or the entire Project, in accordance with the Project Schedule, VDOT shall notify HRTAC in writing and provide HRTAC with such information as HRTAC may reasonably request, including information pertaining to potential corrective measures and remedies against the contractor (if VDOT and HRTAC mutually develop a model notice for such purposes, VDOT's notice will follow the format of the model).
- 4. Not use any funds provided by HRTAC, including the funds specified on Appendix B, to pay any Project cost if, as applicable, the HRTAC Act or HREL Tolling Legislation does not permit such Project cost to be paid with HRTAC funds.

5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which HRTAC will provide funding for such multiple funding phases (as scheduled on Appendix B), HRTAC may not have sufficient cash flows to permit accelerated funding to VDOT and to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to HRTAC's Executive Director explaining VDOT's reasons why HRTAC should authorize acceleration to the next funding phase. (As used in this Agreement, "Executive Director" shall mean HRTAC's Chairman if at any applicable time, HRTAC has not engaged a dedicated, full-time Executive Director.) HRTAC's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and HRTAC's current and projected cash flow position and make a recommendation to HRTAC whether to authorize VDOT's requested accelerated funding. The foregoing shall not prohibit VDOT from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from HRTAC for having advance funded a future phase of the Project; however, VDOT further recognizes that HRTAC's reimbursement to VDOT for having advance funded a phase of the Project will be dependent upon HRTAC's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which the reimbursement of any such advanced funding is otherwise consistent with the terms of this Agreement, including Appendix B.
6.
 - (a) Permit (and assist) HRTAC's Executive Director to periodically update HRTAC's cash flow estimates for the Project with the objective toward keeping those estimates accurate throughout the performance of the Project. VDOT shall provide all available information reasonably required by HRTAC so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the performance of the Project as described in Appendix B.
 - (b) Provide HRTAC's Executive Director with the monthly reports described on Appendix D.
7. Provide to HRTAC's Executive Director requests for payment consistent with Appendix C (and the most recently approved HRTAC cash flow estimates) that include (a) HRTAC's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by HRTAC, and (b) certifications that all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by HRTAC, VDOT can expect to receive payment within

twenty (20) days upon receipt by HRTAC. Approved payments may be made by means of electronic transfer of funds from HRTAC to or for the account of VDOT.

8. (a) Promptly notify HRTAC's Executive Director if VDOT determines that any additional, unbudgeted costs may be incurred to perform and complete the Project ("Additional Costs"), which notice shall include a description of the Additional Costs, an explanation of how they arose and the assumptions in the initial budget regarding those costs, and a detailed estimate of the Additional Costs. VDOT shall make recommendations regarding any curative actions that may be available relating to such Additional Costs, including any potential modification or reduction that may be made to the Project scope or design, or any other action, in order to stay within the initial budget for the Project. If the Additional Costs can be absorbed in the Project Budget by modifying or reducing the scope or design of the Project (or avoided by cancelling the Project or any portion thereof), HRTAC may, in its sole discretion, elect to (i) authorize VDOT to proceed with such modifications or reductions, (ii) authorize the Additional Costs (or if a combination of (i) and (ii) is feasible, HRTAC may elect such combination), or (iii) elect to cancel the Project or a portion thereof; provided, however, in any case, the respective obligations of VDOT and HRTAC, as modified by the elected alternative, shall be set forth in an amendment to this Agreement (VDOT and HRTAC shall work in good faith to finalize and execute such amendment). If the Additional Costs cannot be absorbed in the initial budget by modifying or reducing the scope or design of the Project (and HRTAC elects option (ii) above), then, subject to Section F below, such Additional Costs shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget. In the event that HRTAC elects to cancel the Project (or any portion thereof) pursuant to this Section A.8(a)(iii), (A) all compensation due and owing to any and all contractors for work on the Project that has been completed at the time of cancellation, shall be paid in accord with Appendix B, and (B) subject to Section F, all reasonable costs associated with the cancellation due and owing to said contractors pursuant to the terms of the contracts with the contractors, which terms shall be consistent with VDOT's standard contract terms relating to contract cancellation and termination, (the "Breakage Compensation"), shall be paid with HRTAC-Controlled Moneys, unless VDOT and HRTAC mutually determine that cancellation of the Project is necessary or warranted, in which case, the Breakage Compensation shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on

the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget.

- (b) VDOT shall not include in any contract with a contractor working on the Project any term, condition or remedy in respect of Additional Costs that is more favorable to the contractor than the terms, conditions or remedies VDOT includes in standard contracts where the state or VDOT bears the cost of the project.
 - (c) The Additional Costs may include costs incurred by VDOT as a result of contractor claims relating to the Project made pursuant to the VDOT Roads and Bridge Specifications and §§ 33.2-1101 through 33.2-1105 of the Code, as amended. VDOT shall promptly notify HRTAC if any such claims are made or VDOT receives a notice of intent to file a claim or other written communication from a contractor relating to a claim or contractual dispute that could result in increased contract costs, and whether in each such case the claimed amount is expected to become, or result in, Additional Costs (and the estimate thereof) or is expected to have a material adverse effect on the contingency reserves established as part of the Project Budget (and the estimated effect thereon). VDOT shall be responsible to handle all such claims and notices of intent, but VDOT may not settle any claim or notice of intent to file a claim and thereafter submit it as an Additional Cost pursuant to Section A.8(a) unless the settlement has been approved by HRTAC. Funding for the settlement will be prorated based on the respective proportionate share of the HRTAC-Controlled Moneys and state and federal funds in the Project Budget. Should the claim not be settled, any final judgment from a court of competent jurisdiction shall be paid in accordance with the proration rule set forth in the preceding sentence.
 - (d) Notwithstanding anything to the contrary set forth herein, if any additional cost (including, without limitation, any additional cost relating to a contractor claim described in Section A.8(c) above) arises out of or results from VDOT's negligence, breach of contract, willful misconduct or violation of law ("VDOT Fault"), HRTAC shall not be responsible for such additional costs. Any notice provided by VDOT to HRTAC pursuant to Section A.8(c) above shall be accompanied by a certification from VDOT that it has determined in good faith that any Additional Costs do not arise out of or result from VDOT Fault.
9. Release or return any unexpended funds to HRTAC no later than 90 days after final payment has been made in respect of the Project.

10. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations.
11. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
12. Reimburse HRTAC (or such other entity as may have provided funds) for all funds provided by HRTAC (or on behalf of HRTAC) and, to the extent applicable and permitted by law, with interest earned at the rate earned by HRTAC, (a) that VDOT misapplied, used or requisitioned in contravention of the HRTAC Act or any other applicable law, or any term or condition of this Agreement or (b) the expenditure of which arose out of VDOT Fault.
13. Be solely responsible for the administration and/or development of the Project and all engagements, commitments and agreements with contractors (and, without limiting the foregoing, shall ensure that such engagements, commitments and agreements contain all terms that, pursuant to the Master Agreement or this Agreement, are required to be included therein). VDOT shall ensure that VDOT's contractors maintain surety bonds and insurance in amounts and with coverages that VDOT requires under its Road and Bridge Specifications for all work to be performed for the Project, and name HRTAC and its members, officers, employees and, if applicable, any HRTAC lender and any bond trustee, as additional insureds on any such insurance policy, and present HRTAC with satisfactory evidence thereof before any work on the Project commences.
14. If in connection with the work VDOT engages outside legal counsel approved by the Attorney General (as opposed to utilizing the services of the Office of the Attorney General), VDOT will give HRTAC notice of the engagement so as to ensure that no conflict of interest may arise from any such representation (VDOT also shall ensure that such engagements are consistent with the practices and terms that VDOT uses where it is solely responsible for project costs).
15. Subject to and consistent with the requirements of Section E of this Agreement, upon final payment to all contractors for the Project, if the Project is or is part of a VDOT Highway, VDOT will use the Project (a) for its intended purposes for the duration of the Project's useful life, and (b) in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project (which

duty and obligation excludes the Tolling O&M Duties, as defined in the Master Agreement, except as otherwise provided in the Master Agreement or in any other contract between VDOT and HRTAC under which VDOT is responsible to perform such duties as a contractor to HRTAC) after its completion (including responsibility to correct any defects or to cause any defects to be corrected)(and, without limiting the foregoing, shall perform its operations and maintenance obligations in accordance with the terms of the Master Agreement), and, except as and to the extent provided under the Master Agreement (with respect to Tolling O&M Duties), under no circumstances will HRTAC have any responsibility or obligation to operate and/or maintain the Project (or correct defects with respect to the Project).

16. Comply with all applicable federal, state and local laws and regulations, including without limitation requirements of the Virginia Public Procurement Act.
17. Recognize that VDOT or its contractors are solely responsible for obtaining, and shall obtain, all permits, permissions and approvals necessary to construct and/or operate the Project, including, but not limited to, obtaining all required VDOT and local land use permits, zoning approvals, environmental permits, and regulatory approvals.
18. Recognize that if the Project is being funded, in whole or in part, with federal and/or state funds (in addition to HRTAC-Controlled Moneys), that VDOT shall (a) take any and all necessary actions to satisfy any conditions to such additional federal and/or state funding (provided that such actions are within the control of VDOT) and to enforce any commitments made in connection therewith, (b) comply with all applicable federal and Commonwealth funding requirements within the control or purview of VDOT, and (c) include in its contracts with contractors provisions that permit such contracts to be terminated, without penalty, if the funding is rescinded or otherwise becomes unavailable (for clarification, a provision shall not be deemed to include a penalty solely as a result of terms that require payment of compensation due and owing at the time of cancellation and reasonable costs associated with cancellation provided that such costs are consistent with costs paid pursuant to VDOT's standard contract terms relating to contract cancellation and termination). VDOT acknowledges and agrees that if funding from such an additional federal or state source is rescinded or otherwise becomes unavailable HRTAC (i) shall not be responsible for any amount in excess of its commitment set forth on Appendix B, and (ii) may (A) replace said reduced funding with HRTAC Controlled-Moneys or (B) may request VDOT to immediately suspend or discontinue all work relating to the Project, provided if HRTAC requests suspension HRTAC shall be responsible for the costs reasonably incurred in connection with such suspension. Should HRTAC not replace the reduced funding or request

VDOT to suspend or discontinue work, VDOT may reduce the Project scope or take any other actions needed to reduce the Project costs to the Project Budget.

19. Provide a certification to HRTAC no later than 90 days after final payment for the Project that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.
20. Notify HRTAC if VDOT determines that a delay will more likely than not prevent the timely completion of a material phase of the Project, including information regarding potential corrective measures and remedies against the contractor.
21. With respect to modifications to any agreement with a contractor, concede to HRTAC any resulting savings, if HRTAC-Controlled Moneys are funding 100% of the applicable work, or if the cost savings relate to work funded with HRTAC-Controlled Moneys and state and/or federal funds, concede such savings to such parties *pro rata*, based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget for such work.
22. Include in any agreement with a contractor an assessment of liquidated damages in accordance with the Master Agreement if either substantial completion or final acceptance is not achieved by the applicable deadline. Unless otherwise agreed by the parties acting reasonably, any liquidated damages (as well as other damages paid by a contractor, insurance proceeds, or recoveries from third parties) received by VDOT in respect of the Project shall be administered in accordance with the terms of the Master Agreement.
23. Terminate any agreement with a contractor upon the written request of HRTAC if (a) VDOT has failed to exercise the right to terminate such agreement for cause, but only (i) if such failure is reasonably expected to have a material adverse effect on HRTAC and (ii) following consultation between HRTAC and VDOT regarding the reasons, if any, for VDOT's failure to exercise such right; or (b) HRTAC determines in good faith that HRTAC has suffered a material adverse change in its ability to satisfy its obligations under this Agreement and it is in HRTAC's best interests for VDOT to terminate the contractor's agreement for convenience.

B. HRTAC's Obligations

HRTAC shall:

1. Subject to the limitations as to amounts set forth in Appendix B (and subject to Section F of this Agreement), provide to VDOT the funding authorized by HRTAC for the Project, on a reimbursement basis as set

forth in this Agreement and as specified in Appendix B to this Agreement or the most updated amendment thereto, as approved by HRTAC.

2. Assign a person to serve as a Program Coordinator for the Project, who will be responsible for review of the Project on behalf of HRTAC for purposes of ensuring it is being completed in compliance with this Agreement and all HRTAC requirements. (In the absence of an assigned person, HRTAC's Executive Director shall serve as the Program Coordinator.) HRTAC's Program Coordinator will be responsible for overseeing, managing, reviewing, and processing, in consultation with HRTAC's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. HRTAC's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the scope of the Project as set forth on Appendix A or to the Project Budget and Project Schedule as set forth on Appendix B.
3. Route to HRTAC's assigned Program Coordinator all VDOT payment requisitions and the summaries of actual costs submitted to HRTAC for the Project. After submission to HRTAC, HRTAC's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. HRTAC's Program Coordinator will then make a recommendation to the HRTAC's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is, in HRTAC's reasonable judgment, deemed insufficient, within twenty (20) days from receipt, HRTAC's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed in order to authorize the payment request. Payment will be withheld until all deficiencies identified by HRTAC have been corrected to HRTAC's reasonable satisfaction. Under no circumstances will HRTAC authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the HRTAC Act or this Agreement.
4. Route all of VDOT's accelerated or supplemental requests for funding from HRTAC under Sections A.5 and A.8, respectively, of this Agreement to HRTAC's Executive Director. HRTAC's Executive Director will initially review those requests and all supporting documentation with HRTAC's CFO. After such initial review, HRTAC's Executive Director will make a recommendation to HRTAC's Finance Committee for its independent consideration and review. HRTAC's Finance Committee will thereafter make a recommendation on any such request to HRTAC for final determination by HRTAC.

5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the HRTAC Act and other applicable law. Such compliance reviews may entail (i) review of VDOT's financial records for the Project, (ii) on-Project site inspections and (iii) review of a contractor's books and records in relation to the Project to the extent VDOT has access thereto.
6. Acknowledge that if, as a result of HRTAC's review of any payment requisition or of any HRTAC compliance review, HRTAC staff determines that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, HRTAC staff will promptly advise HRTAC's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to HRTAC's initial findings. HRTAC's staff will review VDOT's response and make a recommendation to HRTAC's Finance Committee. HRTAC's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to HRTAC. If HRTAC makes a final determination that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, the parties should engage in dispute resolution as provided in Section D of this Agreement. Pending final resolution of the matter, HRTAC will withhold further funding on the Project. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Upon making final payment to VDOT for the Project, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans, if any, developed pursuant to or in association with the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
8. Be the sole determinant of the amount and source of HRTAC funds to be provided and allocated to the Project and the amounts of any HRTAC funds to be provided in excess of the amounts specified in Appendix B.
9. Have no obligation to pay or reimburse VDOT for any cost (including, without limitation, compensation paid or payable to any contractor) arising out of VDOT Fault.

C. Term

1. This Agreement shall (i) be effective upon adoption and execution by both parties and (ii) unless terminated earlier in accordance with its terms, expire ninety (90) days after the date on which VDOT makes final payment

to Project contractor(s) and all contractor claims have been resolved or are barred.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by HRTAC of this Agreement. If so terminated, HRTAC shall pay for all Project costs incurred in accordance with the terms of this Agreement through the date of termination and all reasonable costs incurred by VDOT to terminate all Project-related contracts. The Virginia General Assembly's failure to appropriate funds to HRTAC as described in Section F of this Agreement and/or repeal or amendment of the legislation establishing the HRTF or HRTAC's powers shall not be considered material breaches of this Agreement by HRTAC if such failure to appropriate or such repeal or amendment eliminates funds in the HRTF to be used for the Project or renders HRTAC without legal authority to provide funding for the Project. Before initiating any proceedings to terminate under this Section, VDOT shall give HRTAC sixty (60) days written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing HRTAC an opportunity to investigate and cure any such alleged breach.
3. HRTAC may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to HRTAC all funds HRTAC provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by HRTAC. Before initiating any proceedings to terminate under this Section, HRTAC shall give VDOT sixty (60) days' written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing VDOT an opportunity to investigate and cure any such alleged breach. Prior to termination, if VDOT has substantially completed the Project or a portion that is severable (meaning it is subject to independent use), VDOT may request that HRTAC excuse VDOT from refunding funds paid in respect of the substantially completed Project or portion, and HRTAC may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds HRTAC provided to VDOT for the substantially completed Project or portion thereof. No such request to be excused from refunding will be allowed (a) where VDOT has either misused or misapplied HRTAC funds in contravention of this Agreement or applicable law, or (b) without the prior written consent of any lender to HRTAC, if the terms of HRTAC's loan agreement with such lender require such consent.
4. Upon (a) expiration or earlier termination of this Agreement and (b) payment of all eligible expenses as set forth in Section C.3 above, VDOT will release or return to HRTAC all unexpended HRTAC funds and, to the extent permitted by law, with interest earned at the rate earned by HRTAC, no later than sixty (60) days after the date of such expiration or earlier termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer promptly in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. HRTAC's Executive Director and the Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to HRTAC and to the Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law or in equity, including all judicial remedies. The foregoing dispute resolution method shall not bar either party's right to seek equitable relief on an emergency basis. Neither party will seek or accept an award of attorneys' fees or costs incurred in connection with resolution of a dispute.

E. HRTAC's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by HRTAC under this Agreement ("Assets") for the designated transportation purposes of the Project, in accordance with applicable law throughout the useful life of each such Asset, and in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If VDOT intends to sell, convey, or dispose any Asset funded with HRTAC funds or intends to use any Asset for a purpose inconsistent with this Agreement or the Master Agreement, VDOT shall notify HRTAC's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, HRTAC's Executive Director shall notify HRTAC of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Asset(s) so as to ensure compliance with all applicable requirements and terms of the HRTAC Act and the Master Agreement (without limiting the foregoing, VDOT acknowledges that (i) under the HRTAC Act and applicable law, HRTAC is vested with the right to impose and collect tolls on facilities constructed by the Commission and holds a license to, among other things, use the tolling infrastructure and system, and (ii) under the HREL Tolling Legislation, HRTAC is vested with the right to impose and collect tolls on the portion of the HREL Project facility that has been designated by the CTB for use as high-occupancy toll lanes). All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to HRTAC and the Commissioner for their respective approval.

F. Appropriations Requirements

1. Nothing herein shall require or obligate HRTAC to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body for the Project.
2. The parties acknowledge that all funding provided by HRTAC pursuant to the HRTAC Act is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the HRTF pursuant to applicable provisions of the Code of Virginia and any other moneys that the General Assembly appropriates for deposit into the HRTF are subject to appropriation by the General Assembly and (ii) HRTAC's obligations under this Agreement are subject to such moneys being appropriated to the HRTF by the General Assembly.
3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available to VDOT for HRTAC projects.
4. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to HRTAC that such additional funds have been allocated and authorized by the CTB and/or appropriated by the Virginia General Assembly as may be applicable or have been obtained through another independent, lawful source.

G. Representations and Warranties

1. VDOT hereby represents and warrants to HRTAC as of the date of this Agreement as follows:
 - (a) VDOT is an agency of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
 - (b) VDOT has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of VDOT has been duly authorized to execute and deliver it on behalf of VDOT;
 - (c) the execution and delivery by VDOT of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where

such violation will have a material adverse effect on the ability of VDOT to perform its obligations under this Agreement;

- (d) this Agreement has been duly authorized, executed, and delivered by VDOT and constitutes a valid and legally binding obligation of VDOT, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however,* that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
- (e) there is no action, suit, proceeding, investigation, or litigation pending and served on VDOT which challenges VDOT's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the VDOT official executing this Agreement, and VDOT has disclosed to HRTAC any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which VDOT is aware.

2. HRTAC hereby represents and warrants to VDOT as of the date of this Agreement as follows:

- (a) HRTAC is a body politic and a political subdivision of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
- (b) HRTAC has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of HRTAC has been duly authorized to execute and deliver it on behalf of HRTAC;
- (c) the execution and delivery by HRTAC of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where such violation will have a material adverse effect on the ability of HRTAC to perform its obligations under this Agreement;

- (d) this Agreement has been duly authorized, executed, and delivered by HRTAC and constitutes a valid and legally binding obligation of HRTAC, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however*, that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
- (e) there is no action, suit, proceeding, investigation, or litigation pending and served on HRTAC which challenges HRTAC's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the HRTAC official executing this Agreement, and HRTAC has disclosed to VDOT any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which HRTAC is aware.

H. Tax Covenants for Bond-Funded Projects

VDOT shall comply in all material respects with the Tax Covenants for Bond-Funded Projects set forth in Appendix F (*Tax Covenants for Bond-Funded Projects*).

I. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: HRTAC, to the attention of its Executive Director and Chairman;
723 Woodlake Drive
Chesapeake, VA 23320
- 2) to: VDOT, to the attention of:
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

J. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

K. Modification or Amendment

(a) This Agreement may not be modified or amended, except pursuant a written agreement that is duly authorized, executed and delivered by both parties.

(b) If HRTAC is able to obtain a source of funding for the Project that would reduce or replace the amount of HRTAC-Controlled Moneys expended on the Project, VDOT and HRTAC will work in good faith to amend this Agreement so it takes into account that other funding.

(c) VDOT and HRTAC will work in good faith to adopt such amendments to this Agreement as VDOT and HRTAC may mutually agree are necessary and desirable in connection with any bond financing.

L. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, member, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

M. No Agency

VDOT represents that it is not acting as a partner or agent of HRTAC; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

N. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

O. Incorporation of Recitals and Appendices

The recitals and Appendices to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that the recitals are true and correct.

P. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

Q. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

R. Survival

The following provisions shall survive the expiration or earlier termination of this Agreement: Sections A.4, A.9, A.12, A.15, A.17, A.19, A.22, B.5 and B.7, and Sections C through R.

[Signature page follows]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Hampton Roads Transportation Accountability Commission

By: _____

Name: _____

Title: _____

Date: _____

Virginia Department of Transportation

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

HAMPTON ROADS EXPRESS LANES NETWORK PROJECT ELEMENTS

SEGMENT 4A/4B (FULL BUILD) PROJECT – UPC 119824

Scope: The work associated with this Standard Project Agreement for the Segment 4A/4B Full Build project is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117839) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 4A/4B of the Hampton Roads Express Lane Network and is anticipated to eventually encompass, pursuant to an amendment, construction of the Segment. The Segment 4A/4B project is located on I-64 EB and WB in the Cities of Newport News and Hampton starting 1.20 miles west of Denbigh Boulevard to 0.139 miles east of LaSalle Avenue for a project length of approximately 13.5 miles. The purpose is to convert the existing high occupancy vehicle (HOV) lane into an Express lane for the portion of the segment where these lanes are located. For the last mile of the segment, a general purpose (GP) lane will be converted to a Express lane and the EB lanes will be widened to add a buffer between the proposed Express lane and GP lane. The widening will maintain minimum shoulder width in both directions. The proposed improvements include the replacement of I-64 Bridge EB and WB over LaSalle Avenue. Interstate ramps will be realigned as needed. It is anticipated that one parcel will have fight of way impacts (to be verified at a later date). VDOT will provide a set of plans and specifications for advertisement utilizing its design and engineering support services contractor(s) and/or their subcontractors.

APPENDIX B

HAMPTON ROADS EXPRESS LANES NETWORK ELEMENTS

SEGMENT 4A/4B (FULL BUILD) PROJECT – UPC 119824

PROJECT BUDGET AND PROJECT SCHEDULE

Project Budget: SEGMENT 4A/4B (FULL BUILD) PROJECT:

*Preliminary Engineering	\$10,052,520
Right of Way (RW)	\$2,369,034
**Construction (CN)	\$0
<hr/> Total Cost	<hr/> \$12,421,553

*An additional sum of \$5,916,426 was previously approved for preliminary engineering under a separate advanced activity SPA executed on April 1st, 2021 (UPC 117839) and the sums set forth herein will be made available for the Segment 4C (Full Build) Project.

** Notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties agree that this SPA addressing Preliminary Engineering and Right of Way phases of this Project will be amended to add Construction and other project delivery details as necessary as well as funding prior to award authorization at a later date as shown in the schedule below.

The work associated with this Standard Project Agreement for the Segment 4A/4B is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117839) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 4A/4B of the Hampton Roads Express Lane Network.

These tasks include but are not limited to the following:

NEPA Categorical Exclusion investigation and documentation, cost estimate & schedule refinements, HREL Network communication plan, public information meetings, other information meetings with localities and others as requested, finalize plans, acquire RW, obtain permits, prepare documentation for construction advertisement.

Project Schedule: Segment 4A/4B (FULL BUILD) Project (all dates are estimates):

- **Preliminary Engineering (PE):**
 - PE Start (Adv Act): July 1, 2020 (Advanced Activity UPC 117839)
 - PE Start (Full Build): October 21, 2021
 - PE End: January 11, 2022

- **Right of Way (RW):**
 - RW Start: January 11, 2022
 - RW End: May 9, 2023
- **Construction (CN):**
 - CN Start: May 9, 2023
 - CN End: December 26, 2025

APPENDIX C

FORM OF PAYMENT REQUISITION

HRTAC Project Title and Number: Hampton Roads Express Lanes Network Elements, Segment 4A/4B (FULL BUILD) Project - UPC 119824

Project Scope/Services Description: The work associated with this Standard Project Agreement for the Segment 4A/4B is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117839) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 4A/4B of the Hampton Roads Express Lane Network.

Draw Request Number: _____

Date: _____, 20__

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

Attention _____, Program Coordinator:

This requisition is submitted in connection with the Standard Project Agreement for Funding and Administration for the project services noted above and dated _____, 20__ (the "Agreement") between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT"). VDOT hereby requests \$_____ of HRTAC funds, to pay the costs of the project services described and set forth in Appendices A and B of the Agreement ("Project Services") and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of VDOT's costs of the Project Services, (ii) VDOT is responsible for payment to vendors/contractors, (iii) VDOT is not in breach or default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in another Appendix to the Agreement, (iv) the representations and warranties made by VDOT in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of VDOT, no condition exists under the Agreement that would allow HRTAC to withhold the requested advance.

VIRGINIA DEPARTMENT OF TRANSPORTATION

By: _____

Name: _____

Title: _____

Recommended For Payment

By: _____

Name: _____

Title: HRTAC Program Coordinator

DETAILED PAYGO REQUEST

Draw Request Number: _____
 HRTAC Project Number: UPC 119824

Request Date: _____
 Project Title: HRELN Segment 4A/4B

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$10,052,519			\$ -
Design Work/ Engineering	\$10,052,519	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Work	\$2,369,034	-	-	\$ -
Construction	\$0	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$12,421,553	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by HRTAC
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.

3. Column C- Please list the invoice number as it appears on the Invoice
4. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
5. Column E- Please enter the dollar amount listed on the invoice.
6. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

REPORTS TO BE PROVIDED BY VDOT

1) Monthly Project Expenditure Report which lists, by category of expense (*e.g.*, engineering, ROW, utility relocations, construction), (a) information regarding expenditures to date against the budget, both monthly and for the life of the project, and a statement of the percent completed; and (b) such other information as VDOT customarily provides with monthly expenditure reports.

2) Monthly Project Report which provides (a) an overview of progress on major project tasks; (b) information regarding the budget (such as, the baseline planned forecast, any approved changes thereto, the monthly expenditures, the cumulative expenditures, and the cumulative forecasted expenditures); (c) future key tasks; and (d) significant issues.

APPENDIX E

OFFICIAL AUTHORIZING DOCUMENTS

APPENDIX F

TAX COVENANTS FOR BOND-FUNDED PROJECTS

1. (A) VDOT (the Department) shall not permit the "Proceeds" of any "Commission Bonds" or any "Financed Property" to be used in any manner that would result in either: (1) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the "Code;" (2) 5% or more of such Proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code; (3) 5% or more of such Proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; or (4) more than an aggregate of \$15,000,000 of Proceeds of any single Commission Bond issue being considered as having been used in any trade or business, any output facility or to make or finance loans as described in (1), (2) or (3) above; **provided, however,** that if HRTAC (the Commission) and the Department receive an opinion of nationally recognized bond counsel concluding that such use or action will not affect the exclusion of interest on the Commission Bonds from gross income of the holders thereof for federal tax purposes under existing law, the Department need not comply with such restrictions.

(B) Notwithstanding the foregoing, the Department and the Commission agree that the provisions herein shall not apply to Proceeds of Commission Bonds derived from "qualified bonds" (as defined in Section 141(e) of the Code (or any successor provisions thereto or regulations thereunder)) the Commission may from time to time issue. In the event any such "qualified bonds" are issued by the Commission, the Department agrees that it will not permit Proceeds of Commission Bond derived from such "qualified bonds" to be used in a manner that fails to comply with the provisions of Section 141(e) and 142(a) of the Code (or any successor provisions thereto or regulations thereunder). The provisions of this subparagraph (B) shall not negate any provision in the Agreement or other agreement between the Commission and the Department that requires mutual consent of the parties or Commission approval of a concession arrangement in respect of the Project.

2. the Department agrees not to requisition or spend the proceeds of any the Commission Bond for any cost of the Project not constituting a "Capital Expenditure."

3. Except as may be described in writing to the Commission, the Department neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Department is receiving or may receive Proceeds of Commission Bonds.

4. The Department acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by the Commission to the contractors/vendors, or (ii) the Department remits payment to the contractors/vendors within five banking days after the date on which the Commission advances the amount of the requisition. The Commission may request the detailed information in order to compute the rebate liability to the U.S. Treasury on the Commission's bonds or other debt financing pursuant to Section 148 of the Code. In addition, the Department shall provide the Commission with any further

information reasonably requested by the Commission from time to time concerning the matters described in this Appendix F.

5. The following terms have the meanings assigned to them below whenever they are used in this Appendix F.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Code” means the Internal Revenue Code of 1986, as amended.

“Financed Property” means any property financed in whole or in part by any allocation of Commission Bond Proceeds.

“Commission Bond” means any Commission bond or other debt instrument that is a “tax-exempt bond” or a “tax-advantaged bond” (as defined in Treasury Regulations Section 1.150-1(a)).

“Proceeds” means the sale proceeds of any Commission Bond, together with the investment earnings on such proceeds, to the extent allocated to the Project.

**Standard Project Agreement for Funding and Administration
between
Hampton Roads Transportation Accountability Commission
and
Virginia Department of Transportation
(Hampton Roads Express Lanes Network Project Elements)**

HRTAC Project Title: Segment 4C (Full Build) Project

HRTAC Project Number: UPC 119638 (Advanced Activity UPC 117841 linked)

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and executed in duplicate on this ____ day of _____, 2021, as between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT").

WITNESSETH

WHEREAS, Chapter 766 of the 2013 Acts of Assembly established the Hampton Roads Transportation Fund (the "HRTF"), and provides that moneys deposited in the HRTF are to be used solely for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, Chapter 678 of the 2014 Acts of Assembly (now codified in Section 33.2-2600 *et seq.* of the Code of Virginia, as amended) (the "HRTAC Act") created HRTAC as a political subdivision of the Commonwealth of Virginia, and moved the responsibility to determine the projects that will be funded by the HRTF from the Hampton Roads Transportation Planning Organization to HRTAC;

WHEREAS, under Sections 33.2-2606 and 33.2-2607 of the Code of Virginia, HRTAC is also authorized to issue bonds and other evidences of debt, and to impose and collect certain tolls;

WHEREAS, under Chapter 703 of the 2020 Acts of Assembly (H1438)(the "HREL Tolling Legislation"), HRTAC is also authorized to impose and collect tolls in designated high-occupancy toll lanes on certain portions of Interstate 64;

WHEREAS, HRTAC is required to use all moneys that it receives, whether from the HRTF, bond proceeds, collections from any tolls imposed by HRTAC or otherwise (collectively, "HRTAC-Controlled Moneys"), for the benefit of those counties and cities that are embraced by HRTAC and in accordance with applicable law;

WHEREAS, VDOT is the Virginia state agency responsible for building, maintaining and operating the interstate, primary, and secondary state highway systems ("VDOT Highways");

WHEREAS, in light of (i) VDOT's responsibilities with respect to VDOT Highways and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, and (ii) the determinations of VDOT and HRTAC to coordinate their efforts with respect to, among other things, the development, tolling, financing, procurement and delivery of the Hampton Roads Express Lanes Network Project (the "HREL Project"), VDOT and HRTAC entered into a Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network dated August 18, 2020 (such agreement as thereafter amended and modified from time to time, the "Master Agreement");

WHEREAS, the Master Agreement contemplates that HRTAC may from time to time enter into Standard Project Agreements for Funding and Administration pursuant to which VDOT will procure all goods and services necessary to design and construct elements of the HREL Project;

WHEREAS, pursuant to the Master Agreement, the parties are prepared to have VDOT proceed with the services described on Appendix A in respect of the project set forth and described on Appendix A to this Agreement (the "Project");

WHEREAS, notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties agree that this SPA addressing Preliminary Engineering and Right of Way phases of this Project will be amended to add construction and remaining Project delivery details as needed, as well as related funding, prior to award authorization at a later date;

WHEREAS, HRTAC has determined that the Project would benefit the cities and counties that are embraced by HRTAC, it otherwise satisfies the requirements of the HRTAC Act, and it is consistent with the HREL Tolling Legislation;

WHEREAS, VDOT agrees to administer and/or develop the Project in accordance with the budget (the "Project Budget") and cashflow and construction schedule (the "Project Schedule") set forth and described on Appendix B to this Agreement (this Agreement and its appendices may be amended from time to time by mutual agreement of the parties to address mutually agreed changes relating to, among other things, Project scope, design, funding and regulatory approvals);

WHEREAS, HRTAC desires to provide funding for the administration and/or development of the Project out of HRTAC-Controlled Moneys, subject to the terms, conditions and limitations set forth herein;

WHEREAS, the Commonwealth Transportation Board ("CTB") has the authority, pursuant to Section 33.2-214 of the Code of Virginia, to cause VDOT to enter into this Agreement and has authorized the Commissioner of Highways to enter into agreements with HRTAC for project administration and development purposes, and Section 33.2-2608 of the Code of Virginia authorizes HRTAC to enter into this Agreement;

WHEREAS, the CTB, by resolution passed on January 14, 2015, resolved that any agreement between VDOT and HRTAC for project services shall provide that overruns or other additional project costs shall be prorated between HRTAC and VDOT so that each party bears a proportionate share of the additional costs based on each party's percentage responsibility of the project budget;

WHEREAS, HRTAC's governing body and the CTB have each authorized that their respective designee(s) execute this Agreement on their respective behalf(s) as evidenced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

1. Complete or perform or cause to be completed or performed all work relating to the Project, as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with (i) any and all applicable federal, state, and local laws and regulations, and (ii) all terms and conditions of the Master Agreement and this Agreement, including, without limitation, the Project Budget and Project Schedule reflected in Appendix B, which Project Budget and Project Schedule (A) VDOT represents have been prepared in good faith, in accordance with the practices and procedures that VDOT uses for projects where the state or VDOT bears the cost of the project (including, without limitation, the practices used to price and budget services that may be internally sourced, such as Construction Engineering Inspection/CEI), and (B) the parties acknowledge may be amended pursuant to Section A.8 below or as follows:
 - (a) In the event that VDOT determines, after receipt of proposals or bids for any work related to the Project, that the cost of the contract for said work will result in a significant reduction in costs associated with a portion of the Project Budget reflected in Appendix B that is allocated to work covered by the contract, then VDOT shall notify HRTAC's Executive Director of the significant reduction in costs. For purposes of this Section A.1(a), HRTAC and VDOT agree that a "significant reduction in costs" shall mean a reduction in costs that has the effect of reducing, in Appendix B, (x) the costs for the particular portion of the Project Budget allocated to work covered by the contract by more than 20 percent or (y) the entire Project Budget either by more than 10 percent or \$10,000,000, whichever applies. In the event there is a significant reduction in costs, VDOT

and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the effect of the reduction (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state or federal contributions, then the commitment of each funding source would be reduced by its proportionate share of the reduction in costs, which proportionate share will be based on the funding source's proportionate responsibility for the total budgeted costs before the reduction was realized) (for the avoidance of doubt, the amount by which a commitment is reduced shall be considered deobligated from the Project).

- (b) In the event that any federal or state funding not previously available for the Project becomes available for any portion of the Project Budget reflected in Appendix B, then VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the benefit of the additional funding (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state contributions, but federal funding subsequently becomes available, then the respective commitments of HRTAC and the state would be reduced by each party's proportionate share of the additional funds, which proportionate share will be based on the party's proportionate responsibility for the total budgeted cost before the additional funding became available).
- (c) In the event that application is made for federal or state funding or loans not previously available for the Project, then VDOT will, to the extent within its reasonable control, provide reasonable support to such application and, if any such funding or loans are awarded or otherwise become available, take action to satisfy conditions and comply with requirements of such funding or loans, in each case as may be reasonably requested by HRTAC.

2. Without limiting the foregoing, VDOT shall:

- (a) Select contractors, contract with contractors, and administer and enforce contracts all in a manner that is consistent in all material respects with the policies, procedures and practices that VDOT uses where the state or VDOT bears the cost of a project; for example, VDOT shall use its customary policies, procedures and practices relating to requesting bids/proposals, negotiating/finalizing terms and conditions of contracts (using, where applicable, standard terms/forms), and monitoring and enforcing performance of contracts;

- (b) Not enter into any contract to perform the work related to the Project if (i) the cost of that contract would exceed the portion of the Project Budget reflected in Appendix B that is allocated to the work covered by that contract, (ii) the cost of that contract, when aggregated with the cost of all other contracts relating to the Project that have been, or are expected to be, entered into would exceed the Project Budget reflected in Appendix B, or (iii) the schedule in the contract for performing and paying for the work related to the Project would be materially different (whether accelerated or delayed) from the Project Schedule set forth in Appendix B; in addition, if the bids or proposals received for any portion of the Project are not qualitatively consistent with VDOT's standards for that work or quantitatively within VDOT's projections for that work, each as determined by VDOT in its good faith judgment, VDOT shall (i) undertake a new procurement, or (ii) recommend alternative measures to HRTAC, and seek HRTAC's advice and consent regarding pursuit of those alternative measures. If HRTAC grants its written consent to a modification to the Project Budget and/or Project Schedule in order to permit VDOT to enter into a contract to perform the work, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to reflect the modified Project Budget and Project Schedule.
 - (c) Involve HRTAC in any procurement consistent with the terms of the Master Agreement.
- 3. Perform or have performed in accordance with VDOT's standards for highways, bridges and tunnels (or that otherwise are applicable to the work under the Project) all design and engineering, all environmental work, and all right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions, as is required by this Agreement or that may be necessary for completion of the Project pursuant to the terms of this Agreement. If VDOT determines that a delay will more likely than not prevent the completion of a material phase of the Project (e.g., PE or ROW acquisition), or the entire Project, in accordance with the Project Schedule, VDOT shall notify HRTAC in writing and provide HRTAC with such information as HRTAC may reasonably request, including information pertaining to potential corrective measures and remedies against the contractor (if VDOT and HRTAC mutually develop a model notice for such purposes, VDOT's notice will follow the format of the model).
- 4. Not use any funds provided by HRTAC, including the funds specified on Appendix B, to pay any Project cost if, as applicable, the HRTAC Act or HREL Tolling Legislation does not permit such Project cost to be paid with HRTAC funds.

5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which HRTAC will provide funding for such multiple funding phases (as scheduled on Appendix B), HRTAC may not have sufficient cash flows to permit accelerated funding to VDOT and to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to HRTAC's Executive Director explaining VDOT's reasons why HRTAC should authorize acceleration to the next funding phase. (As used in this Agreement, "Executive Director" shall mean HRTAC's Chairman if at any applicable time, HRTAC has not engaged a dedicated, full-time Executive Director.) HRTAC's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and HRTAC's current and projected cash flow position and make a recommendation to HRTAC whether to authorize VDOT's requested accelerated funding. The foregoing shall not prohibit VDOT from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from HRTAC for having advance funded a future phase of the Project; however, VDOT further recognizes that HRTAC's reimbursement to VDOT for having advance funded a phase of the Project will be dependent upon HRTAC's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which the reimbursement of any such advanced funding is otherwise consistent with the terms of this Agreement, including Appendix B.
6.
 - (a) Permit (and assist) HRTAC's Executive Director to periodically update HRTAC's cash flow estimates for the Project with the objective toward keeping those estimates accurate throughout the performance of the Project. VDOT shall provide all available information reasonably required by HRTAC so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the performance of the Project as described in Appendix B.
 - (b) Provide HRTAC's Executive Director with the monthly reports described on Appendix D.
7. Provide to HRTAC's Executive Director requests for payment consistent with Appendix C (and the most recently approved HRTAC cash flow estimates) that include (a) HRTAC's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by HRTAC, and (b) certifications that all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by HRTAC, VDOT can expect to receive payment within

twenty (20) days upon receipt by HRTAC. Approved payments may be made by means of electronic transfer of funds from HRTAC to or for the account of VDOT.

8. (a) Promptly notify HRTAC's Executive Director if VDOT determines that any additional, unbudgeted costs may be incurred to perform and complete the Project ("Additional Costs"), which notice shall include a description of the Additional Costs, an explanation of how they arose and the assumptions in the initial budget regarding those costs, and a detailed estimate of the Additional Costs. VDOT shall make recommendations regarding any curative actions that may be available relating to such Additional Costs, including any potential modification or reduction that may be made to the Project scope or design, or any other action, in order to stay within the initial budget for the Project. If the Additional Costs can be absorbed in the Project Budget by modifying or reducing the scope or design of the Project (or avoided by cancelling the Project or any portion thereof), HRTAC may, in its sole discretion, elect to (i) authorize VDOT to proceed with such modifications or reductions, (ii) authorize the Additional Costs (or if a combination of (i) and (ii) is feasible, HRTAC may elect such combination), or (iii) elect to cancel the Project or a portion thereof; provided, however, in any case, the respective obligations of VDOT and HRTAC, as modified by the elected alternative, shall be set forth in an amendment to this Agreement (VDOT and HRTAC shall work in good faith to finalize and execute such amendment). If the Additional Costs cannot be absorbed in the initial budget by modifying or reducing the scope or design of the Project (and HRTAC elects option (ii) above), then, subject to Section F below, such Additional Costs shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget. In the event that HRTAC elects to cancel the Project (or any portion thereof) pursuant to this Section A.8(a)(iii), (A) all compensation due and owing to any and all contractors for work on the Project that has been completed at the time of cancellation, shall be paid in accord with Appendix B, and (B) subject to Section F, all reasonable costs associated with the cancellation due and owing to said contractors pursuant to the terms of the contracts with the contractors, which terms shall be consistent with VDOT's standard contract terms relating to contract cancellation and termination, (the "Breakage Compensation"), shall be paid with HRTAC-Controlled Moneys, unless VDOT and HRTAC mutually determine that cancellation of the Project is necessary or warranted, in which case, the Breakage Compensation shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on

the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget.

- (b) VDOT shall not include in any contract with a contractor working on the Project any term, condition or remedy in respect of Additional Costs that is more favorable to the contractor than the terms, conditions or remedies VDOT includes in standard contracts where the state or VDOT bears the cost of the project.
 - (c) The Additional Costs may include costs incurred by VDOT as a result of contractor claims relating to the Project made pursuant to the VDOT Roads and Bridge Specifications and §§ 33.2-1101 through 33.2-1105 of the Code, as amended. VDOT shall promptly notify HRTAC if any such claims are made or VDOT receives a notice of intent to file a claim or other written communication from a contractor relating to a claim or contractual dispute that could result in increased contract costs, and whether in each such case the claimed amount is expected to become, or result in, Additional Costs (and the estimate thereof) or is expected to have a material adverse effect on the contingency reserves established as part of the Project Budget (and the estimated effect thereon). VDOT shall be responsible to handle all such claims and notices of intent, but VDOT may not settle any claim or notice of intent to file a claim and thereafter submit it as an Additional Cost pursuant to Section A.8(a) unless the settlement has been approved by HRTAC. Funding for the settlement will be prorated based on the respective proportionate share of the HRTAC-Controlled Moneys and state and federal funds in the Project Budget. Should the claim not be settled, any final judgment from a court of competent jurisdiction shall be paid in accordance with the proration rule set forth in the preceding sentence.
 - (d) Notwithstanding anything to the contrary set forth herein, if any additional cost (including, without limitation, any additional cost relating to a contractor claim described in Section A.8(c) above) arises out of or results from VDOT's negligence, breach of contract, willful misconduct or violation of law ("VDOT Fault"), HRTAC shall not be responsible for such additional costs. Any notice provided by VDOT to HRTAC pursuant to Section A.8(c) above shall be accompanied by a certification from VDOT that it has determined in good faith that any Additional Costs do not arise out of or result from VDOT Fault.
9. Release or return any unexpended funds to HRTAC no later than 90 days after final payment has been made in respect of the Project.

10. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations.
11. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
12. Reimburse HRTAC (or such other entity as may have provided funds) for all funds provided by HRTAC (or on behalf of HRTAC) and, to the extent applicable and permitted by law, with interest earned at the rate earned by HRTAC, (a) that VDOT misapplied, used or requisitioned in contravention of the HRTAC Act or any other applicable law, or any term or condition of this Agreement or (b) the expenditure of which arose out of VDOT Fault.
13. Be solely responsible for the administration and/or development of the Project and all engagements, commitments and agreements with contractors (and, without limiting the foregoing, shall ensure that such engagements, commitments and agreements contain all terms that, pursuant to the Master Agreement or this Agreement, are required to be included therein). VDOT shall ensure that VDOT's contractors maintain surety bonds and insurance in amounts and with coverages that VDOT requires under its Road and Bridge Specifications for all work to be performed for the Project, and name HRTAC and its members, officers, employees and, if applicable, any HRTAC lender and any bond trustee, as additional insureds on any such insurance policy, and present HRTAC with satisfactory evidence thereof before any work on the Project commences.
14. If in connection with the work VDOT engages outside legal counsel approved by the Attorney General (as opposed to utilizing the services of the Office of the Attorney General), VDOT will give HRTAC notice of the engagement so as to ensure that no conflict of interest may arise from any such representation (VDOT also shall ensure that such engagements are consistent with the practices and terms that VDOT uses where it is solely responsible for project costs).
15. Subject to and consistent with the requirements of Section E of this Agreement, upon final payment to all contractors for the Project, if the Project is or is part of a VDOT Highway, VDOT will use the Project (a) for its intended purposes for the duration of the Project's useful life, and (b) in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project (which

duty and obligation excludes the Tolling O&M Duties, as defined in the Master Agreement, except as otherwise provided in the Master Agreement or in any other contract between VDOT and HRTAC under which VDOT is responsible to perform such duties as a contractor to HRTAC) after its completion (including responsibility to correct any defects or to cause any defects to be corrected)(and, without limiting the foregoing, shall perform its operations and maintenance obligations in accordance with the terms of the Master Agreement), and, except as and to the extent provided under the Master Agreement (with respect to Tolling O&M Duties), under no circumstances will HRTAC have any responsibility or obligation to operate and/or maintain the Project (or correct defects with respect to the Project).

16. Comply with all applicable federal, state and local laws and regulations, including without limitation requirements of the Virginia Public Procurement Act.
17. Recognize that VDOT or its contractors are solely responsible for obtaining, and shall obtain, all permits, permissions and approvals necessary to construct and/or operate the Project, including, but not limited to, obtaining all required VDOT and local land use permits, zoning approvals, environmental permits, and regulatory approvals.
18. Recognize that if the Project is being funded, in whole or in part, with federal and/or state funds (in addition to HRTAC-Controlled Moneys), that VDOT shall (a) take any and all necessary actions to satisfy any conditions to such additional federal and/or state funding (provided that such actions are within the control of VDOT) and to enforce any commitments made in connection therewith, (b) comply with all applicable federal and Commonwealth funding requirements within the control or purview of VDOT, and (c) include in its contracts with contractors provisions that permit such contracts to be terminated, without penalty, if the funding is rescinded or otherwise becomes unavailable (for clarification, a provision shall not be deemed to include a penalty solely as a result of terms that require payment of compensation due and owing at the time of cancellation and reasonable costs associated with cancellation provided that such costs are consistent with costs paid pursuant to VDOT's standard contract terms relating to contract cancellation and termination). VDOT acknowledges and agrees that if funding from such an additional federal or state source is rescinded or otherwise becomes unavailable HRTAC (i) shall not be responsible for any amount in excess of its commitment set forth on Appendix B, and (ii) may (A) replace said reduced funding with HRTAC Controlled-Moneys or (B) may request VDOT to immediately suspend or discontinue all work relating to the Project, provided if HRTAC requests suspension HRTAC shall be responsible for the costs reasonably incurred in connection with such suspension. Should HRTAC not replace the reduced funding or request

VDOT to suspend or discontinue work, VDOT may reduce the Project scope or take any other actions needed to reduce the Project costs to the Project Budget.

19. Provide a certification to HRTAC no later than 90 days after final payment for the Project that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.
20. Notify HRTAC if VDOT determines that a delay will more likely than not prevent the timely completion of a material phase of the Project, including information regarding potential corrective measures and remedies against the contractor.
21. With respect to modifications to any agreement with a contractor, concede to HRTAC any resulting savings, if HRTAC-Controlled Moneys are funding 100% of the applicable work, or if the cost savings relate to work funded with HRTAC-Controlled Moneys and state and/or federal funds, concede such savings to such parties *pro rata*, based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget for such work.
22. Include in any agreement with a contractor an assessment of liquidated damages in accordance with the Master Agreement if either substantial completion or final acceptance is not achieved by the applicable deadline. Unless otherwise agreed by the parties acting reasonably, any liquidated damages (as well as other damages paid by a contractor, insurance proceeds, or recoveries from third parties) received by VDOT in respect of the Project shall be administered in accordance with the terms of the Master Agreement.
23. Terminate any agreement with a contractor upon the written request of HRTAC if (a) VDOT has failed to exercise the right to terminate such agreement for cause, but only (i) if such failure is reasonably expected to have a material adverse effect on HRTAC and (ii) following consultation between HRTAC and VDOT regarding the reasons, if any, for VDOT's failure to exercise such right; or (b) HRTAC determines in good faith that HRTAC has suffered a material adverse change in its ability to satisfy its obligations under this Agreement and it is in HRTAC's best interests for VDOT to terminate the contractor's agreement for convenience.

B. HRTAC's Obligations

HRTAC shall:

1. Subject to the limitations as to amounts set forth in Appendix B (and subject to Section F of this Agreement), provide to VDOT the funding authorized by HRTAC for the Project, on a reimbursement basis as set

forth in this Agreement and as specified in Appendix B to this Agreement or the most updated amendment thereto, as approved by HRTAC.

2. Assign a person to serve as a Program Coordinator for the Project, who will be responsible for review of the Project on behalf of HRTAC for purposes of ensuring it is being completed in compliance with this Agreement and all HRTAC requirements. (In the absence of an assigned person, HRTAC's Executive Director shall serve as the Program Coordinator.) HRTAC's Program Coordinator will be responsible for overseeing, managing, reviewing, and processing, in consultation with HRTAC's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. HRTAC's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the scope of the Project as set forth on Appendix A or to the Project Budget and Project Schedule as set forth on Appendix B.
3. Route to HRTAC's assigned Program Coordinator all VDOT payment requisitions and the summaries of actual costs submitted to HRTAC for the Project. After submission to HRTAC, HRTAC's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. HRTAC's Program Coordinator will then make a recommendation to the HRTAC's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is, in HRTAC's reasonable judgment, deemed insufficient, within twenty (20) days from receipt, HRTAC's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed in order to authorize the payment request. Payment will be withheld until all deficiencies identified by HRTAC have been corrected to HRTAC's reasonable satisfaction. Under no circumstances will HRTAC authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the HRTAC Act or this Agreement.
4. Route all of VDOT's accelerated or supplemental requests for funding from HRTAC under Sections A.5 and A.8, respectively, of this Agreement to HRTAC's Executive Director. HRTAC's Executive Director will initially review those requests and all supporting documentation with HRTAC's CFO. After such initial review, HRTAC's Executive Director will make a recommendation to HRTAC's Finance Committee for its independent consideration and review. HRTAC's Finance Committee will thereafter make a recommendation on any such request to HRTAC for final determination by HRTAC.

5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the HRTAC Act and other applicable law. Such compliance reviews may entail (i) review of VDOT's financial records for the Project, (ii) on-Project site inspections and (iii) review of a contractor's books and records in relation to the Project to the extent VDOT has access thereto.
6. Acknowledge that if, as a result of HRTAC's review of any payment requisition or of any HRTAC compliance review, HRTAC staff determines that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, HRTAC staff will promptly advise HRTAC's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to HRTAC's initial findings. HRTAC's staff will review VDOT's response and make a recommendation to HRTAC's Finance Committee. HRTAC's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to HRTAC. If HRTAC makes a final determination that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, the parties should engage in dispute resolution as provided in Section D of this Agreement. Pending final resolution of the matter, HRTAC will withhold further funding on the Project. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Upon making final payment to VDOT for the Project, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans, if any, developed pursuant to or in association with the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
8. Be the sole determinant of the amount and source of HRTAC funds to be provided and allocated to the Project and the amounts of any HRTAC funds to be provided in excess of the amounts specified in Appendix B.
9. Have no obligation to pay or reimburse VDOT for any cost (including, without limitation, compensation paid or payable to any contractor) arising out of VDOT Fault.

C. Term

1. This Agreement shall (i) be effective upon adoption and execution by both parties and (ii) unless terminated earlier in accordance with its terms, expire ninety (90) days after the date on which VDOT makes final payment

to Project contractor(s) and all contractor claims have been resolved or are barred.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by HRTAC of this Agreement. If so terminated, HRTAC shall pay for all Project costs incurred in accordance with the terms of this Agreement through the date of termination and all reasonable costs incurred by VDOT to terminate all Project-related contracts. The Virginia General Assembly's failure to appropriate funds to HRTAC as described in Section F of this Agreement and/or repeal or amendment of the legislation establishing the HRTF or HRTAC's powers shall not be considered material breaches of this Agreement by HRTAC if such failure to appropriate or such repeal or amendment eliminates funds in the HRTF to be used for the Project or renders HRTAC without legal authority to provide funding for the Project. Before initiating any proceedings to terminate under this Section, VDOT shall give HRTAC sixty (60) days written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing HRTAC an opportunity to investigate and cure any such alleged breach.
3. HRTAC may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to HRTAC all funds HRTAC provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by HRTAC. Before initiating any proceedings to terminate under this Section, HRTAC shall give VDOT sixty (60) days' written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing VDOT an opportunity to investigate and cure any such alleged breach. Prior to termination, if VDOT has substantially completed the Project or a portion that is severable (meaning it is subject to independent use), VDOT may request that HRTAC excuse VDOT from refunding funds paid in respect of the substantially completed Project or portion, and HRTAC may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds HRTAC provided to VDOT for the substantially completed Project or portion thereof. No such request to be excused from refunding will be allowed (a) where VDOT has either misused or misapplied HRTAC funds in contravention of this Agreement or applicable law, or (b) without the prior written consent of any lender to HRTAC, if the terms of HRTAC's loan agreement with such lender require such consent.
4. Upon (a) expiration or earlier termination of this Agreement and (b) payment of all eligible expenses as set forth in Section C.3 above, VDOT will release or return to HRTAC all unexpended HRTAC funds and, to the extent permitted by law, with interest earned at the rate earned by HRTAC, no later than sixty (60) days after the date of such expiration or earlier termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer promptly in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. HRTAC's Executive Director and the Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to HRTAC and to the Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law or in equity, including all judicial remedies. The foregoing dispute resolution method shall not bar either party's right to seek equitable relief on an emergency basis. Neither party will seek or accept an award of attorneys' fees or costs incurred in connection with resolution of a dispute.

E. HRTAC's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by HRTAC under this Agreement ("Assets") for the designated transportation purposes of the Project, in accordance with applicable law throughout the useful life of each such Asset, and in accordance with, and subject to, the terms of the Master Agreement (including, without limitation, the license granted to HRTAC pursuant to Section 3.08(b) thereof). If VDOT intends to sell, convey, or dispose any Asset funded with HRTAC funds or intends to use any Asset for a purpose inconsistent with this Agreement or the Master Agreement, VDOT shall notify HRTAC's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, HRTAC's Executive Director shall notify HRTAC of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Asset(s) so as to ensure compliance with all applicable requirements and terms of the HRTAC Act and the Master Agreement (without limiting the foregoing, VDOT acknowledges that (i) under the HRTAC Act and applicable law, HRTAC is vested with the right to impose and collect tolls on facilities constructed by the Commission and holds a license to, among other things, use the tolling infrastructure and system, and (ii) under the HREL Tolling Legislation, HRTAC is vested with the right to impose and collect tolls on the portion of the HREL Project facility that has been designated by the CTB for use as high-occupancy toll lanes). All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to HRTAC and the Commissioner for their respective approval.

F. Appropriations Requirements

1. Nothing herein shall require or obligate HRTAC to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body for the Project.
2. The parties acknowledge that all funding provided by HRTAC pursuant to the HRTAC Act is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the HRTF pursuant to applicable provisions of the Code of Virginia and any other moneys that the General Assembly appropriates for deposit into the HRTF are subject to appropriation by the General Assembly and (ii) HRTAC's obligations under this Agreement are subject to such moneys being appropriated to the HRTF by the General Assembly.
3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available to VDOT for HRTAC projects.
4. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to HRTAC that such additional funds have been allocated and authorized by the CTB and/or appropriated by the Virginia General Assembly as may be applicable or have been obtained through another independent, lawful source.

G. Representations and Warranties

1. VDOT hereby represents and warrants to HRTAC as of the date of this Agreement as follows:
 - (a) VDOT is an agency of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
 - (b) VDOT has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of VDOT has been duly authorized to execute and deliver it on behalf of VDOT;
 - (c) the execution and delivery by VDOT of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where

such violation will have a material adverse effect on the ability of VDOT to perform its obligations under this Agreement;

- (d) this Agreement has been duly authorized, executed, and delivered by VDOT and constitutes a valid and legally binding obligation of VDOT, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however,* that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
- (e) there is no action, suit, proceeding, investigation, or litigation pending and served on VDOT which challenges VDOT's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the VDOT official executing this Agreement, and VDOT has disclosed to HRTAC any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which VDOT is aware.

2. HRTAC hereby represents and warrants to VDOT as of the date of this Agreement as follows:

- (a) HRTAC is a body politic and a political subdivision of the Commonwealth of Virginia, and it has full power, right, and authority to execute, deliver, and perform its obligations under, in accordance with, and subject to the terms and conditions of this Agreement;
- (b) HRTAC has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, and each person executing this Agreement on behalf of HRTAC has been duly authorized to execute and deliver it on behalf of HRTAC;
- (c) the execution and delivery by HRTAC of this Agreement, and the performance of its obligations hereunder, will not conflict with, and will not result, at the time of execution, in a default under or violation of, (i) any other agreements or instruments to which it is a party or by which it is bound or (ii) to its knowledge, any law, where such violation will have a material adverse effect on the ability of HRTAC to perform its obligations under this Agreement;

- (d) this Agreement has been duly authorized, executed, and delivered by HRTAC and constitutes a valid and legally binding obligation of HRTAC, enforceable against it in accordance with the terms hereof, subject to (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, and (iii) sovereign immunity under the law of the Commonwealth of Virginia; *provided, however,* that, for the avoidance of doubt, sovereign immunity shall not bar an action to enforce a claim based on a breach of this Agreement presented in accordance with the law of the Commonwealth of Virginia; and
- (e) there is no action, suit, proceeding, investigation, or litigation pending and served on HRTAC which challenges HRTAC's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement, or which challenges the authority of the HRTAC official executing this Agreement, and HRTAC has disclosed to VDOT any pending and unserved or threatened action, suit, proceeding, investigation, or litigation with respect to such matters of which HRTAC is aware.

H. Tax Covenants for Bond-Funded Projects

VDOT shall comply in all material respects with the Tax Covenants for Bond-Funded Projects set forth in Appendix F (*Tax Covenants for Bond-Funded Projects*).

I. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: HRTAC, to the attention of its Executive Director and Chairman;
723 Woodlake Drive
Chesapeake, VA 23320
- 2) to: VDOT, to the attention of:
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

J. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

K. Modification or Amendment

(a) This Agreement may not be modified or amended, except pursuant a written agreement that is duly authorized, executed and delivered by both parties.

(b) If HRTAC is able to obtain a source of funding for the Project that would reduce or replace the amount of HRTAC-Controlled Moneys expended on the Project, VDOT and HRTAC will work in good faith to amend this Agreement so it takes into account that other funding.

(c) VDOT and HRTAC will work in good faith to adopt such amendments to this Agreement as VDOT and HRTAC may mutually agree are necessary and desirable in connection with any bond financing.

L. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, member, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

M. No Agency

VDOT represents that it is not acting as a partner or agent of HRTAC; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

N. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

O. Incorporation of Recitals and Appendices

The recitals and Appendices to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that the recitals are true and correct.

P. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

Q. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

R. Survival

The following provisions shall survive the expiration or earlier termination of this Agreement: Sections A.4, A.9, A.12, A.15, A.17, A.19, A.22, B.5 and B.7, and Sections C through R.

[Signature page follows]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Hampton Roads Transportation Accountability Commission

By: _____

Name: _____

Title: _____

Date: _____

Virginia Department of Transportation

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

HAMPTON ROADS EXPRESS LANES NETWORK PROJECT ELEMENTS

SEGMENT 4C (FULL BUILD) PROJECT – UPC 119638

Scope: The work associated with this Standard Project Agreement for the Segment 4C Full Build project is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117841) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 4C of the Hampton Roads Express Lane Network and is anticipated to eventually encompass, pursuant to an amendment, construction of the Segment. The Segment 4C project is located in the City of Hampton. The purpose is to widen EB and WB I-64 from 0.139 miles East of LaSalle Avenue to 0.379 miles East of Settlers Landing Road. The 3 existing EB and WB general purpose lanes in each direction will be converted into 2 Express lanes, and 2 general purpose (GP) lanes in each direction. This will extend the full roadway section of the HRBT Expansion project to the west for 2.4 miles. The western end of the project will connect to a typical section with 1 Express and 2 general purpose lanes. The proposed improvements include rehabilitation of the existing lanes and an additional 12' wide travel lane in each direction. This section of interstate includes 6 mainline bridges, 1 pedestrian underpass and 1 triple 48" RCP section carrying Brights Creek beneath I-64. It is anticipated that the EB Hampton River bridges will be replaced and the WB Hampton River Bridge will be widened and rehabilitated. It is anticipated that the EB and WB portions of the bridge over King Street will be widened and rehabilitated. It is anticipated that the WB portion of the bridge over Settlers Landing will be widened and rehabilitated with the EB portion rehabilitated with no widening. It is anticipated that the bridge over Rip Rap Road will be rehabilitated with no widening. The widening is expected to occur mostly in the median of the existing interstate. This limits the amount of right of way required to construct the project and avoids impacts to existing interchanges. Interstate ramps will be realigned as needed. Work includes construction of an auxiliary lane connecting the acceleration lane for the I-64 EB On-Ramp from LaSalle Avenue to the deceleration lane for the I-64 Exit Ramp to Rip Rap Road. It is anticipated that right of way and/or easements will be acquired along the EB and WB directions with approximately 54 parcels impacted. The number of impacted parcels is an estimate and will ultimately depend on design of drainage ditches, roadway embankments, retaining walls, noise barrier wall, and potential utility relocations.

APPENDIX B

HAMPTON ROADS EXPRESS LANES NETWORK ELEMENTS

SEGMENT 4C FULL BUILD PROJECT - UPC 119638

PROJECT BUDGET AND PROJECT SCHEDULE

Project Budget: SEGMENT 4C (FULL BUILD) PROJECT:

*Preliminary Engineering	\$4,578,800
Right of Way (RW)	\$9,625,000
**Construction (CN)	\$0
<hr/>	
Total Cost	\$14,203,800

*An additional sum of \$15,421,200 was previously approved for preliminary engineering under a separate advanced activity SPA executed on April 1st, 2021 (UPC 117841) and the sums set forth herein will be made available for the Segment 4C (Full Build) Project.

**Notwithstanding the sequence of events as set forth in Section 3.01 (c) of the Master Agreement, which contemplates a SPA for preliminary engineering and a separate SPA for project delivery, the Parties agree that this SPA addressing Preliminary Engineering and Right of Way phases of this Project will be amended to add Construction and additional project delivery details as needed, as well as funding prior to award authorization at a later date as shown in the schedule below.

The work associated with this Standard Project Agreement for the Segment 4C is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117841), including development of the RFP plans, and to complete the services required to complete the currently anticipated Right of Way (RW) activities including the early acquisition of parcels 036 and 037 located at 538 River Street, Hampton, Virginia, in accordance with the Early Acquisition Statute of 23 CFR 710.50 in support of the construction of Segment 4C of the Hampton Roads Express Lane Network.

These tasks include but are not limited to the following:

NEPA Categorical Exclusion investigation and documentation, cost estimate & schedule refinements, HREL Network communication plan, public information meetings with localities and others as requested, finalize RFP plans and contract requirements, acquire RW, obtain permits, complete two phase best value Design-Build contractor procurement processes necessary to award for construction, scheduled for June 2022.

Project Schedule: Segment 4C (FULL BUILD) Project (all dates are estimates):

- **Preliminary Engineering (PE):**
 - PE Start (Adv Act): September 22, 2020 (Advanced Activity UPC 117841)
 - PE Start (Full Build): October 21, 2021
 - PE End: July 1, 2022
- **Right of Way (RW):**
 - RW Early Acquisition Start (Parcels 036, 037): November 23, 2021
 - RW Start: July 1, 2022
 - RW End: July 2, 2022
- **Construction (CN):**
 - CN Start: July 2, 2022
 - CN End: December 19, 2025

APPENDIX C

FORM OF PAYMENT REQUISITION

HRTAC Project Title and Number: Hampton Roads Express Lanes Network Elements, Segment 4C (FULL BUILD) Project - UPC 119638

Project Scope/Services Description: The work associated with this Standard Project Agreement for the Segment 4C is to continue and complete the Preliminary Engineering activities that were started under the Phase 1 PE agreement (UPC 117841) and to complete the services required to complete the currently anticipated Right of Way (RW) activities in support of the construction of Segment 4C of the Hampton Roads Express Lane Network.

Draw Request Number: _____

Date: _____, 20__

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

Attention _____, Program Coordinator:

This requisition is submitted in connection with the Standard Project Agreement for Funding and Administration for the project services noted above and dated _____, 20__ (the "Agreement") between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT"). VDOT hereby requests \$_____ of HRTAC funds, to pay the costs of the project services described and set forth in Appendices A and B of the Agreement ("Project Services") and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of VDOT's costs of the Project Services, (ii) VDOT is responsible for payment to vendors/contractors, (iii) VDOT is not in breach or default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in another Appendix to the Agreement, (iv) the representations and warranties made by VDOT in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of VDOT, no condition exists under the Agreement that would allow HRTAC to withhold the requested advance.

VIRGINIA DEPARTMENT OF TRANSPORTATION

By: _____

Name: _____

Title: _____

Recommended For Payment

By: _____

Name: _____

Title: HRTAC Program Coordinator

DETAILED PAYGO REQUEST

Draw Request Number: _____
 HRTAC Project Number: UPC 119638

Request Date: _____
 Project Title: HRELN Segment 4C

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$4,578,800			\$ -
Design Work/ Engineering	\$4,578,800	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Work	\$9,625,000	-	-	\$ -
Construction	\$0	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$14,203,800	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by HRTAC
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
3. Column C- Please list the invoice number as it appears on the Invoice
4. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
5. Column E- Please enter the dollar amount listed on the invoice.

6. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

REPORTS TO BE PROVIDED BY VDOT

1) Monthly Project Expenditure Report which lists, by category of expense (*e.g.*, engineering, ROW, utility relocations, construction), (a) information regarding expenditures to date against the budget, both monthly and for the life of the project, and a statement of the percent completed; and (b) such other information as VDOT customarily provides with monthly expenditure reports.

2) Monthly Project Report which provides (a) an overview of progress on major project tasks; (b) information regarding the budget (such as, the baseline planned forecast, any approved changes thereto, the monthly expenditures, the cumulative expenditures, and the cumulative forecasted expenditures); (c) future key tasks; and (d) significant issues.

APPENDIX E

OFFICIAL AUTHORIZING DOCUMENTS

APPENDIX F

TAX COVENANTS FOR BOND-FUNDED PROJECTS

1. (A) VDOT (the Department) shall not permit the "Proceeds" of any "Commission Bonds" or any "Financed Property" to be used in any manner that would result in either: (1) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the "Code;" (2) 5% or more of such Proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code; (3) 5% or more of such Proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; or (4) more than an aggregate of \$15,000,000 of Proceeds of any single Commission Bond issue being considered as having been used in any trade or business, any output facility or to make or finance loans as described in (1), (2) or (3) above; **provided, however,** that if HRTAC (the Commission) and the Department receive an opinion of nationally recognized bond counsel concluding that such use or action will not affect the exclusion of interest on the Commission Bonds from gross income of the holders thereof for federal tax purposes under existing law, the Department need not comply with such restrictions.

(B) Notwithstanding the foregoing, the Department and the Commission agree that the provisions herein shall not apply to Proceeds of Commission Bonds derived from "qualified bonds" (as defined in Section 141(e) of the Code (or any successor provisions thereto or regulations thereunder)) the Commission may from time to time issue. In the event any such "qualified bonds" are issued by the Commission, the Department agrees that it will not permit Proceeds of Commission Bond derived from such "qualified bonds" to be used in a manner that fails to comply with the provisions of Section 141(e) and 142(a) of the Code (or any successor provisions thereto or regulations thereunder). The provisions of this subparagraph (B) shall not negate any provision in the Agreement or other agreement between the Commission and the Department that requires mutual consent of the parties or Commission approval of a concession arrangement in respect of the Project.

2. the Department agrees not to requisition or spend the proceeds of any the Commission Bond for any cost of the Project not constituting a "Capital Expenditure."

3. Except as may be described in writing to the Commission, the Department neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Department is receiving or may receive Proceeds of Commission Bonds.

4. The Department acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by the Commission to the contractors/vendors, or (ii) the Department remits payment to the contractors/vendors within five banking days after the date on which the Commission advances the amount of the requisition. The Commission may request the detailed information in order to compute the rebate liability to the U.S. Treasury on the Commission's bonds or other debt financing pursuant to Section 148 of the Code. In addition, the Department shall provide the Commission with any further

information reasonably requested by the Commission from time to time concerning the matters described in this Appendix F.

5. The following terms have the meanings assigned to them below whenever they are used in this Appendix F.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Code” means the Internal Revenue Code of 1986, as amended.

“Financed Property” means any property financed in whole or in part by any allocation of Commission Bond Proceeds.

“Commission Bond” means any Commission bond or other debt instrument that is a “tax-exempt bond” or a “tax-advantaged bond” (as defined in Treasury Regulations Section 1.150-1(a)).

“Proceeds” means the sale proceeds of any Commission Bond, together with the investment earnings on such proceeds, to the extent allocated to the Project.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

Agenda item # 8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: Seconded By: Action:

**Title: Limited Access Control Changes (LACCs) for the Interstate 81 Southbound
Widening from Mile Marker 8.1 to Mile Marker 9.7
Washington County and the City of Bristol**

WHEREAS, on October 4, 1956, the State Highway Commission, predecessor to the Commonwealth Transportation Board (CTB), designated the Interstate Highway System, including I-81, to be Limited Access Highways in accordance with then Article 3, Chapter 1, Title 33 of the 1950 *Code of Virginia*, as amended, and established the limited access line locations and limits as “the final locations of said routes, including all necessary grade separations, interchanges, ramps, etc.”; and

WHEREAS, State Highway Project 0081-095-094, P101, R201, C501 (UPC# 116170) provides for the widening of I-81 Southbound from two lanes to three lanes from mile marker 8.1 to mile marker 9.7 to include the extension of the I-81 Northbound merge lane near Exit 7 to address safety and congestion issues (the “Project”); and

WHEREAS, the widening of I-81 Southbound requires the construction of two new stormwater management facilities. These improvements will impact the existing limited access control lines, as shown on the Limited Access Line Exhibits and the Limited Access Control Point Stations and Offsets Table (attached); and

Resolution of the Board
Proposed Limited Access Control Change (LACCs)
Interstate 81 Southbound Widening from Mile Marker 8.1 to Mile Marker 9.7
Washington County and the City of Bristol
December 8, 2021
Page 2 of 3

WHEREAS, the Virginia Department of Transportation (VDOT) held a Design Public Hearing (“Hearing”) for the Project, including the current and proposed locations of the limited access lines, on Thursday, October 21, 2021, between 4:00 pm and 6:00 pm at Holiday Inn & Suites – Bristol Convention Center, 3135 Linden Drive, Bristol, VA 24202, and allowed public input to be collected concerning the request; and

WHEREAS, proper notice of the Hearing was given in advance, and all those present were given a full opportunity to express their opinions and recommendations for or against the Project as presented, their statements being duly recorded; and

WHEREAS, the economic, social, and environmental effects of the Project have been duly examined and given proper consideration and this evidence, along with all other relevant evidence, has been carefully reviewed; and

WHEREAS, VDOT’s Bristol District Office has reviewed and approved the traffic analysis report completed September 29, 2021, and found that it adequately addresses the impacts from the Project and the proposed LACCs; and

WHEREAS, the Project is in compliance with National Environmental Policy Act requirements, and a Categorical Exclusion was prepared under an agreement between VDOT and the Federal Highway Administration (FHWA) and approved on November 22, 2021; and

WHEREAS, The Project is located within an attainment area for all the National Ambient Air Quality Standards, and therefore the regional conformity requirements do not apply; and

WHEREAS, the Project is in Washington County and the City of Bristol. The Project and proposed LACCs are supported by a letter from the County Administrator dated September 29, 2021, and the Project is supported by the City Manager dated September 10, 2021 (attached). There are no proposed LACCs in the City of Bristol.

Resolution of the Board
Proposed Limited Access Control Change (LACCs)
Interstate 81 Southbound Widening from Mile Marker 8.1 to Mile Marker 9.7
Washington County and the City of Bristol
December 8, 2021
Page 3 of 3

WHEREAS, FHWA provided approval for State Highway Project 0081-095-094, P101, R201, C501 (UPC# 116170) and the proposed LACCs on October 29, 2021; and

WHEREAS, VDOT's Chief Engineer has determined that the proposed LACCs will not adversely affect the safety or operation of the highways; and

WHEREAS, VDOT has reviewed the requested LACCs and determined that all are in compliance with § 33.2-401 of the *Code of Virginia* and that the requirements of 24 VAC 30-401-20 have been met; and

WHEREAS, VDOT recommends approval of the LACCs as shown on the Limited Access Line Exhibits and the Limited Access Control Point Stations and Offsets Table (attached).

NOW, THEREFORE, BE IT RESOLVED, in accordance with § 33.2-401 of the *Code of Virginia*, and 24 VAC 30-401-10 *et seq.*, that the CTB hereby finds and concurs in the determinations and recommendations of VDOT made herein, and directs that the I-81 corridor continue to be designated as a limited access control area, with the boundaries of limited access control being modified from the current locations as shown on the Limited Access Line Exhibits and the Limited Access Control Point Stations and Offsets Table (attached).

BE IT FURTHER RESOLVED, the Commissioner of Highways is authorized to take all actions and execute any and all documents necessary to implement such changes.

#####

CTB Decision Brief
Proposed Limited Access Control Changes (LACCs)
Interstate 81 Southbound Widening from Mile Marker 8.1 to Mile Marker 9.7
Project 0081-095-094, P101, R201, C501
UPC# 116170
Washington County and the City of Bristol

Issues: The area designated as limited access previously approved for the I-81 southbound at this location needs to be modified to accommodate the construction of two new stormwater management facilities that will be placed within the limited access area and accessed for maintenance through the existing limited access control line. These changes require the approval of the Commonwealth Transportation Board (CTB) pursuant to § 33.2-401 of the *Code of Virginia*, and 24 VAC 30-401-10 *et seq.*

Facts:

- Limited access control for I-81 was previously established on October 4, 1956, by the State Highway Commission, predecessor to the CTB, which designated the Interstate Highway System, including I-81, to be Limited Access Highways in accordance with then Article 3, Chapter 1, Title 33 of the 1950 *Code of Virginia*, as amended, and established the limited access line locations and limits as “the final locations of said routes, including all necessary grade separations, interchanges, ramps, etc.”.
- State Highway Project 0081-095-094, P101, R201, C501 (UPC# 116170) provides for the widening of I-81 Southbound from two lanes to three lanes from mile marker 8.1 to mile marker 9.7, to include an extension of the I-81 Northbound merge lane near Exit 7 to address safety and congestion issues. The widening requires the construction of two new stormwater management facilities, which will impact the existing limited access control lines, as shown on the Limited Access Line Exhibits and the Limited Access Control Point Stations and Offsets Table (attached).
- A Design Public Hearing (“Hearing”) was held for the Project, including the current and proposed locations of the limited access lines, on Thursday, October 21, 2021, between 4:00 pm and 6:00 pm at Holiday Inn & Suites – Bristol Convention Center, 3135 Linden Drive, Bristol, VA 24202, and allowed public input to be collected concerning the request.
- Proper notice of the Hearing was given in advance, and all those present were given a full opportunity to express their opinions and recommendations for or against the Project as presented, their statements being duly recorded.
- The economic, social, and environmental effects of the Project have been duly examined and given proper consideration and this evidence, along with all other relevant evidence, has been carefully reviewed.
- The Virginia Department of Transportation’s (VDOT’s) Bristol District Office has reviewed and approved the traffic analysis report on September 29, 2021, and found that it adequately addresses the impacts from the Project and the proposed LACCs.

- The Project is in compliance with National Environmental Policy Act requirements and a Categorical Exclusion was prepared under an agreement between VDOT and the Federal Highway Administration (FHWA) and approved on November 22, 2021.
- The Project is located within an attainment area for all the National Ambient Air Quality Standards, and therefore the regional conformity requirements do not apply.
- The Project is in Washington County and the City of Bristol. The Project and proposed LACCs are supported by a letter from the County Administrator dated September 29, 2021, and the Project is supported by the City Manager dated September 10, 2021 (attached). There are no proposed LACCs in the City of Bristol.
- FHWA provided the approval for State Highway Project 0081-095-094, P101, R201, C501 (UPC# 116170) and the proposed LACCs on October 29, 2021.
- VDOT's Chief Engineer has determined that the proposed LACCs will not adversely affect the safety or operation of the highways.
- The proposed LACCs are in compliance with § 33.2-401 of the *Code of Virginia* and with the policies and requirements of the CTB contained in 24 VAC 30-401-10 *et seq.*

Recommendations: It is recommended, pursuant to § 33.2-401 of the *Code of Virginia*, and 24 VAC 30-401-10 *et seq.*, that the I-81 corridor continue to be designated as a Limited Access Highway with the LACCs modified and/or established as shown on the Limited Access Line Exhibits and the Limited Access Control Point Stations and Offsets Table (attached). This action will modify the limited access line and right of way previously approved by the CTB's predecessor, the State Highway Commission, on October 4, 1956.

Action Required by CTB: § 33.2-401 of the *Code of Virginia*, and 24 VAC 30-401-10 *et seq.* require a majority vote of the CTB to approve the recommended LACCs. The CTB will be presented with a resolution for a formal vote to approve the LACCs for the Project and to provide the Commissioner of Highways the requisite authority to execute all documents necessary to implement the LACCs.

Result, if Approved: The Commissioner of Highways will be authorized to execute any and all documents needed to comply with the resolution, and the I-81 Project will move forward.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: There were ten (10) citizens that attended the Hearing per the sign

CTB Decision Brief

Proposed Limited Access Control Changes (LACCs)

Interstate 81 Southbound Widening from Mile Marker 8.1 to Mile Marker 9.7

Washington County and the City of Bristol

December 8, 2021

Page 3 of 3

in sheets. Five (5) written comments were received at the Hearing. There were zero (0) oral comments recorded by the court reporter at the Hearing. Four (4) comments supported the Project and one (1) comment was neutral. There were zero (0) emailed comments or mailed-in comments received by VDOT.

Re: LACC UPC 116170 I-81 SOUTHBOUND WIDENING FROM MM 8.1 TO MM 9.7

Snider, Lori

Mon, Oct 18, 12:02
PM (1 day ago)

to Neil, me

I approve this LACC from a Right of Way & Utilities perspective.

Lori

On Mon, Oct 18, 2021, 11:39 AM Hord, Neil <neil.hord@vdot.virginia.gov> wrote:
Lori,

I have received the attached LACC item from L&D; I have reviewed and have no comments. I recommend your approval from a R/W and Utilities perspective. If you concur, please reply to George Rogerson, who is included here. Thank you.

Neil

Neil M. Hord
Program Manager Property Management
Right of Way & Utilities Division
1401 E. Broad Street, 5th Floor
Richmond, Virginia 23219
Phone: (804) 786-4079
Fax: (804) 786-1706
<http://pmi.vdot.virginia.gov/>

----- Forwarded message -----

From: **Rogerson, George** <george.rogerson@vdot.virginia.gov>

Date: Tue, Oct 12, 2021 at 10:03 AM

Subject: Fwd: LACC UPC 116170 I-81 SOUTHBOUND WIDENING FROM MM 8.1 TO
MM 9.7

To: Hord, Neil <neil.hord@vdot.virginia.gov>

Cc: Vernon Heishman <vernon.heishman@vdot.virginia.gov>

Neil,

I have attached the LACC documents for the above-mentioned project for your review and comments for the **December 8, 2021 CTB Meeting**. If you have no comments, please send an email to Lori recommending your approval of the LACCs. Please reply by the COB **October 19, 2021**. I have another coming your way in early November for the December 8, 2021 CTB Meeting as well.

If you have any questions or concerns, please contact me.

Thank you,

George T. Rogerson, Jr.
Policies & Procedures Section Manager
Location & Design Division / Central Office
Virginia Department of Transportation
804-350-1571 (cell)
george.rogerson@vdot.virginia.gov

----- Forwarded message -----

From: **Rogerson, George** <george.rogerson@vdot.virginia.gov>

Date: Tue, Oct 12, 2021 at 9:48 AM

Subject: LACC UPC 116170 I-81 SOUTHBOUND WIDENING FROM MM 8.1 TO MM 9.7

To: Jo Maxwell <joanne.maxwell@vdot.virginia.gov>, Michael Garrett <michael.garrett@vdot.virginia.gov>, Ellen Porter <ellen.porter@vdot.virginia.gov>, Vernon Heishman <vernon.heishman@vdot.virginia.gov>, Joseph Koscinski <joseph.koscinski@vdot.virginia.gov>

Mike,

I have attached the LACC documents for the above-mentioned project for your review and comments for the **December 8, 2021 CTB Meeting**. Please provide me with comments by the COB **October 19, 2021**. I have another coming your way in early November for the December 8, 2021 CTB Meeting as well.

I will remove the language in **red** and **yellow** highlights before finalizing the documents.

1. Decision Brief
2. Resolution
3. Limited Access Line Exhibit
4. Limited Access Control Point Stations and Offsets Table
5. Location Map
6. Original Resolution - Oct. 4, 1956
7. Letter of Support from Washington County and the City of Bristol (2)
8. FHWA Approval - **Forthcoming**

Thank you for your review and comments.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

December 1, 2021

The Honorable Shannon Valentine
The Honorable Stephen C. Brich, P. E.
The Honorable Jennifer Mitchell
The Honorable Jerry L. Stinson
The Honorable Mary Hughes Hynes
The Honorable Alison DeTuncq
The Honorable Bert Dodson, Jr.
The Honorable W. Sheppard Miller, III
The Honorable Carlos M. Brown
The Honorable Cedric Bernard Rucker
The Honorable Stephen A. Johnsen
The Honorable Mark H. Merrill
The Honorable E. Scott Kasprovicz
The Honorable Raymond D. Smoot, Jr.
The Honorable Marty Williams
The Honorable Frederick T. Stant, III
The Honorable Greg Yates

Subject: Approval of Limited Access Control Changes (LACCs) for the Interstate 81 Southbound Widening from Mile Marker 8.1 to Mile Marker 9.7 in Washington County and the City of Bristol.

Dear Commonwealth Transportation Board Members:

The Department has initiated the above request for LACCs for your consideration. The proposed LACCs on State Highway Project 0081-095-094, P101, R201, C501 have been determined as a necessary design feature and recommended for approval by the Department's staff.

I have reviewed the staff's recommendations and determined that approving these LACC's will not adversely affect the safety or operation of the affected highway network. I have determined that this request should be considered by the Board.

Sincerely,

Barton A. Thrasher, P.E.
Chief Engineer

**Minutes of the Meeting of the State Highway
Commission of Virginia, held in
Richmond
October 4, 1958**

The Commission met in the Central Office Building, Richmond, Virginia, at 9:00 A.M., Thursday, October 4, 1958. The following members were present: Messrs. E. P. Barrow, S. S. Flythe, S. D. May, Burgess E. Nelson, Wm. A. Wright and J. A. Anderson.

The meeting was called to order by the Chairman.

The Chairman read a letter from Mr. Howard O. Rogers stating that he would not be able to attend because of illness.

On motion made and seconded, the minutes of the August 9-10 meeting were approved.

Moved by Mr. May, seconded by Mr. Barrow, that the permits issued from the August 9-10 meeting to date, inclusive, as recorded in the Auditing Division, be approved. Motion carried.

Moved by Mr. May, seconded by Mr. Barrow, that the permits cancelled by the Commissioner from the August 9-10 meeting to date, inclusive, as authorized June 25, 1947, and recorded in the Auditing Division, be approved. Motion carried.

Moved by Senator Nelson, seconded by Senator Wright, that the Commission confirm award of contract on bids received August 15 for the construction of Project 1887-15-18, Route 615, Bridge and Approaches Three Creek, Southampton County, to the low bidder, Norfolk Contracting Co., Norfolk, Va., at the bid of \$102,949.41, that 10% additional be set aside to cover the cost of engineering and additional work and \$1,064.54 for work by the A. & D. Railroad, making a total of approximately \$114,500.00 chargeable to this project; to be financed 50/50 State and Federal. Motion carried.

Moved by Senator Wright, seconded by Mr. Barrow, that the Commission confirm award of contract on bids received August 15 for the construction of Project 1307-24, Route 600, S. End of Bridge over Claytons Mill Creek-0.864 Mile N. Rockbridge County Line, Augusta County, to the low bidder, Bohls Brothers, Inc., Staunton, Va., at the bid of \$67,435.15 and that 10% additional be set aside to cover the cost of engineering and additional work, making a total of approximately \$74,180.00 chargeable to this project; to be financed 50/50 State and Federal. Motion carried.

Moved by Mr. Barrow, seconded by Mr. Flythe, that the Commission confirm award of contract on bids received August 15 for the construction of Project 1881-10, Routes 681, 640, 0.01 Mile E. of W. Int. Route 661, (E. of Pizarro)-Franklin County Line, Floyd County, to the low bidder, D. E. Worley Construction Co., Rocky Mount, Va., at the bid of \$127,856.70, that 10% additional be set aside to cover the cost of engineering and additional work and \$1,226.60 for work by State Forces (not included in contract), making a total of approximately \$141,960.00 chargeable to this project; to be financed with \$71,580.00 State and \$70,520.00 Federal Funds. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 33-118.2 of the 1950 Code of Virginia, as amended, request is made by City of Warwick for payment at the base rate of \$500 per Mile annually on additional streets meeting the required standards; Now, Therefore, be it resolved, that quarterly payments at the base rate of \$500 Per Mile annually be made to the City of Warwick on additional streets totaling 11.20 miles, effective beginning the second quarter, October 1, 1956. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 33-118.2 of the 1950 Code of Virginia, as amended, request is made by City of Waynesboro for payment at the base rate of \$500 per Mile annually on additional streets meeting the required standards; Now, Therefore, be it resolved, that quarterly payments at the base rate of \$500 Per Mile annually be made to the City of Waynesboro on additional streets totaling 10.612 miles, effective beginning the second quarter, October 1, 1956. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 33-118.2 of the 1950 Code of Virginia, as amended, request is made by the Town of Wytheville for payment at the base rate of \$500 Per Mile annually on additional streets meeting the required standards; Now, Therefore, be it resolved, that quarterly payments at the base rate of \$500 Per Mile annually be made to the Town of Wytheville on additional streets totaling 0.984 Mile, effective beginning the second quarter, October 1, 1956. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, it so be declared that, Whereas, by action of the Congress of the United States, whereby all routes on the National System of Interstate and Defense Highways are to be constructed to interstate standards and whereas, one of the requirements of interstate standards is the control of access to these routes; Therefore, be it resolved that all routes on the National System of Interstate and Defense Highways within the confines of the Commonwealth of Virginia, upon determining the final location of said routes, including all necessary grade separations, interchanges, ramps, etc., are here and now designated Limited Access Highways, pursuant to Article 8, Chapter 1, Title 33, of the Code of Virginia of 1950, as amended. Motion carried.

On motion made by Senator Nelson, seconded by Mr. Barrow, the Chairman was instructed to report to the Bureau of Public Roads, at a meeting called for October 9, that the Virginia Department of Highways will undertake one-third of the cost of operation and maintenance of the proposed bridge over the Potomac River at Jones Point, with the thought that the other two-thirds shall be borne by the State of Maryland and the District of Columbia. This could be handled by written agreement looking to appropriate Federal legislation.



Office of the
City Manager

City of Bristol, Virginia

300 Lee Street, Bristol, Virginia 24201 (276) 645-7333
FAX: (276) 821-6085
Website: www.bristolva.org



September 10, 2021

M. E. "Gene" Holley, PMP
Bristol I-81 CIP Coordinator / Loc. & Des.
Virginia Department of Transportation
870 Bonham Road
Bristol, VA 24201

RE Interstate 81 Lane Widening, MM 8.1 to 9.7
UPC 116170, Project 0081-095-094, P101, R201, C501

Dear Mr. Holly:

I am writing this letter to express the City of Bristol, Virginia's full support for widening Interstate 81 to three lanes both directions from mile marker 8.1 to 9.7.

We believe this change will be a significant safety improvement for the traveling public.

Sincerely,

A handwritten signature in blue ink that reads "Randall C. Eads".

Randall C. Eads
City Manager



COUNTY OF WASHINGTON, VIRGINIA

COUNTY GOVERNMENT CENTER
1 GOVERNMENT CENTER PLACE, SUITE A
ABINGDON, VIRGINIA 24210

COUNTY ADMINISTRATOR

JASON N. BERRY

OFFICE OF COUNTY ADMINISTRATOR

September 29, 2021

M. E. "Gene" Holley
Virginia Department of Transportation
870 Bonham Road
Bristol, VA 24201

Dear Gene,

I'm writing this letter to express Washington County, VA's full support for the addition of widening of two lanes to three lanes to southbound I-81 between milepost 8.1 to milepost 9.7.

We feel this project will provide a significant safety improvement for those who travel this section of I-81. We support the limited access change proposal.

Sincerely,

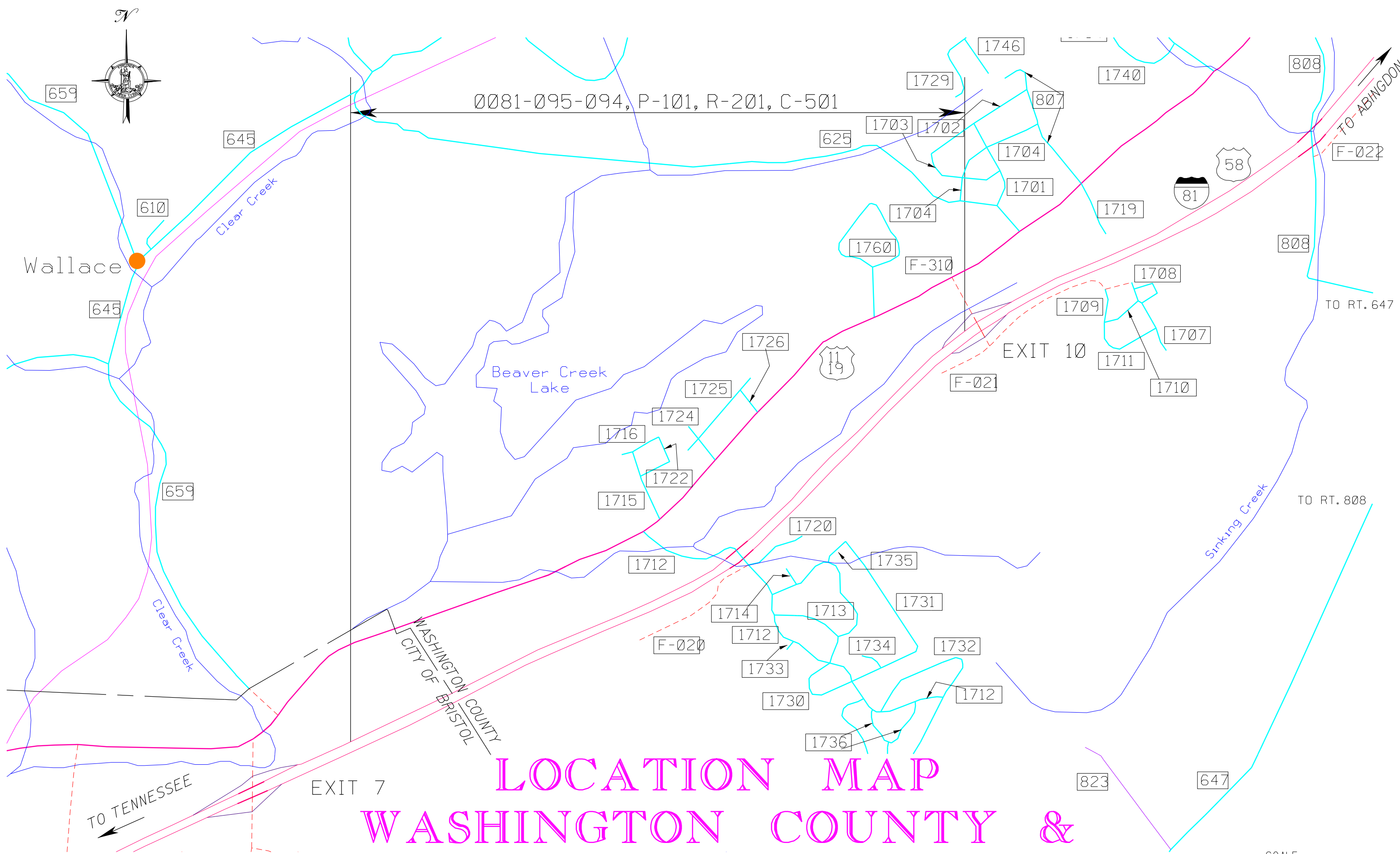
A handwritten signature in blue ink, appearing to read "Jason N. Berry", is written over a light blue horizontal line.

Jason N. Berry
County Administrator

Ec: Members, Board of Supervisors

I-81 SOUTHBOUND WIDENING
FROM: 0.063 MI. NORTH OF MM 8.0
TO: 0.022 MI. SOUTH OF MM 10.0
LIMITED ACCESS EXHIBIT
PROJECT: 0081-095-094, P-101, R-201, C-501
UPC: 116170

BASELINE	STATION	OFFSET (FT.)	LEFT/RIGHT
I-81 SBL	377+06.00	94.36	LEFT
I-81 SBL	379+15.00	94.59	LEFT
I-81 SBL	384+45.23	92.53	LEFT
I-81 SBL	387+00.00	94.62	LEFT



LOCATION MAP
WASHINGTON COUNTY &
THE CITY OF BRISTOL



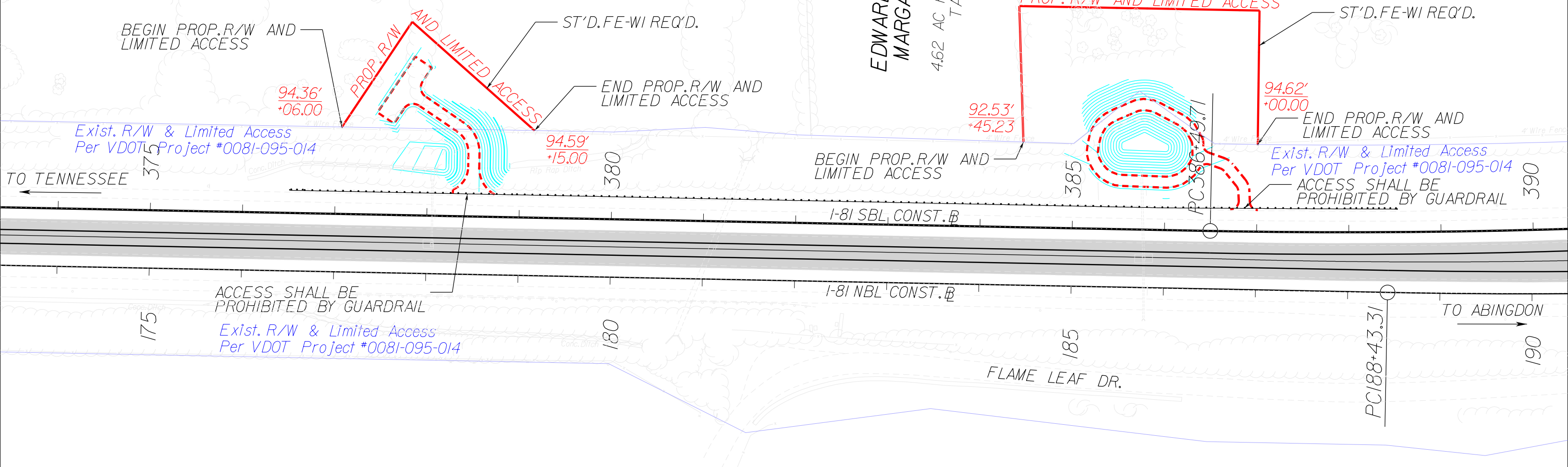
001

HENRY DONALD PRESTON
No Deed Reference
14.00 AC Per Tax Assessor's Office
TAX MAP #142-A-26

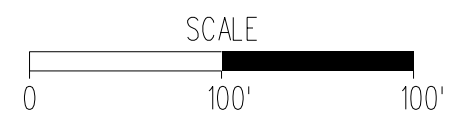
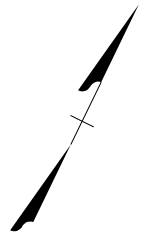
002

IMPACT INTERNATIONAL CHURCH, INC.
Inst.# 2005-930
5.71 AC Per Tax Assessor's Office
TAX MAP #142-A-31

EDWARD P. WHITAKER, III &
MARGARET R. WHITAKER
Inst.# 2012-1643
4.62 AC Per Tax Assessor's Office
TAX MAP #142-A-30A



I-81 SOUTHBOUND WIDENING
 FROM: 0.063 MI. NORTH OF MM 8.0
 TO: 0.022 MI. SOUTH OF MM 10.0
 LIMITED ACCESS EXHIBIT
 PROJECT: 0081-095-094, P-101, R-201, C-501
 UPC: 116170



LEGEND

	EXISTING RIGHT OF WAY & LIMITED ACCESS
	PROPOSED RIGHT OF WAY & LIMITED ACCESS
	PROPOSED SWM POND ACCESS
	PROPOSED SWM POND CONTOURS
	PROPOSED NEW PAVEMENT



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

Agenda item # 9

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action:

Title: Actions to adopt the Policy for Development and Monitoring of VTrans Long-term Risk and Opportunity Register, VTrans Strategic Actions, and direct submittal of a summary of the VTrans planning process to the Governor and the General Assembly.

WHEREAS, pursuant to § 33.2-353 of the Code of Virginia, the General Assembly of Virginia has directed the Commonwealth Transportation Board (hereinafter referred to as the Board), with assistance from the Office of Intermodal Planning and Investment (hereinafter referred to as OIPI), to conduct a comprehensive review of statewide transportation needs in a Statewide Transportation Plan (hereinafter referred to as VTrans); updated as needed, but no less than once every four years, and to establish goals, objectives, and priorities that cover at least a 20-year planning horizon; and

WHEREAS, the *VTrans Policy Guide* was developed by OIPI and the Board to outline the policies for VTrans and to serve as a resource for policymakers and the public for all matters relating to the development of VTrans; and

WHEREAS, pursuant to § 2.2-229, OIPI is directed to assist the Board in the development of a comprehensive, multimodal transportation policy, which may be developed as part of VTrans; and

WHEREAS, as presented to the Board on October 29, 2018, VTrans identifies needs for transportation capacity and safety improvements, project planning, and project development activities for up to 10 years into the future (hereinafter referred to as the VTrans Mid-term

Resolution of the Board

Actions to adopt the Policy for Development and Monitoring of VTrans Long-term Risk and Opportunity Register, VTrans Strategic Actions, and direct submittal of a summary of the VTrans planning process to the Governor and the General Assembly

December 8, 2021

Page 2 of 3

Needs), and long-term risks and opportunities (hereinafter referred to as VTrans Long-term Risks and Opportunities) for the planning horizon beyond ten years; and

WHEREAS, OIPI created a VTrans Steering Committee consisting of the Port of Virginia, DRPT's Transit, Rail, and Policy Divisions, and the following VDOT Divisions: Asset Management, Environmental, Financial Planning, Governance and Legislative Affairs, Infrastructure Investment, Local Assistance, Location & Design, Office of Strategic Innovation, Operations, Research Council (VTRC), Transportation and Mobility Planning, and Traffic Engineering to make recommendations and advise in the development of VTrans policies; and

WHEREAS, an approach to the identification of long-term risks and opportunities was presented to the Board on July 14, 2020; and

WHEREAS, the Board, pursuant to its action on March 17, 2021, directed that OIPI shall, under the direction of the Secretary of Transportation and in coordination with VDOT and DRPT, develop VTrans Strategic Actions to advance the Board's Vision and Goals by providing policy- and program-specific recommendations to address the identified and prioritized VTrans Mid-term Needs, as well as to address the VTrans Long-term Risks and Opportunities identified based on divergent future trends and a vulnerability assessment; and

WHEREAS, OIPI and the Board developed a new chapter for the *VTrans Policy Guide*, to be numbered Chapter 6, which outlines the policy for the development and monitoring of VTrans long-term risks and opportunities; and

WHEREAS, OIPI developed a document titled *Technical Guide: Development and Monitoring of VTrans Long-term Risk and Opportunity Register* to provide technical details such as data sources, methods and techniques, and technical limitations; and

WHEREAS, the policy for the development and monitoring of VTrans long-term risk and opportunity register was presented to transportation stakeholders during a series of three webinars held on April 14, 2021, June 15, 2021, and September 20, 2021, and public comments were accepted until October 4, 2021; and

WHEREAS, the policy for the development and monitoring of VTrans long-term risk and opportunity register was presented to the Board on September 14, 2021, and October 19, 2021; and

WHEREAS, VTrans Strategic Actions, attached hereto as Attachment A, were presented to the Board on December 7, 2021.

NOW THEREFORE BE IT RESOLVED, the Board hereby adopts the policy for the development and monitoring of the VTrans long-term risk and opportunity register as included in chapter 6 of the *VTrans Policy Guide*, attached hereto as Attachment B.

Resolution of the Board

Actions to adopt the Policy for Development and Monitoring of VTrans Long-term Risk and Opportunity Register, VTrans Strategic Actions, and direct submittal of a summary of the VTrans planning process to the Governor and the General Assembly

December 8, 2021

Page 3 of 3

BE IT FURTHER RESOLVED, the methodology included in the *Technical Guide: Development and Monitoring of VTrans Long-term Risk and Opportunity Register*, shall direct the development and monitoring of VTrans long-term risks and opportunities and may continue to evolve and improve based upon advances in technology, data collection, and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth in chapter 6 of the *VTrans Policy Guide*, they shall be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, the Board hereby adopts the VTrans Strategic Actions, and directs OIPI to collaborate with VDOT, DRPT, and other stakeholders and report progress on the strategic actions once per calendar year.

BE IT FURTHER RESOLVED, that it is the intent of the Board that OIPI, VDOT, and DRPT shall undertake coordinated actions to minimize long-term risks and maximize benefits of long-term opportunities identified in the 2021 VTrans Long-term Risk & Opportunity Register as included in chapter 6 of the *VTrans Policy Guide* (Attachment B).

BE IT FURTHER RESOLVED, that it is the intent of the Board that outputs of VTrans policies, including, but not limited to, VTrans Vision, Goals, Objectives, and Guiding Principles, VTrans Mid-term Needs, and VTrans Risks and Opportunities as well as VTrans definitions for vulnerability and resiliency and concepts including, but not limited to, Equity Emphasis Areas, Activity Centers, market adoption curves for electric and automated vehicles, and impacts of VTrans Macrotrends shall be utilized by OIPI, VDOT and DRPT for statewide planning activities, and developing or modifying practices and Board policies to ensure consistency.

BE IT FURTHER RESOLVED, pursuant to Code of Virginia § 33.2-353, OIPI shall submit VTrans, Virginia's Transportation Plan, to the Office of the Governor and the General Assembly.

CTB Decision Brief

Actions to adopt the Policy for Development and Monitoring of VTrans Long-term Risk and Opportunity Register, VTrans Strategic Actions, and direct submittal of a summary of the VTrans planning process to the Governor and the General Assembly

Issue: Pursuant to § 33.2-353 of the Code of Virginia, the General Assembly of Virginia has directed the Commonwealth Transportation Board (the Board), with assistance from the Office of Intermodal Planning and Investment (OIPI), to conduct a comprehensive review of statewide transportation needs in a Statewide Transportation Plan. VTrans is Virginia's statewide transportation plan, developed in response to § 33.2-353. OIPI and the Board developed the *VTrans Policy Guide*, which outlines the Board's policies related to VTrans and serves as a resource for policymakers and others. The Board is being requested to update the VTrans Policy Guide with a new policy, policy for the development and monitoring of the VTrans long-term risk and opportunity register, included in a new chapter, chapter 6, of the *VTrans Policy Guide* (Attachment B). The Board is also being requested to take action on the VTrans Strategic Actions (Attachment A) and direct OIPI to submit a summary of the VTrans planning process to the Governor and General Assembly.

Facts: Pursuant to § 33.2-353, the General Assembly has directed that the Statewide Transportation Plan shall establish goals, objectives, and priorities that cover at least a 20-year planning horizon. The Board kicked off the development of the VTrans Update on October 29, 2018. VTrans includes two planning horizons: the mid-term horizon identifies needs for transportation capacity and safety improvements, project planning, and project development for up to 10 years into the future (VTrans Mid-term Needs) and long-term risks and opportunities (VTrans Long-term Risks and Opportunities) for the planning horizon beyond ten years.

An approach to the identification of long-term risks and opportunities was presented to the Board on July 14, 2020 (VTrans Project Pipeline and Long-term Needs, presentation by Donohue and Ramchandani). The Board directed OIPI to develop VTrans Strategic Actions to advance the Board's Vision and Goals by providing policy- and program-specific recommendations to address the identified and prioritized VTrans Mid-term Needs, as well as to address the VTrans Long-term Risks and Opportunities identified based on divergent future trends and a vulnerability assessment. Extensive coordination was conducted with VDOT and DRPT throughout the development of the policy for the development and monitoring of the VTrans long-term risk and opportunity register. The chapter 6 of the *VTrans Policy Guide*, and the *Technical Guide: Development and Monitoring of VTrans Long-term Risk and Opportunity Register* were made available for public review and comment.

VTrans Strategic Actions were presented to the Board on December 7, 2021 (VTrans Strategic Actions, presentation by Donohue and Ramchandani).

Recommendations: OIPI recommends the adoption of the policy for the development and monitoring of the VTrans long-term risk and opportunity register as included in chapter 6 of the *VTrans Policy Guide*, attached hereto as Attachment B.

CTB Decision Brief

Actions to adopt the Policy for Development and Monitoring of VTrans Long-term Risk and Opportunity Register, VTrans Strategic Actions, and direct submittal of a summary of the VTrans planning process to the Governor and the General Assembly

December 8, 2021

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It is also recommended that VTrans Strategic Actions, attached hereto as Attachment A, are adopted, and direction is given to OIPI to report progress on an annual basis.

It is also recommended that OIPI, VDOT, and DRPT shall undertake coordinated actions to minimize long-term risks and maximize the benefits of long-term opportunities identified in the 2021 VTrans Long-term Risk & Opportunity Register.

It is also recommended that outputs of VTrans policies, including, but not limited to, VTrans Vision, Goals, Objectives, and Guiding Principles, VTrans Mid-term Needs, and VTrans Risks and Opportunities as well as VTrans definitions for vulnerability and resiliency and concepts including, but not limited to, Equity Emphasis Areas, Activity Centers, market adoption curves for electric and automated vehicles, and impacts of VTrans Macrotrends shall be utilized by OIPI, VDOT, and DRPT for statewide planning activities, and developing or modifying practices and Board policies.

Action Required by CTB: The Board will be presented with a resolution for a formal vote to adopt the policy for the development and monitoring of the VTrans long-term risk and opportunity register as included in chapter 6 of the *VTrans Policy Guide*, adopt the VTrans Strategic Actions, direct OIPI to collaborate with VDOT, DRPT, and other stakeholders and report progress on the strategic actions once per calendar year. The Board also directs OIPI to submit a summary of the VTrans to the Governor and the General Assembly.

Result, if Approved: If approved, the policy for the development and monitoring of the VTrans long-term risk and opportunity register will be formally included as chapter 6 of the *VTrans Policy Guide*, which encompasses all statewide transportation policies established as part of VTrans.

OIPI will report progress on VTrans Strategic Actions once per calendar year.

OIPI will make a summary of the VTrans publicly available and submit it to the Governor and the General Assembly.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

Attachment A: 2021 VTrans Strategic Actions¹

1. Develop a roadmap that identifies funding needs and prioritizes investment in data collection (e.g., right-of-way mapping, precipitation, roadway elevation, etc.) to more accurately assess flooding risks for state- and locally-maintained roadways.
 - Responsible entity(s): VDOT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item #2: Several unknown and unquantified flooding risks are present.
2. Utilize the VTrans flooding risk analysis or another more detailed location-specific risk assessment to develop policies to ensure flooding risks are reflected in transportation asset life cycle or transportation project planning activities.
 - Responsible entity(s): VDOT, DRPT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item #4: Proactively eliminate or mitigate identified flooding risks.
3. Collaborate with state agencies with the intent to systematically identify solutions to flooding risks to facilitate consistent and systematic prioritization and allocation of state resources.
 - Responsible entity(s): VDOT, DRPT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item #4: Proactively eliminate or mitigate identified flooding risks.
4. Evaluate options to gather vehicle automation and capability data for the state's registered vehicle fleet to develop a more complete and accurate assessment of risks and opportunities associated with automated vehicles.
 - Responsible entity(s): VDOT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item # 7: Improve the state's ability to manage a transportation system with a high number of highly autonomous vehicles.
5. Develop a roadmap for implementing foundational digital practices such as digital as-built (DABs) and information management processes for capturing asset information for transportation infrastructure.
 - Responsible entity(s): VDOT, DRPT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item # 7: Improve the state's ability to manage a transportation system with a high number

¹ VTrans Strategic Actions are not listed in any particular order as many of them are interrelated. Some strategies may require adjustment or sequential implementation depending on the status of other strategies.

of highly autonomous vehicles, and VTrans Guiding Principle # 3: Efficient delivery of programs.

6. Evaluate and facilitate desirable deployment of vehicle-to-infrastructure communications along limited-access highways by the private sector.
 - Responsible entity(s): VDOT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item # 8: Maximize safety benefits offered by highly autonomous vehicles, especially those with Automated Driving Systems.
7. Evaluate opportunities to provide access to the available real-time or up-to-date state transportation asset and operations data in digital formats for use by the public and industry partners to support autonomous vehicle deployment.
 - Responsible entity(s): VDOT, DRPT
 - Intent: This action addresses VTrans Risk & Opportunity Register Item # 8: Maximize safety benefits offered by highly autonomous vehicles, especially those with Automated Driving Systems.
8. Identify and develop solutions to address barriers to the installation of electric vehicle charging infrastructure by the private sector.
 - Responsible entity(s): OIPI
 - Intent: Intent: This action addresses VTrans Risk & Opportunity Register Item # 10: Minimize environmental impacts of the transportation system development.
9. Evaluate and establish sidewalk and curb management best practices for state-owned roadways and promote them for locality-owned roadways.
 - Responsible entity(s): OIPI
 - This action addresses VTrans Risk & Opportunity Register Items: # 11: Increased curb access conflicts in urbanized areas due to shared mobility and e-commerce vehicles; #14: Utilize shared mobility services to improve accessibility; and # 15: Improve the state's ability to manage a transportation system with a high number of shared mobility vehicles.
10. Formalize a process for comprehensive needs identification and prioritization for the § 33.2-372: Interstate Operations and Enhancement Program utilizing the transportation planning policies established by the CTB in VTrans.
 - Responsible entity(s): OIPI

- Intent: This action addresses: VTrans Mid-term Needs and Priority Locations; CTB Guiding Principle # 1: Optimize return on investment; and Guiding CTB Guiding Principle # 3: Efficiently deliver programs.
11. Evaluate the performance of selected construction projects from the SMART SCALE, Interstate Operations and Enhancement Program, Virginia Highway Safety Improvement Program, and DRPT's MERIT program to determine if the selected projects are providing the anticipated benefits and to support efforts to continue to improve project evaluation criteria and methods.
- Responsible entity(s): OIPI
 - Intent: This action addresses: VTrans Mid-term Needs and Priority Locations; CTB Guiding Principle # 1: Optimize return on investment; and Guiding CTB Guiding Principle # 3: Efficiently deliver programs.
12. Establish a regular study cycle for Project Pipeline studies, as defined in the CTB Policy for the Prioritization of VTrans Mid-term Needs adopted in March 2021, to include solutions for the most up-to-date VTrans Priority 1 and 2 locations.
- Responsible entity(s): OIPI
 - Intent: This action addresses: VTrans Mid-term Needs and Priority Locations; CTB Guiding Principle # 3: Efficiently deliver programs and Guiding; and CTB Guiding Principle # 5: Ensure Transparency and Accountability, and Promote Performance Management.
13. Evaluate the feasibility of and alternatives to a combined dashboard to monitor performance and delivery of projects and programs included in the Six-Year Improvement Program (SYIP).
- Responsible entity(s): VDOT, DRPT
 - Intent: This action addresses CTB Guiding Principle # 3: Efficiently deliver programs and Guiding Principle # 5: Ensure Transparency and Accountability, and Promote Performance Management.
14. Evaluate and, if feasible, integrate the remaining application-based highway and transit capital funding programs and transit operating funding programs administered by OIPI, VDOT, and DRPT into the SMART PORTAL to provide one-stop access to state's funding programs.
- Responsible entity(s): VDOT, DRPT, OIPI
 - Intent: This action addresses CTB Guiding Principle # 1: Optimize return on investment and Guiding Principle # 3: Efficiently deliver programs.

15. Identify and clarify roles and responsibilities of the state transportation agencies related to emerging areas such as curb management, shared mobility, drones, etc., to ensure greater focus.

- Responsible entity(s): OIPI
- Intent: This overarching action addresses all items identified in the VTrans Risk & Opportunity Register.

16. To methodically address items in the 2021 VTrans Risk & Opportunity Register, formalize OIPI's role in supporting and advising the CTB in the conduct of CTB business and developing a comprehensive transportation policy as required by 2.2-229.

- Responsible entity(s): OIPI
- Intent: This overarching action addresses all items identified in the VTrans Risk & Opportunity Register.



COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

VTrans Strategic Actions
Commonwealth Transportation Board Workshop

Nick Donohue, Deputy Secretary of Transportation
Jitender Ramchandani, Office of Intermodal Planning and Investment

December 7, 2021



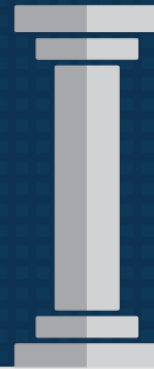
VTRANS STRATEGIC ACTIONS: CONTEXT AND OVERVIEW

1
CTB's Vision, Guiding Principles, Goals and Objectives

2
VTrans Mid-term Needs: Identification and Prioritization

3
VTrans Long-term Risk & Opportunity Register

4
Strategic Actions (Recommendations)



Presentations:

- September 2021
- October 2021

Presentation today

Request for Action: December 2021 CTB Meeting

VTRANS STRATEGIC ACTIONS: CONTEXT AND OVERVIEW

- ▶ At the end of the VTrans planning process, CTB has adopted actions or recommendations that guide OIPI, VDOT, and DRPT business plans.
 - ▶ A total of 16 actions are being proposed for CTB's consideration for the current update.

	ACTIONS OR RECOMMENDATIONS IN THE <u>PREVIOUS VTRANS UPDATES</u>				<u>PROPOSED</u>
Year of Update	2004	2009	2013	2018	2021
Total Actions	50	19	37	12	16
Reporting Mechanism	No	No	No	Yes	Yes

► Actions that address Risks & Opportunities related to **Flooding Vulnerability**

1. Develop a **roadmap that identifies funding needs and prioritizes investment in data collection** (e.g., right-of-way mapping, precipitation, roadway elevation, etc.) to more accurately assess flooding risks for state- and locally-maintained roadways.
2. Utilize the VTrans flooding risk analysis or another more detailed location-specific risk assessment to **develop policies to ensure flooding risks are reflected in transportation asset life cycle** or transportation project planning activities.
3. Collaborate with state agencies with the intent to **systematically identify solutions to flooding risks** to facilitate consistent and systematic prioritization and allocation of state resources.

► Actions that address Risks & Opportunities related to Megatrend: Technology

4. Evaluate options to gather **vehicle automation and capability data** for the state's registered vehicle fleet to develop a more complete and accurate assessment of risks and opportunities associated with automated vehicles.
5. Develop a **roadmap for implementing foundational digital practices** such as digital as-builts (DABs) and information management processes for capturing asset information for transportation infrastructure.
6. Evaluate and facilitate desirable **deployment of vehicle-to-infrastructure communications** along limited-access highways by the private sector.

► Actions that address Risks & Opportunities related to Megatrend: Technology

7. Evaluate opportunities to **provide access to the available real-time or up-to-date state transportation asset and operations data** in digital formats for use by the public and industry partners to support autonomous vehicle deployment.
8. Identify and develop solutions to **address barriers to the installation of electric vehicle charging infrastructure** by the private sector.
9. Evaluate and **establish sidewalk and curb management best practices** for state-owned roadways and promote them for locality-owned roadways.

► Actions that address **Transportation (VTrans Mid-term) Needs** based on CTB Policies

10. Formalize a process for **comprehensive needs identification and prioritization for the § 33.2-372: Interstate Operations and Enhancement Program** utilizing the transportation planning policies established by the CTB in VTrans.
11. **Evaluate the performance of selected construction projects** from the SMART SCALE, Interstate Operations and Enhancement Program, Virginia Highway Safety Improvement Program, and DRPT's MERIT program to determine if the selected projects are providing the anticipated benefits and to support efforts to continue to improve project evaluation criteria and methods.
12. **Establish a regular study cycle for Project Pipeline studies**, as defined in the CTB Policy for the Prioritization of VTrans Mid-term Needs adopted in March 2021, to include solutions for the most up-to-date VTrans Priority 1 and 2 locations.

► Actions that address VTrans Guiding Principles based on CTB Policies

13. Evaluate the feasibility of and alternatives to a **combined dashboard to monitor performance** and delivery of projects and programs included in the Six-Year Improvement Program (SYIP).
14. Evaluate and, if feasible, integrate the remaining application-based highway and transit capital funding programs and transit operating funding programs administered by OIPI, VDOT, and DRPT into the SMART PORTAL to **provide one-stop access to state's funding programs**.

► Actions that address all VTrans Long-term Risks & Opportunities

15. Identify and clarify roles and responsibilities of the state transportation agencies related to emerging areas such as curb management, shared mobility, drones, etc., to ensure greater focus.
16. To methodically address items in the 2021 VTrans Risk & Opportunity Register, formalize OIPI's role in supporting and advising the CTB in the conduct of CTB business and the development of a comprehensive transportation policy as required by 2.2-229.

➤ Request Board Action:

- Policy for Development and Monitoring of VTrans Long-term Risk & Opportunity Register
- VTrans Strategic Actions

➤ OIPI will provide annual updates to the Board on:

- VTrans Macrotrends and efforts related to the identified risks and opportunities
- Status of VTrans Strategic Actions

VTRANS POLICY GUIDE

- Vision, Goals, Objectives and Guiding Principles
- VTrans Travel Markets
- Identification and Prioritization of the Mid-term Transportation Needs
- Development and Monitoring of the Long-term Risk & Opportunity Register



FOR MORE INFORMATION

Visit vtrans.org for additional details, updates, and documentation about the VTrans development process. Please contact the Statewide Transportation Planning (STP) Team at the Office of Intermodal Planning and Investment to request an alternative format.

VTrans, Office of Intermodal Planning and Investment
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PREPARED BY THE OFFICE OF INTERMODAL
PLANNING AND INVESTMENT FOR THE
COMMONWEALTH TRANSPORTATION BOARD



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CHAPTER 1: PURPOSE OF THE POLICY GUIDE

This Policy Guide outlines the Commonwealth Transportation Board's (CTB) policies related to VTrans, Virginia's transportation plan. As such, the Policy Guide is a resource for policymakers at all levels of government as well as for Virginians interested in policies that directly or indirectly influence allocation of limited transportation dollars and impact their day-to-day lives.

Identification and Prioritization of the VTrans Mid-term Needs

In light of limited transportation funding, the purpose of the policy for the identification and prioritization of VTrans Mid-term Needs is to provide a transparent, data-driven, systematic, and replicable process that is informed by public feedback to:

1. Identify pressing transportation needs that may require policies or investments, and
2. Prioritize the needs to determine a subset that are more critical and where solutions may make the biggest contribution to making progress towards the achievement of the CTB's transportation goals.

Details on the process and implementation of this policy can be found in the Technical Guide for the Identification and Prioritization of VTrans Mid-term Needs.

Development of the VTrans Long-term Risk & Opportunity Register

The purpose of a risk and opportunity register is to provide a better understanding of the potential changes that will affect Virginia's transportation system into the future and to allow for monitoring over time. While it is impossible to predict the future, we can be better prepared to handle changes in a way that can benefit the Commonwealth.

Details on the process and implementation of this policy can be found in the Technical Guide for the VTrans Long-term Risk & Opportunity Register.

Public Involvement

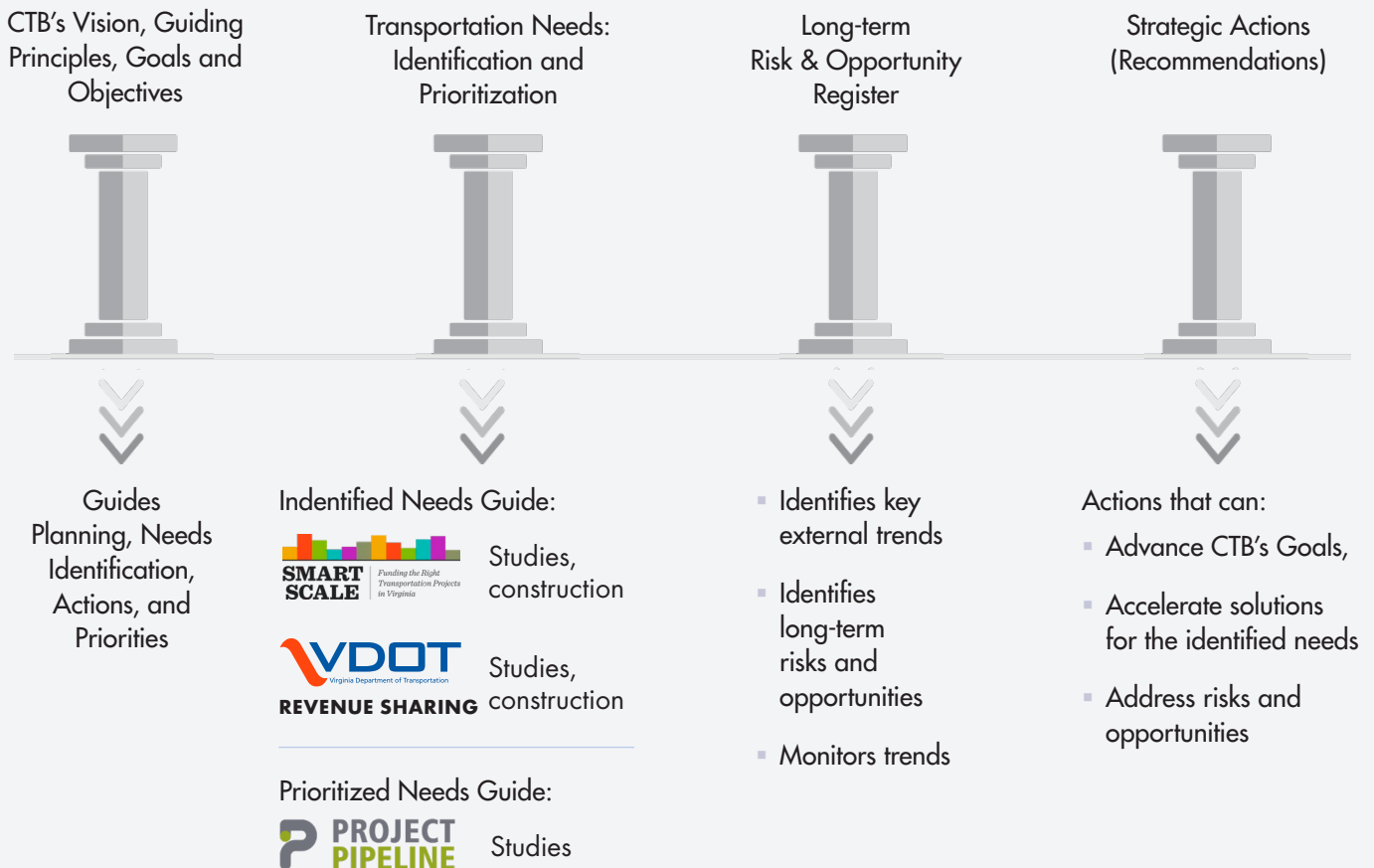
Public and agency involvement is an integral part of the CTB's policy development process. This Policy Guide synthesizes existing relevant VTrans policies. Any comments and feedback on VTrans-related CTB Policies will be considered for future modifications of the policy.



CHAPTER 2: INTRODUCTION TO VTRANS – VIRGINIA’S TRANSPORTATION PLAN

VTrans is the plan to advance the Commonwealth Transportation Board’s (CTB) vision for multimodal transportation in the Commonwealth. The CTB, with assistance from the Office of Intermodal Planning and Investment (OIP),¹ develops VTrans to identify transportation needs which may be addressed by multimodal infrastructure projects, transportation strategies, creation of new policies, or modifications of existing policies. This Policy Guide addresses the components of VTrans as depicted in Figure 1.

Figure 1: Major Components of VTrans - Virginia’s Transportation Plan



¹ Office of Intermodal Planning and Investment of the Secretary of Transportation established pursuant to [§ 2.2-229](#)

2.1 VTrans Vision, Guiding Principles, Goals, and Objectives

The first major component of VTrans, development of the Vision, Guiding Principles, Goals, and Objectives, forms the basis upon which the remaining three major components are developed. The CTB updated and adopted the VTrans Guiding Principles, Goals, and Objectives in 2020.¹



Vision

Virginia's multimodal transportation system will be Good for Business, Good for Communities, and Good to Go. Virginians will benefit from a sustainable, reliable transportation system that advances Virginia businesses, attracts a 21st century workforce, and promotes healthy communities where Virginians of all ages and abilities can thrive.

Guiding Principles

GP1: Optimize Return on Investments

Implement the right solution at the right price, striving to meet current needs while advancing long-term prosperity and livability.

GP2: Ensure Safety, Security, and Resiliency

Provide a transportation system that is safe for all users, responds immediately to short-term shocks such as weather events or security emergencies, and adapts effectively to long-term stressors such as sea level rise.

GP3: Efficiently Deliver Programs

Deliver high-quality projects and programs in a cost-effective and timely manner.

GP4: Consider Operational Improvements and Demand Management First

Maximize capacity of the transportation network through increased use of technology and operational improvements as well as managing demand for the system before investing in major capacity expansions.

GP5: Ensure Transparency and Accountability, and Promote Performance Management

Work openly with partners and engage stakeholders in project development and implementation. Establish performance targets that consider the needs of all communities, and measure progress towards targets. Adjust programs and policies as necessary to achieve the established targets.






GP6: Improve Coordination Between Transportation and Land Use

Encourage local governments to plan and manage transportation-efficient land development by providing incentives, technical support, and collaborative initiatives.

GP7: Ensure Efficient Intermodal Connections

Provide seamless connections between modes of transportation to harness synergies.

¹ Commonwealth Transportation Board, [Actions to Approve the 2019 VTrans Vision, Goals, Objectives, Guiding Principles and the 2019 Mid-term Needs Identification Methodology and Accept the 2019 Mid-term Needs](#), January 15, 2020

Goals	Objectives
 <p>Goal A: Economic Competitiveness and Prosperity Invest in a transportation system that supports a robust, diverse, and competitive economy</p>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ A.1. Reduce the amount of travel that takes place in severe congestion ▪ A.2. Reduce the number and severity of freight bottlenecks ▪ A.3. Improve reliability on key corridors for all modes
 <p>Goal B: Accessible and Connected Places Increase opportunities for people and businesses to efficiently access jobs, services, activity centers, and distribution hubs</p>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ B.1. Reduce average peak-period travel times in metropolitan areas ▪ B.2. Reduce average daily trip lengths in metropolitan areas ▪ B.3. Increase the accessibility to jobs via transit, walking, and driving in metropolitan areas
 <p>Goal C: Safety for All Users Provide a safe and secure transportation system for passengers and goods on all travel modes</p>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ C.1. Reduce the number and rate of motorized fatalities and serious injuries ▪ C.2. Reduce the number of non-motorized fatalities and serious injuries
 <p>Goal D: Proactive System Management Maintain the transportation system in good condition and leverage technology to optimize existing and new infrastructure</p>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ D.1. Improve the condition of all bridges based on deck area ▪ D.2. Increase the lane miles of pavement in good or fair condition ▪ D.3. Increase percent of transit vehicles and facilities in good or fair condition
 <p>Goal E: Healthy Communities and Sustainable Transportation Communities Support a variety of community types promoting local economies and healthy lifestyles that provide travel options, while preserving agricultural, natural, historic, and cultural resources</p>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ E.1. Reduce per-capita vehicle miles traveled ▪ E.2. Reduce transportation related NOX, VOC, PM, and CO emissions ▪ E.3. Increase the number of trips traveled by active transportation (bicycling and walking)

2.1.1 Use of the VTrans Vision, Goals, Objectives, and Guiding Principles

Outputs of VTrans policies, including, but not limited to, VTrans Vision, Goals, Objectives, and Guiding Principles, VTrans Mid-term Needs, and VTrans Risks and Opportunities as well as VTrans concepts including, but not limited to, Equity Emphasis Areas, Activity Centers, market adoption curves for electric and automated vehicles, and impacts of VTrans Macrotrends shall be utilized by OIPI, VDOT and DRPT for statewide planning activities, and developing or modifying practices and Board policies.



2.2 VTrans Planning Horizons

The CTB identifies needs for the following two planning horizons:

- **Mid-term Planning Horizon:** VTrans' analysis for the mid-term planning horizon identifies some of the most pressing transportation issues that need to be addressed over the next 10 years. These needs are referred to as VTrans Mid-term Needs. The needs are identified so that they can inform or guide transportation policies, strategies, and infrastructure improvements developed and implemented by the Virginia Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT), as well as local and regional entities.
- **Long-term Planning Horizon:** VTrans' analysis for long-term planning identifies risks and opportunities for a zero- to 20-plus-year planning horizon that may require gradual and systematic shifts in policy.

2.3 Key Federal and State Requirements for VTrans

There are several statutory and regulatory requirements that guide and inform VTrans. Select key requirements are included below.

Key Federal Requirements

- [23 CFR § 450.216](#): Development of statewide transportation plan
- [49 U.S.C. § 70202](#): Development of state freight plan

Key Code of Virginia Requirements

There are several direct or indirect transportation planning requirements or related items in the Code of Virginia that are addressed by VTrans. Some of the key requirements are:

- **Develop and Update Statewide Transportation Plan ([§ 33.2-353](#)):** OIPI to assist the CTB in the development and update of a statewide transportation plan.
- **Role of OIPI ([§ 2.2-229](#)):** OIPI to assist the CTB in the development of a comprehensive, multimodal transportation policy, which may be developed as part of the Statewide Transportation Plan pursuant to [§ 33.2-353](#).
- **Statewide Prioritization Process for Project Selection ([§ 33.2-214.1](#)):** Projects and strategies shall be screened by the CTB to determine whether they are consistent with the assessment of capacity needs in VTrans.
- **Eligibility for Revenue-sharing Funds ([§ 33.2-357](#)):** Board assigns second priority to transportation needs identified in VTrans.

CHAPTER 3: VTRANS TRAVEL MARKETS FOR MID-TERM NEEDS

VTrans Mid-term Needs are established for the following VTrans Travel Markets per Virginia State Code [§ 33.2-353](#) as well as by CTB Policy.



3.1 Corridors of Statewide Significance (CoSS)

- **Number:** 12
- **Definition:** An integrated set of multimodal transportation facilities to support interregional travel of people and goods within and outside the state
- **Purpose:**
 - Support inter-regional and interstate travel
 - Connect major centers of activity within and through the Commonwealth
 - Promote the movement of people and goods essential to the economic prosperity of the state
- **Established:**
 - Eleven (11) corridors were established¹ as part of VTrans2035 in December 2009, and one was established² in May 2011. A modification was made in January 2020.³
- **Characteristics:**
 - Multimodal – must involve multiple modes of travel or must be an extended freight corridor
 - Connectivity – must connect regions, states, and/or major activity centers
 - High volume – must involve a high volume of travel
 - Function – must provide a unique statewide function and/or address statewide goals



¹ Commonwealth Transportation Board, [VTrans2035 – Virginia’s Statewide Multimodal Long-Range Transportation Plan](#), December 17, 2009.

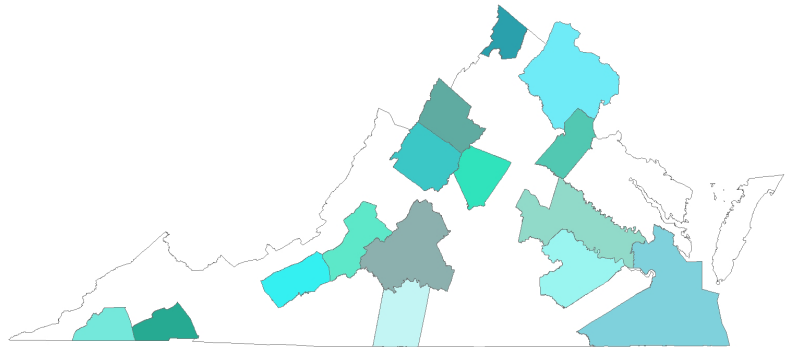
² Commonwealth Transportation Board, Northern Virginia North-South Corridor of Statewide Significance, May 28, 2011.

³ Commonwealth Transportation Board, Actions to Approve the 2019 VTrans Vision, Goals, Objectives, Guiding Principles and the 2019 Mid-term Needs Identification Methodology and Accept the 2019 Mid-term Needs, January 15, 2020.



3.2 Regional Networks (RN)

- **Number:** 15
- **Definition:** Based on designated Metropolitan Planning Organizations (MPO) within the Commonwealth. If an MPO boundary includes only a portion of a county, the entire county will be included in the needs analysis area.
- **Purpose:**
 - Support intra-regional travel
 - Bridge the gap between existing conditions and the desired future for the state’s economy
- **Established:**
 - Fifteen Regional Networks were established in December 19, 2015¹
 - Fauquier County added to Northern Virginia RN as of March 16, 2021,² as per MWCOG MPO Study Area boundary change in 2014³
- **Characteristics:**
 - At least 50,000 people in an urbanized area per US Census estimates
 - Regional Networks include VTrans Activity Centers, which are “areas of regional importance that have a high density of economic and social activity” and are associated with the Regional Networks (RNs)



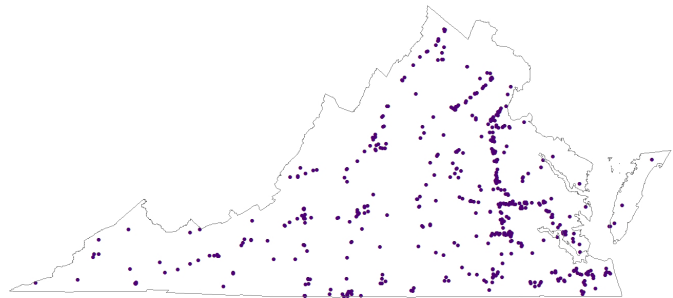
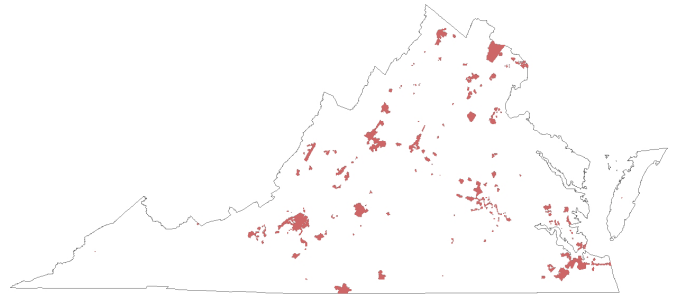
¹ Commonwealth Transportation Board, [VTrans2040 Virginia’s Statewide Multimodal Long-Range Transportation Plan Vision Plan and Needs Assessments](#), December 9, 2015

² Commonwealth Transportation Board, [Actions to Approve the Policy for the Prioritization of the VTrans Mid-term Transportation Needs and Accept the Prioritized 2019 VTrans Mid term Needs](#), March 17, 2021.

³ Metro Washington Council of Governments, <https://www.mwcog.org/uploads/committee-documents/aV1YXFhd20140710114716.pdf>, July 16, 2014

3.3 Urban Development Areas (UDA)

- **Number of UDAs:** 230 UDAs;¹ 535 Industrial and Economic Development Areas (IEDA)²
- **Definition:** Urban Development Areas are locally-designated growth areas based on local initiatives pursuant to VA Code [§ 15.2-2223](#). Industrial and Economic Development Areas (IEDAs) are locally-identified industrial and economic development sites submitted to Virginia Economic Development Partnership (VEDP)'s Business-Ready Site Program pursuant to [§ 2.2-2238](#).
- **Purpose:**
 - The purpose of UDAs is to: (1) support local, walkable places; and, (2) to the extent possible, to direct federal, state and local transportation, housing, water and sewer facility, economic development, and other public infrastructure funding to designated UDAs. The purpose of IEDAs is to support economic development.
- **Established:**
 - UDAs are established on an ongoing basis, per local government designation in a locality's Comprehensive Plan pursuant to [§15.2-2223](#). IEDA's are also established or removed on an ongoing basis.
- **Characteristics of UDAs:**
 - Pedestrian-friendly road design
 - Interconnection of new local streets with existing local streets and roads
 - Connectivity of road and pedestrian networks
 - Preservation of natural areas
 - Mixed-use neighborhoods, including mixed housing types, with affordable housing to meet the projected family income distributions of future residential growth
 - Reduction of front and side yard building setbacks
 - Reduction of subdivision street widths and turning radii at subdivision street intersections
- **Characteristics of IEDAs:**
 - Pursuant to [§ 2.2-2238](#) and consistent with Virginia Economic Development Partnership's (VEDP) [Business Ready Sites Program \(VBRSP\)](#)
 - Minimum of 100 contiguous acres (statutory); VEDP accepts sites of 25+ acres
 - Allows for industrial and research parks
 - Applicants to program must be political subdivisions of the Commonwealth of Virginia, including counties, cities, towns, industrial/economic development authorities, and redevelopment and housing authorities or regional industrial facility authority



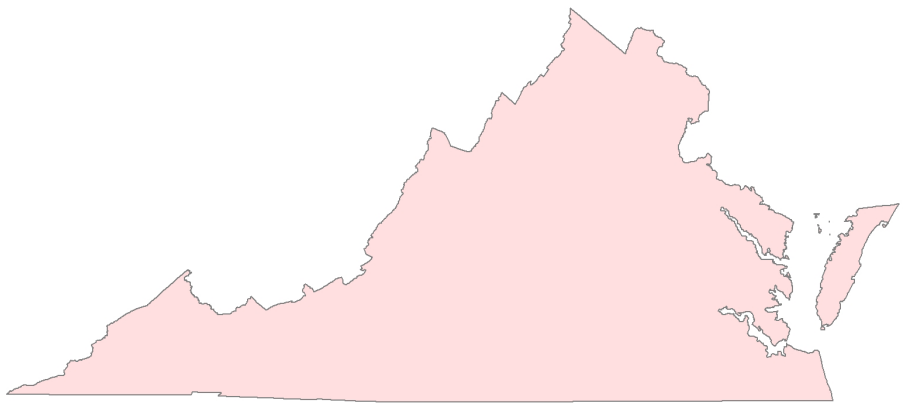
¹ As of November 30, 2019

² As of November 30, 2019



3.4 Safety

- **Definition:** A Safety analysis is conducted for all public roadways in the Commonwealth
- **Established:** The Safety Travel Market was established as part of VTrans2040¹



¹ Commonwealth Transportation Board, [VTrans2040 Virginia's Statewide Multimodal Long-Range Transportation Plan Vision Plan and Needs Assessments](#), December 9, 2015

CHAPTER 4: POLICY FOR THE IDENTIFICATION OF THE VTRANS MID-TERM NEEDS

The Policy for the Identification of VTrans Mid-term Needs establishes multimodal need categories that correspond to the Board-adopted VTrans Vision, Goals, and Objectives.¹ Each need category has one or more performance measures and thresholds to identify one or more needs. The Policy for the Identification of the VTrans Mid-term Needs was approved by the Commonwealth Transportation Board in January 2020.

Table 1 below outlines need categories and corresponding measures and thresholds established per the CTB policy for the identification of VTrans Mid-term Needs. Locations where the performance measure exceeds the threshold are designated as VTrans Mid-term Needs.

Table 1: VTrans Goals and Associated VTrans Mid-term Needs Categories

Need Category	VTrans Travel Market(s)	Measure and Threshold for Establishing VTrans Mid-term Needs
Goal A: Economic Competitiveness and Prosperity		
Congestion Mitigation	CoSS, RN	At least two percent of the average travel takes place in the excessively congested condition, defined as travel speed below 75 percent of posted speed limit
	CoSS, RN	Travel Time Index (TTI) 1.3 or higher for at least three hours OR 1.5 or higher for at least one hour
Improved Reliability (Highway)	CoSS, RN	Level of Travel Time Reliability (LOTTR) 1.5 or higher for at least one hour
Improved Reliability (Intercity and Commuter Rail)	COSS	Intercity or commuter rail on-time performance less than 80% at applicable rail stations OR on-time performance less than 90% for applicable rail lines
Goal B: Accessible and Connected Places		
Transit Access to Equity Emphasis Areas	RN	An area with no fixed-route transit service, that has population density to support fixed-route transit service, and that has significantly higher-than-average concentrations of people who are low-income, people with disabilities, minority populations, populations with Limited English Proficiency (LEP), or populations age 75 or higher.
Transit Access to Activity Centers	RN	A VTrans Activity Center where the Deficit of workers who can access the Activity Center by bus or rail transit within 45 minutes compared to those who can access the Activity Center by automobile within 45 minutes is greater than 0
Pedestrian Access to Activity Centers	RN	1-mile distance from local-serving and knowledge-based Activity Centers, fixed-guideway transit stations, and bus rapid transit (BRT) lines
Bicycle Access to Activity Centers	RN	7-mile distance from around local-serving and knowledge-based Activity Centers, fixed-guideway transit stations, and bus rapid transit (BRT) lines
Access to Industrial and Economic Development Areas (IEDAs)	Statewide	Virginia Business Ready Sites Program site with readiness status of Tier 3 or above
Urban Development Areas (UDAs)	UDA ^{2,3}	Locality-identified transportation needs for bicycle and pedestrian infrastructure, circulation and access, safety, transit enhancements and access to locally designated UDAs

¹ Commonwealth Transportation Board, [Actions to Approve the 2019 VTrans Vision, Goals, Objectives, Guiding Principles and the 2019 Mid-term Needs Identification Methodology and Accept the 2019 Mid-term Needs](#), January 15, 2020

² Per Code of Virginia [§ 33.2-353](#) and [§ 15.2-2223.1](#)

³ For the purposes of screening for the statewide prioritization process for project selection pursuant to § 33.2-214.1 of the Code of Virginia, identified UDA Needs shall also be considered RN Needs if RN congestion Needs are 20 miles or fewer.

POLICY FOR THE IDENTIFICATION OF THE VTRANS MID-TERM NEEDS (CONTINUED)

Need Category	VTrans Travel Market(s)	Measure and Threshold for Establishing VTrans Mid-term Needs
Goal C: Safety for All Users		
Roadway Safety	Statewide ¹	For each Construction District, includes VDOT Top 100 Potential for Safety Improvement (PSI) Intersections and Segments, and PSI locations with 3+ Fatal or Injury crashes at the intersection or segment over the last five years
Pedestrian Safety	Statewide	Priority corridors identified in VDOT Pedestrian Safety Action Plan ²
Goal D: Proactive System Management		
Capacity Preservation	CoSS, RN	Inclusion in the VDOT Arterial Preservation Network ³ (the state-maintained portion of the National Highway System, as well as additional highways that facilitate connectivity)
Goal E: Healthy Communities and Sustainable Transportation Communities		
Transportation Demand Management	CoSS, RN	Transportation Demand Management (TDM) needs based on roadway facility type and VTrans Travel Market

4.1 Interpretation and Usage of the Identified VTrans Mid-term Needs

Identified Needs or underlying issues are assigned to roadway segments for geographical precision. They should be interpreted and used in the following manner:

- A solution does not have to be co-located with a need as long as the purpose and effectiveness of a solution addresses the underlying VTrans Mid-term Need.
- A VTrans Need Category does not specify a type or mode of response. For example, a solution to a Need for Improved Reliability may not be roadway-centric and can instead be addressed by multimodal infrastructure improvements such as transit or rail services or park-and-ride infrastructure. Similarly, a Need for Improved Reliability may also be addressed by policies (e.g. variable pricing, occupancy or vehicle restrictions, etc.) or programs such as commuter assistance programs.
- The methodology outlined in the Technical Guide for the Identification and Prioritization of VTrans Mid-term Needs, shall direct identification and prioritization of VTrans Mid-term Needs and may continue to evolve and improve based upon advances in technology, data collection, and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth in the VTrans Policy Guide, they shall be brought to the Commonwealth Transportation Board for review and approval.
- Outputs of VTrans policies, including, but not limited to, VTrans Vision, Goals, Objectives, and Guiding Principles, VTrans Mid-term Needs, and VTrans Risks and Opportunities as well as VTrans concepts including, but not limited to, Equity Emphasis Areas, Activity Centers, market adoption curves for electric and automated vehicles, and impacts of VTrans Macrotrends shall be utilized by OIPI, VDOT and DRPT for statewide planning activities, and developing or modifying practices and Board policies.

¹ For the purposes of screening for statewide prioritization process for project selection pursuant to § 33.2-214.1 of the Code of Virginia, the identified safety Needs on CoSS roadways shall also be considered CoSS Needs.

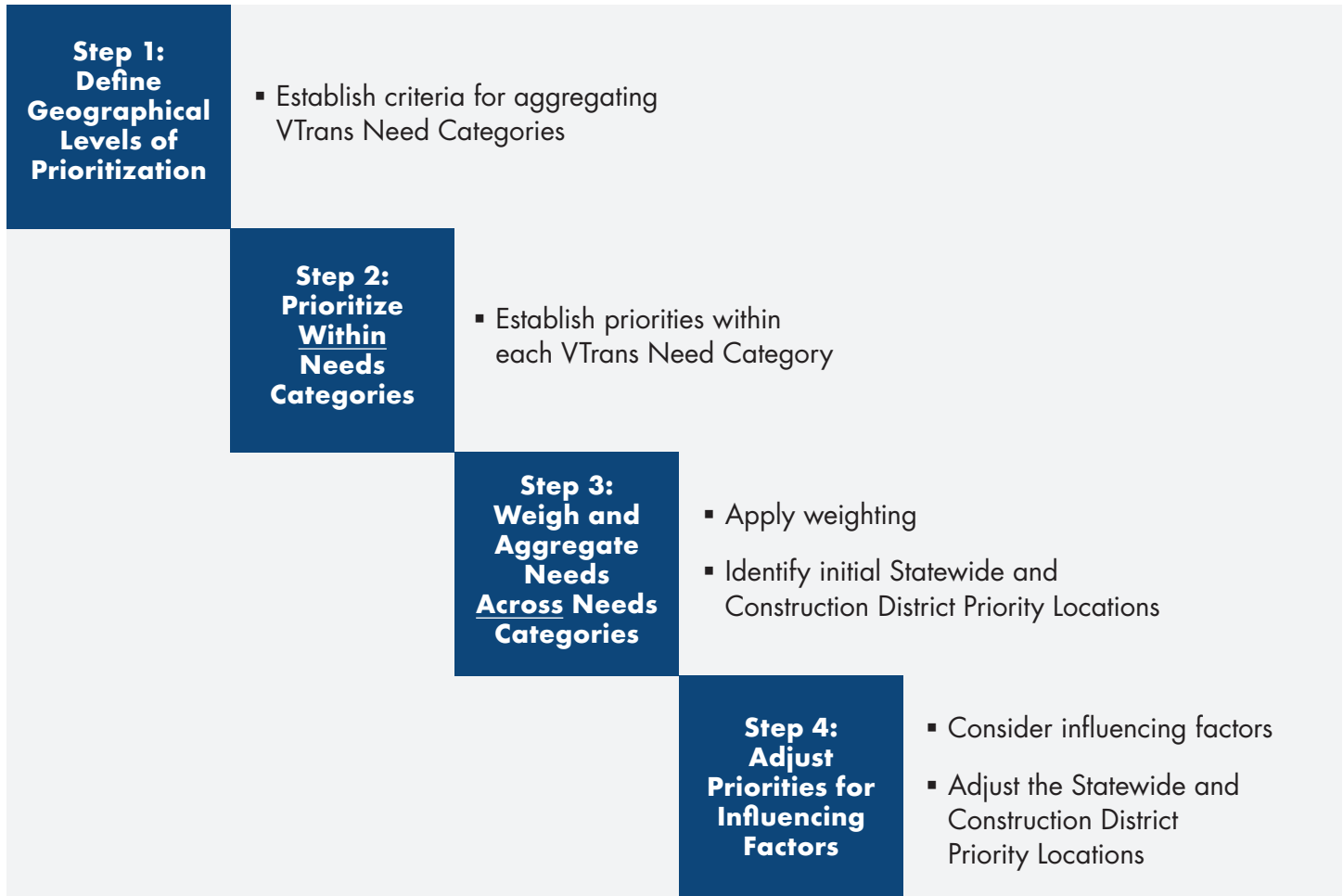
² http://www.virginiadot.org/business/resources/VDOT_PSAP_Report_052118_with_Appendix_A_B_C.pdf

³ [VDOT Arterial Preservation Program Network](#)

CHAPTER 5: POLICY FOR THE PRIORITIZATION OF THE VTRANS MID-TERM NEEDS

The Policy for the Prioritization of the VTrans Mid-term Needs¹ is conducted in four steps shown in Figure 2 and described in greater detail below.

Figure 2: Steps for Prioritization of the VTrans Mid-term Needs



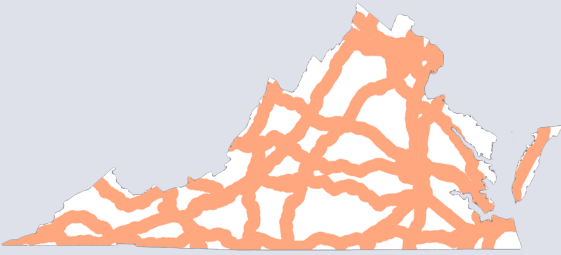
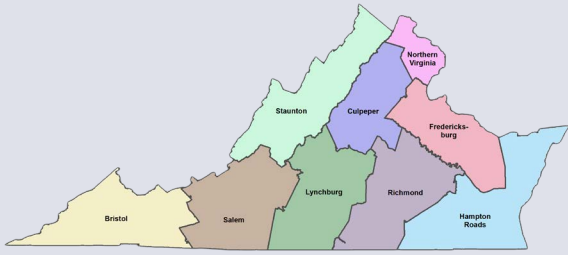
- Step 1: Two sets of priorities are established – Statewide Priority Locations and VDOT Construction District Priority Locations for each of the nine Districts. Each relies on different Need Categories and Travel Markets per Table 2.
- Step 2: This step utilizes the severity of a need and the magnitude of the impact of the need to categorize the Board-adopted VTrans Mid-term Needs as *Very High*, *High*, *Medium*, and *Low*.
- Step 3: This step takes the needs as categorized above and weights them to form a location- or roadway segment-specific weighted score.
- Step 4: The final step makes adjustments to the step three results in light of factors affecting the transportation network that may be important to take into account, and then categorizes the locations as *Statewide Priority 1*, *Priority 2*, *Priority 3*, or *Priority 4*, and *District Priority 1*, *Priority 2*, *Priority 3*, or *Priority 4*.

¹ Commonwealth Transportation Board, [Actions to Approve the Policy for the Prioritization of the VTrans Mid-term Transportation Needs and Accept the Prioritized 2019 VTrans Mid-term Needs](#), March 17, 2021.

5.1 Step 1: Define Geographical Levels of Prioritization

Two sets of Priority Locations are established – Statewide Priority Locations and Construction District Priority Locations. Each relies on different Need Categories and Travel Markets per Table 2.

Table 2: Geographic Levels of Prioritization and Applicable Travel Markets

Levels of Prioritization	Statewide Priority Locations	Construction District Priority Locations
Aggregation Level	Statewide: Corridors of Statewide Significance 	VDOT Construction District 
Applicable Need Categories	<ul style="list-style-type: none"> ▪ Congestion Mitigation (CoSS) ▪ Improved Reliability (Highway) (CoSS) ▪ Improved Reliability (Intercity and Commuter Rail) (CoSS) ▪ Roadway Safety (along CoSS) ▪ Capacity Preservation (CoSS) ▪ Transportation Demand Management (CoSS) 	<ul style="list-style-type: none"> ▪ Congestion Mitigation (RN) ▪ Improved Reliability (Highway) (RN) ▪ Transit Access to Equity Emphasis Areas (RN) ▪ Transit Access to Activity Centers (RN) ▪ Pedestrian Access to Activity Centers (RN) ▪ Bicycle Access to Activity Centers (RN) ▪ Access to Industrial and Economic Development Areas (IEDA) ▪ Safety (Segments and Intersections) ▪ Safety (Pedestrian Safety) ▪ Capacity Preservation (CoSS, RN) ▪ Transportation Demand Management (RN)



5.2 Step 2: Prioritize Within VTrans Mid-term Needs Categories

The second step establishes priorities *Very High*, *High*, *Medium*, and *Low* within each VTrans Mid-term Need Category per the following:¹

- *Very High* Priority: Top 5% of the total mileage of the applicable needs
- *High* Priority: Top 5.001%–15% of the total mileage
- *Medium* Priority: Top 15.001%–25% of the total mileage
- *Low* Priority: Bottom 25.001%–100% of the total mileage

The above-referenced priorities within each VTrans Mid-term Need Category are categorized based on the following two criteria:

- *Severity of the Need*: This criteria takes into account the intensity or extremity of the Need.
- *Magnitude of the Need*: This criteria takes into account the number of residents, vehicles, or persons impacted by the Need.

¹ Limitations of the existing datasets as well as the need to avoid small fractional distributions of the needs have required utilization of non-percentile based distribution or prioritization within VTrans Mid-term Needs. These are outlined in more detail in the Technical Guide for the Identification and Prioritization of the VTrans Mid-term Needs.

5.3 Step 3: Weigh and Aggregate VTrans Mid-term Needs Across Needs Categories

The third step takes the VTrans Mid-term Needs as categorized above, weighs and aggregates them to form a location- or roadway segment-specific score. Weighting for Construction District Priority Locations are based on SMART SCALE Area Types.¹

Table 3: Weighting to Establish Statewide and Construction District Priority Locations

Travel Market	Board-adopted VTrans Need Category	Weighting – Statewide Priority	Weighting – Construction District Priority ¹				
			Area Type A	Area Type B	Area Type C	Area Type D	
CoSS	Congestion Mitigation	25.00%	These Need Categories are not utilized for establishing Construction District Priority Locations.				
CoSS	Improved Reliability (Highway)	15.00%					
CoSS	Improved Reliability (Intercity and Commuter Rail)	10.00%					
Safety	Roadway Safety (along CoSS)	25.00%					
CoSS	Capacity Preservation	10.00%					
CoSS	Transportation Demand Management	15.00%					
RN	Congestion Mitigation	These Need Categories are not utilized for establishing Statewide Priority Locations.	25.00%	15.00%	10.00%	5.00%	
RN	Improved Reliability (Highway)		20.00%	10.00%	5.00%	5.00%	
RN	Transit Access to Equity Emphasis Areas		5.00%	6.25%	6.25%	3.75%	
RN	Transit Access to Activity Centers		5.00%	6.25%	6.25%	3.75%	
RN	Pedestrian Access to Activity Centers		5.00%	6.25%	6.25%	3.75%	
RN	Bicycle Access to Activity Centers		5.00%	6.25%	6.25%	3.75%	
UDA	Access to Industrial and Economic Development Areas		2.50%	10.00%	10.00%	15.00%	
Safety	Roadway Safety		15.00%	15.00%	20.00%	25.00%	
Safety	Pedestrian Safety		5.00%	5.00%	5.00%	5.00%	
CoSS, RN	Capacity Preservation		2.50%	10.00%	15.00%	20.00%	
RN	Transportation Demand Management		10.00%	10.00%	10.00%	10.00%	
	Total		100.00%	100.00%	100.00%	100.00%	100.00%

¹ Commonwealth Transportation Board. [Adoption of Updated Policy for Implementation of the SMART SCALE Project Prioritization Process.](#) February 19, 2020.



5.4 Step 4: Adjust Priorities for Influencing Factors

The final step is to adjust the scores determined in Step 3 in light of factors affecting the transportation network that may be important to take into account. Presence or absence of these factors will not cause a location to be assigned a lower Priority level than assigned in Step 3; they can only increase a location's Priority level.

- Co-located bridge repair, rehabilitation, or replacement needs
- Co-located pavement repair, rehabilitation, or replacement needs
- Exposure to projected sea level rise, storm surge, or historical inland/riverine flooding
- Co-located Economically Distressed Communities¹

Adjustments are made for each location from Step 3 based on the level of the applicable influencing factor criteria.

5.5 Establishment of Statewide and Construction District Priority Locations

The final adjusted Statewide Priority Locations and Construction District Priority Locations are then established as follows:

Statewide Priority Locations are assigned levels 1–4 based on their relative statewide rank by roadway segment mileage in the following manner:

- Priority 1 Locations: Top 0%–1% of the total mileage
- Priority 2 Locations: 1.001%–5% of the total mileage
- Priority 3 Locations: 5.001%–15% of the total mileage
- Priority 4 Locations: Bottom 15.001%–100% of the total mileage

Construction District Priority Locations are assigned levels 1–4 based on their relative rank for each VDOT Construction District by roadway segment mileage in the following manner:

- Priority 1 Locations: Top 0%–1% of the total mileage
- Priority 2 Locations: 1.001%–5% of the total mileage
- Priority 3 Locations: 5.001%–15% of the total mileage
- Priority 4 Locations: Bottom 15.001%–100% of the total mileage

¹ Source: Economic Innovation Group's Distressed Communities Index, <https://eig.org/dci>. See map at www.vtrans.org/interactivtrans.

5.5.1 Interpretation and Usage of the Prioritized VTrans Mid-term Needs

Prioritized Needs are location-specific for geographical precision. They should be interpreted and used in the following manner:

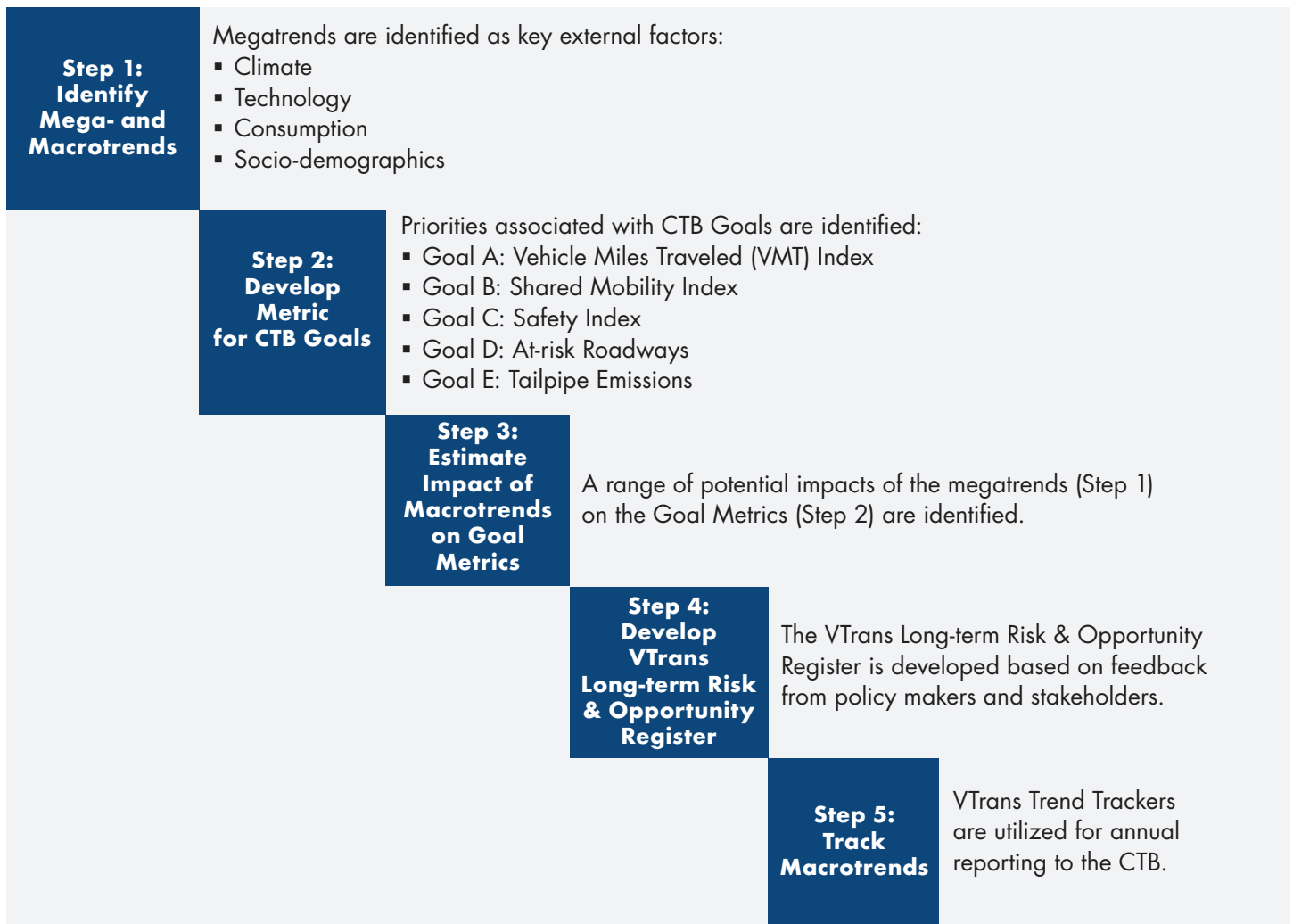
- A solution does not have to be co-located with a prioritized need as long as the purpose and effectiveness of a solution addresses the underlying issue(s).
- A VTrans Need Category does not specify a mode-specific response. For example, a solution to a Need for Improved Reliability may not be roadway-centric and can instead be addressed by multimodal infrastructure improvements such as transit or rail services or park-and-ride infrastructure. Similarly, a Need for Improved Reliability may also be addressed by policies (e.g. variable pricing, occupancy or vehicle restrictions, etc.) or programs such as commuter assistance programs.
- The methodology outlined in the Technical Guide for the Identification and Prioritization of VTrans Mid-term Needs, shall direct prioritization of VTrans Mid-term Needs and may continue to evolve and improve based upon advances in technology, data collection, and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth in the VTrans Policy Guide, they shall be brought to the Commonwealth Transportation Board for review and approval.
- VDOT and DRPT funds for corridor or facility planning and advance activities relating to concepts addressing a capacity need of the surface transportation network shall be limited to the Statewide and Construction District Priority 1 Locations.
- The Commonwealth Transportation Board may also select one VTrans Mid-term Need per state fiscal year for each VDOT Construction District for the purpose of corridor or facility planning and advance activities relating to concepts addressing a capacity need.
- Outputs of VTrans policies, including, but not limited to, VTrans Vision, Goals, Objectives, and Guiding Principles, VTrans Mid-term Needs, and VTrans Risks and Opportunities as well as VTrans concepts including, but not limited to, Equity Emphasis Areas, Activity Centers, market adoption curves for electric and automated vehicles, and impacts of VTrans Macrotrends shall be utilized by OIPI, VDOT and DRPT for statewide planning activities, and developing or modifying practices and Board policies.

CHAPTER 6: POLICY FOR THE DEVELOPMENT AND MONITORING OF THE VTRANS LONG-TERM RISK & OPPORTUNITY REGISTER

The VTrans Long-term Risk & Opportunity Register is developed based on the following steps:

- Step 1: Megatrends¹ and associated Macrotrends² are identified.
- Step 2: CTB’s priorities are identified based on the CTB’s Vision, Goals, and Objectives³.
- Step 3: Impact of mega and macrotrends on the CTB’s priorities is estimated.
- Step 4: VTrans Long-term Risk & Opportunity Register is developed based on the projected impacts on established priorities.
- Step 5: OIPI reviews and provides annual updates to the CTB for the identified risks and opportunities.

Figure 3: Steps for Development and Monitoring of VTrans Long-term Risk & Opportunity Register



¹ Megatrend: Megatrends are defined as “the great forces in societal development that will very likely affect the future in all areas over the next 10-15 years. A megatrend is also defined as “a large, social, economic, political, environmental or technological change that is slow to form. Once in place, megatrends influence a wide range of activities, processes and perceptions, both in government and in society, possibly for decades. They are the underlying forces that drive trends”. Source: [European Foresight Platform](#).











² Macrotrend: A macrotrend is defined as “An emerging pattern of change likely to impact state government and require a response. Multiple macrotrends can be associated with a megatrend.” Source: [Transportation Policy Task Force Suggested State Legislation Docket](#). 2009. California

³ Commonwealth Transportation Board, [Actions to Approve the 2019 VTrans Vision, Goals, Objectives, Guiding Principles and the 2019 Mid-term Needs Identification Methodology and Accept the 2019 Mid-term Needs](#), January 15, 2020

6.1 Step 1: Identify Mega- and Macrotrends

OIPI has identified and shall periodically update Mega- and Macrotrends identified in Table 4 to account for factors significant from a transportation planning and investment perspective.

Table 4: VTrans Mega- and Macrotrends

MEGATREND 1: CLIMATE	
	Macrotrend 1: Increase in Flooding Risk ^{1,2}
MEGATREND 2: TECHNOLOGY	
	Macrotrend 2: Adoption of Highly Autonomous Vehicles
	Macrotrend 3: Adoption of Electric Vehicles
	Macrotrend 4: Growth in Shared Mobility
MEGATREND 3: CONSUMPTION	
	Macrotrend 5: Growth in E-commerce
	Macrotrend 6: Greater Automation of Production and Services
MEGATREND 4: SOCIO-DEMOGRAPHICS	
	Macrotrend 7: Growth of Professional Service Industry
	Macrotrend 8: Increase in Workplace Flexibility
	Macrotrend 9: Growth of the 65+ Cohort
	Macrotrend 10: Population and Employment Shift

¹ Definition of Vulnerability: Vulnerability is a function of exposure to a hazard(s), the sensitivity to the given hazard, and adaptive capacity or the system's ability to cope.

² Definition of Resiliency: The capability to anticipate, prepare for, respond to and recover from extreme weather event(s) with minimum damage to social well-being, infrastructure, the economy, and the environment.



6.2 Step 2: Develop Metrics for CTB Goals

OIPI shall develop metric(s) for each CTB Goal.

Table 5: Develop Metric(s) for CTB Goals

	<p>Goal A: Vehicle Miles Traveled (VMT) Index (Estimated Change Due to VTrans Macrotrends)</p>
	<p>Goal B: Shared Mobility Index (Switchable Urban Auto SOV VMT to Micromobility and TNC/Ridesourcing)</p>
	<p>Goal C: Safety Index (Safety Index - Estimated Change in Number of Crashes with Fatalities + Serious Injuries Due to VTrans Macrotrends)</p>
	<p>Goal D: Roadways at Risk of Flooding</p>
	<p>Goal E: Tailpipe Emissions Index (Estimated Change Due to VTrans Macrotrends)</p>

6.3 Step 3: Estimate Impact of Macrotrends on CTB Goal Metrics

OIPI shall establish an order of influence and estimate cumulative impacts of macrotrends, as shown in Table 6, on Goal Metrics identified in Step 2.

Table 6: Order of Influence of Macrotrends and Influence of Macrotrends on Goal Metrics

Order of Influence	Macrotrend (listed in order of influence)	VMT Index	Shared Mobility Index	Safety Index	Number of Directional Miles of Roadways at Risk from Flooding	Tailpipe Emissions Index
1	Macrotrend # 1: Increase in Flooding Risk				•	
	Macrotrend # 9: Growth of the 65+ Cohort	Included in the 2045 Business-as-usual Scenario				
2	Macrotrend # 8: Increase in Workplace Flexibility	•	•			•
	Macrotrend # 2: Adoption of Highly Autonomous Vehicles	•	•	•		•
	Macrotrend # 3: Adoption of Electric Vehicles	•	•			•
3	Macrotrend # 4: Growth in Shared Mobility	•	•			•
4	Macrotrend # 5: Growth in E-commerce	•				•
	Macrotrend # 6: Greater Automation of Goods and Services	•				•
5	Macrotrend # 7: Growth of Professional Service Industry Macrotrend # 10: Population and Employment Shift	Included in the 2045 Business-as-usual Scenario				
	Cumulative Impacts	•	•	•	•	•

• Quantified in Step 3






6.4 Step 4: Develop VTrans Long-term Risk & Opportunity Register


OIPI shall develop and update the VTrans Long-term Risk & Opportunity Register (the Risk Register) based on feedback and direction from the CTB and other stakeholders. At minimum, the Risk Register shall be based on reliable sources reflecting the state of the practice to allow for quantification of impacts of VTrans Macrotrends listed in Step 1 of the process.


The VTrans Long-term Risk & Opportunity shall allow for systematic and methodical identification of risks¹ and opportunities.² It shall also take into account the work completed in Steps 1 through 3, including the order of influence established for the ten macrotrends and the magnitude of impact established in Step 3.

Table 7 lists risks and opportunities identified based on the 2021 Update.

Table 7: VTrans 2021 Long-term Risk & Opportunity Register



























Macrotrend	Characterization	Description
		<ol style="list-style-type: none"> 1. A large number of the state’s roadways are at risk of flooding 2. Several unknown and unquantified flooding risks are present 3. Impacts of increased flooding risk are disproportionately higher for certain geographic areas and populations
		<ol style="list-style-type: none"> 4. Proactively eliminate or mitigate identified flooding risks 5. Increase the state’s preparedness to address other macrotrends associated with climate change megatrend


 Uncertainty with negative impacts on CTB Goals in Step 3


 Uncertainty with a positive impact on CTB Goals in Step 3

¹ The term risk is defined as a situation or scenario wherein there is some uncertainty and at least some probability of a negative outcome or result.

² The term opportunity is defined as a situation or scenario wherein there is some uncertainty and at least some probability of a positive outcome or result.

Macrotrend	Characterization	Description
		6. Greater wear-and-tear on the transportation system due to increased vehicle miles traveled (VMT) and increase in average vehicle weight
		7. Improve the state's ability to manage a transportation system with a high number of highly autonomous vehicles
		8. Maximize safety benefits offered by highly autonomous vehicles, especially those with Automated Driving System
		9. Higher vehicle miles traveled (VMT) for each unit of economic activity compared to the present fleet
		10. Minimize environmental impacts of the transportation system development
		11. Increased curb access conflicts in urbanized areas
		12. Projected growth in shared mobility (micromobility and TNC/ridesourcing) does not provide measurable transportation system benefits
		13. Benefits of growth in shared mobility are not equally accessible by all areas and population segments
		14. Utilize shared mobility services to improve accessibility
		15. Improve the state's ability to manage a transportation system with a high number of shared mobility vehicles
		16. Proactively eliminate or mitigate transportation impacts associated with e-commerce including those related to large warehouse and distribution centers
		17. Improve state's ability to proactively manage transportation impacts associated with greater automation of production and services
		18. Maximize utilization of workplace flexibility for telework capable jobs
		19. Transportation system and services are unable to meet mobility needs of Virginians age 65 and older

 Uncertainty with negative impacts on CTB Goals in Step 3

 Uncertainty with a positive impact on CTB Goals in Step 3

6.4.1 Interpretation and Usage of the VTrans Long-term Risk & Opportunity Register

- The methodology outlined in the Technical Guide: Development and Monitoring of VTrans Long-term Risk & Opportunity Register, shall direct the development and monitoring of VTrans Long-term Risks and Opportunities and may continue to evolve and improve based upon advances in technology, data collection, and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth in the VTrans Policy Guide, they shall be brought to the Board for review and approval.
- OIPI, VDOT, an DRPT shall undertake coordinated actions to minimize long-term risks and maximize benefits of long-term opportunities identified in the 2021 VTrans Long-term Risk & Opportunity Register.
- Outputs of VTrans policies, including, but not limited to, VTrans Vision, Goals, Objectives, and Guiding Principles, VTrans Mid-term Needs, and VTrans Risks and Opportunities as well as VTrans concepts including, but not limited to, Equity Emphasis Areas, Activity Centers, market adoption curves for electric and automated vehicles, and impacts of VTrans Macrotrends shall be utilized by OIPI, VDOT and DRPT for statewide planning activities, and developing or modifying practices and Board policies.

6.5 Step 5: Track Macrotrends

OIPI shall provide updates to the CTB on the VTrans Mega- and Macrotrends and any changes to items in the 2021 Long-term Risk & Opportunity Register once per calendar year based on a monitoring of the macrotrends and the Trend Trackers identified in Table 8.

Table 8: VTrans Trend Trackers

VTrans Macrotrend	VTrans Trend Trackers
 <p>1. Increase in Flooding Risk</p>	<ul style="list-style-type: none"> ▪ Number of directional miles at risk from sea level rise ▪ Number of directional miles at risk from storm surge ▪ Number of directional miles at risk from inland/riverine flooding ▪ Annual cost of transportation repair due to flooding events
 <p>2. Adoption of Highly Autonomous Vehicles</p>	<ul style="list-style-type: none"> ▪ Market Penetration of Semi-Autonomous (Levels 1 and 2) Vehicles ▪ Attitude and Preferences for Adoption of Semi-Autonomous (Levels 1 and 2) Vehicles¹ ▪ Market Penetration of Highly Autonomous (Levels 3 and 4) Vehicles¹ ▪ Attitude and Preferences for Adoption of Highly Autonomous (Levels 3 and 4)¹ Vehicles
 <p>3. Adoption of Electric Vehicles</p>	<ul style="list-style-type: none"> ▪ Number of Electric Vehicles ▪ Market Penetration of Electric Vehicles ▪ Attitude and Preferences for Adoption of Electric Vehicles¹ ▪ Transportation Revenue by Revenue Source
 <p>4. Growth in Shared Mobility</p>	<ul style="list-style-type: none"> ▪ Access to Shared Mobility Services¹ ▪ Utilization of Shared Mobility Services by Type¹
 <p>5. Growth in E-Commerce</p>	<ul style="list-style-type: none"> ▪ Number of Warehouse and Distribution Centers ▪ Square Footage of Warehouse and Distribution Centers ▪ Share of E-commerce Sales (Business-to-business, business-to-customers) ▪ Number of Jobs in Goods Movement Dependent Industries
 <p>6. Greater Automation of Production and Services</p>	<ul style="list-style-type: none"> ▪ Number of short-range drone deliveries ▪ Number of long-range drone deliveries
 <p>7. Growth of Professional Service Industry</p>	<ul style="list-style-type: none"> ▪ Share of Professional Service Industry Jobs ▪ Number of STEM Jobs
 <p>8. Increase in Workplace Flexibility</p>	<ul style="list-style-type: none"> ▪ Number of Workers with Workplace Flexibility¹ ▪ Utilization of Workplace Flexibility¹
 <p>9. Growth of the Age 65+ Cohort</p>	<ul style="list-style-type: none"> ▪ Number of Virginians with Age 65 or higher ▪ Share of Age 65+ Cohort
 <p>10. Population and Employment Shift</p>	<ul style="list-style-type: none"> ▪ VTrans Land Use Vitality (LUV) Index ▪ Population ▪ Employment ▪ Income

¹ OIPI shall conduct a biennial statistically valid survey to measure these trend trackers.

APPENDIX A: UPDATES TO THE VTRANS POLICY GUIDE

The list below reflects version updates to this document. For questions, please reach out to OIPI.

Document Effective Date	Description
October 29, 2020	This version, titled "Policy Guide for the Identification and Prioritization of the VTrans Mid-term Needs", was made available for public review and comment prior to Action by the Commonwealth Transportation Board on the Draft Policy for the Prioritization of the VTrans Mid-term Needs.
March 16, 2021	This version reflected modifications to the Draft Policy for the Prioritization of VTrans Mid-term Needs based on public comment prior to Action by the Commonwealth Transportation Board.
March 24, 2021	This version reflected the action by the Commonwealth Transportation Board to approve the Policy for the Prioritization of the VTrans Mid-term Needs.
September, 2021	This version reflected a simplified document name, "VTrans Policy Guide", and an addition of the draft policy for the development and monitoring of the VTrans Long-term Risk & Opportunity Register.
November, 2021	Updated Draft for CTB review, edited for errors.
December, 2021	Additional edits for clarification and consistency.

PREPARED BY THE OFFICE OF INTERMODAL
PLANNING AND INVESTMENT FOR THE
COMMONWEALTH TRANSPORTATION BOARD





COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 10

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Approval of Interstate 81 Corridor Improvement Program Progress Report

WHEREAS, Chapter 743 of the 2018 Acts of Assembly, the General Assembly directed the Commonwealth Transportation Board (Board), to study financing options for improvements to Interstate I-81 (I-81) and, with support from the Office of Intermodal Planning and Investment, develop and adopt an I-81 Corridor Improvement Plan (Plan); and

WHEREAS, the Board adopted the Plan on December 5, 2018, which identified targeted improvements for potential financing and evaluated such improvements using the statewide prioritization process; and

WHEREAS, Chapters 837 and 846 of the 2019 Acts of Assembly established Chapter 36 (§ 33.2-3600 *et seq.*) of Title 33.2 of the *Code of Virginia*, creating the I-81 Corridor Improvement Fund (Fund), and directing the Board to establish the I-81 Committee (Committee), to adopt an I-81 Corridor Improvement Program (Program), to update the Program by July 1st of each year and to report to the General Assembly the status and progress of implementation of the Program (I-81 Corridor Improvement Program Progress Report) by December 15th of each year; and

WHEREAS, pursuant to § 33.2-3603, the Board established the I-81 Committee on May 15, 2019; and

WHEREAS, pursuant to § 33.2-3602, the I-81 Corridor Improvement Program shall, at a minimum:

1. Allocate year by year the revenues, if any, from the Fund and bond proceeds, if any, backed by the Fund to projects and strategies identified in the Plan adopted by the Board in 2018 and as may be adopted from time to time;
2. Include a financing plan to support such allocation; and
3. Include a schedule for all new projects and strategies identified in the Plan adopted by the Board; and

WHEREAS, prior to the adoption of such Program, the Board shall review the recommendations of and consult with the I-81 Committee; and

WHEREAS, pursuant to § 33.2-3602, the I-81 Corridor Improvement Program Progress Report must include, at a minimum:

1. The safety and performance of the Interstate 81 Corridor, including the number of incidents, the average duration of incidents, the number and average duration of incidents involving lane closures, and the person-hours of delay along the Interstate 81 corridor;
2. An assessment of the effectiveness of the operational strategies and capital projects implemented and funded through the Program;
3. The status of capital projects funded through the Program; and
4. The current and projected balances of the Fund.

WHEREAS, the I-81 Committee received a copy of the draft I-81 Corridor Improvement Program Progress Report on November 22, 2021, for review and comment; and

WHEREAS, the I-81 Corridor Improvement Program Progress Report completely satisfies the above-referenced requirements set forth in § 33.2-3602.

NOW, THEREFORE, BE IT RESOLVED, the Board approves the annual I-81 Corridor Improvement Program Progress Report, attached hereto as Attachment A, as required by § 33.2-3602 of the *Code of Virginia*.

####

CTB Decision Brief

Approval of the I-81 Corridor Improvement Program Progress Report

Issue: Chapters 837 and 846 of the 2019 Acts of Assembly established Chapter 36 (§ 33.2-3600 *et seq.*) of Title 33.2 of the *Code of Virginia*, creating the Interstate 81 (I-81) Corridor Improvement Fund (Fund), and directing the Commonwealth Transportation Board (Board) to establish the I-81 Committee; to adopt an I-81 Corridor Improvement Program (Program); to update the Program by July 1st of each year; and to report to the General Assembly the status and progress of implementation of the Program (I-81 Corridor Improvement Program Progress Report) by December 15th of each year. Approval by the Board of the I-81 Corridor Improvement Program Report for 2021 is sought.

Facts: In enacting Chapter 743 of the 2018 Acts of Assembly, the General Assembly of Virginia directed the Board to study financing options for improvements to I-81, with assistance from the Office of Intermodal Planning and Investment (OIPI), and to develop and adopt an I-81 Corridor Improvement Plan (Plan). The Board approved the Plan on December 5, 2018, which identified targeted improvements for potential financing and evaluated such improvements using the statewide prioritization process.

The 2019 Acts of Assembly established the Fund, the Program, and the I-81 Committee. The Act also requires the Board to update the Program by July 1 of each year and to report to the General Assembly on the status of implementation of the Program by December 15 of each year.

Sources of revenues initially dedicated to the Fund include a newly-established truck registration fee, an I-81 corridor regional fuels tax, and statewide diesel and road taxes. Funds to support the Program became available July 1, 2019.

In 2020, the General Assembly passed legislation that limited the imposition of regional fuels taxes to only those localities that I-81 passes through. This adjustment to the original fuel tax mechanism is not anticipated to impact the financial health of the Fund. Furthermore, as per the 2020 Interstate Operations and Enhancement Program (IOEP) omnibus legislation, I-81 receives an allocation of funds from the IOEP equal to the ratio of vehicle miles travelled (VMT) on I-81 by vehicle Class 6 or higher to total VMT on all Interstate highways. Beginning in FY2021, the truck registration fees and road tax revenue from the Program were dedicated to the Commonwealth Transportation Fund. Adoption of the FY22-FY27 SYIP included a plan for financing the Program and estimated proceeds from I-81 bonds and Transportation Infrastructure Finance and Innovation Act (TIFIA) financing.

Decision Brief

Approval of the I-81 Corridor Improvement Program Progress Report

December 8, 2021

Page 2 of 3

The current and projected allocations of the Program based on the FY2022-2027 Six-Year Improvement Program, is reflected below:

	FY22*	FY23	FY24	FY25	FY26	FY27	Total
Total Available	\$542.8	\$125.7	\$374.0	\$131.1	\$131.4	\$509.7	\$1,814.7
Total Programmed	\$542.8	\$125.7	\$374.0	\$131.1	\$131.4	\$490.0	\$1,795.0
Total Remaining	\$0	\$0	\$0	\$0	\$0	\$19.7	\$19.7

*FY22 and prior years

The Fund had a fund balance of \$198.8 million on June 30, 2021, and \$215.4 million on September 30, 2021. Moneys in the Fund shall only be used for capital, operating, and other improvement costs identified in the Program. Of the 64 capital projects included in the I-81 Corridor Improvement Plan and Program, 16 have been completed. The FY22-27 Six-Year Improvement Program was adopted by the Board on June 24, 2021, and included both operational improvements and 46 of the 48 remaining capital improvement projects identified in the Plan.

Pursuant to § 33.2-3602 (A), the I-81 Corridor Improvement Program shall, at a minimum:

1. Allocate year by year the revenues, if any, from the Fund and bond proceeds, if any, backed by the Fund to projects and strategies identified in the Plan adopted by the Board in 2018 and as may be adopted from time to time;
2. Include a financing plan to support such allocation; and
3. Include a schedule for all new projects and strategies identified in the Plan adopted by the Board.

Prior to the adoption of the Program, the Board shall review the recommendations of and consult with the I-81 Committee.

Pursuant to § 33.2-3602 (D), the I-81 Corridor Improvement Program Progress Report must include, at a minimum:

1. The safety and performance of the Interstate 81 corridor, including the number of incidents, the average duration of incidents, the number and average duration of incidents involving lane closures, and the person-hours of delay along the Interstate 81 corridor;
2. An assessment of the effectiveness of the operational strategies and capital projects implemented and funded through the Program;
3. The status of capital projects funded through the Program; and
4. The current and projected balances of the Fund.

Decision Brief

Approval of the I-81 Corridor Improvement Program Progress Report

December 8, 2021

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The current I-81 Corridor Improvement Program Progress Report reflects the minimum requirement as required by the § 33.2-3602.

The I-81 Committee, which includes Board members of the Bristol, Salem and Staunton construction districts, received briefings on the status of the Program and met on April 28, 2021. At this time, the I-81 Committee does not plan to meet prior to the end of the year, but will meet at least twice by the end of 2022. The I-81 Committee was provided the draft I-81 Corridor Improvement Program Progress Report for review and comment.

Recommendations: Approval is recommended for the submission of the annual I-81 Corridor Improvement Program Progress Report, attached hereto as Appendix A.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the annual I-81 Corridor Improvement Program Progress Report. The Board shall report its recommendations for funding and prioritization of projects to the General Assembly by December 15, 2021.

Result, if Approved: If approved, Board authorizes submission of the report.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action: _____

AUTHORIZING THE ISSUANCE AND SALE OF COMMONWEALTH OF VIRGINIA TRANSPORTATION CAPITAL PROJECTS REVENUE BONDS, SERIES 2022

WHEREAS, pursuant to the Transportation Development and Revenue Bond Act (the "State Revenue Bond Act"), Sections 33.2-1700 *et seq.* of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Commonwealth Transportation Board (the "Board") has the power to issue revenue bonds to finance the costs of transportation projects authorized by the General Assembly of Virginia (the "General Assembly"), including any financing costs or other financing expenses related to such bonds;

WHEREAS, pursuant to the Commonwealth Transportation Capital Projects Bond Act of 2007, enactment clause 2 of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia, 2007 Regular Session, as amended (the "Bond Act"), the Board is authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act, revenue obligations of the Commonwealth of Virginia (the "Commonwealth") to be designated "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series" (the "Chapter 896 Bonds") at one or more times in an aggregate principal amount not to exceed \$3,000,000,000, subject to certain annual limitations;

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WHEREAS, pursuant to Item 456.H. of Chapter 874 of the Acts of the General Assembly of the Commonwealth of Virginia, 2010 Regular Session, as amended (collectively, the "Appropriation Act" and, together with the Bond Act, as amended, the "Act"), the Board is authorized, by and with the consent of the Governor, to issue, pursuant to the State Revenue Bond Act, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series XXXX" (the "Appropriation Act Bonds") at one or more times in an aggregate principal amount not to exceed \$180,000,000, after all costs, with the net proceeds of the Appropriation Act Bonds to be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of the General Assembly, 2007 Regular Session, including but not limited to environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses;

WHEREAS, pursuant to Chapter 854 of the Acts of the General Assembly of the Commonwealth of Virginia, 2018 Regular Session, the Bond Act was amended to authorize the Board, with the consent of the Governor, to issue, pursuant to the State Revenue Bond Act, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series XXXX" (the "Chapter 854 Bonds" and, together with the Chapter 896 Bonds and the Appropriation Act Bonds, the "Bonds") at one time in an aggregate principal amount not to exceed an additional \$50 million, after all costs, with the net proceeds to be used exclusively to match federal funds provided for capital projects by the Washington Metropolitan Area Transit Authority;

WHEREAS, pursuant to the Act, authorization to issue \$3,230,000,000 in aggregate principal amount of Bonds has been granted, consisting of \$3,000,000,000 in aggregate principal amount of Chapter 896 Bonds (having an authorized unissued balance of approximately \$243,233,804, after accounting for previously issued Bonds), \$50,000,000 in aggregate principal amount of Chapter 854 Bonds (none of which has heretofore been issued) and \$180,000,000 in aggregate principal amount of Appropriation Act Bonds (all of which has heretofore been issued);

WHEREAS, pursuant to Section 2.2-5002.1 of the Virginia Code, after July 1, 2012, any net original issue premium in excess of a *de minimis* amount received on Bonds must be treated as principal for purposes of determining compliance with the aggregate and annual principal amount limitations to which the Bonds are subject;

WHEREAS, Section 33.2-1701 of the Virginia Code provides that the Bonds shall be secured, subject to their appropriation by the General Assembly, (i) by revenues deposited into the Priority Transportation Fund created under Section 33.2-1527 of the Virginia Code (the "Priority

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Transportation Fund"), (ii) to the extent required, by revenues legally available from the Transportation Trust Fund and (iii) to the extent required, by any other legally available funds;

WHEREAS, the Board has entered into a Master Indenture of Trust dated as of May 1, 2010, as previously supplemented and amended (the "Master Indenture") with Wells Fargo Bank, National Association, as trustee (the "Trustee");

WHEREAS, the Board wishes to authorize the issuance of one or more series of Bonds to be known as the "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds," with one or more series designations, as appropriate (the "2022 Bonds"); and

WHEREAS, the following documents that provide for the issuance and sale of the 2022 Bonds have been prepared by Bond Counsel and the staff of the Virginia Department of Transportation (the "Department") at the direction of the Board, and forms of such documents have been presented at this meeting and will be filed with the records of the Board:

(1) a Tenth Supplemental Indenture of Trust (the "Tenth Supplement," together with the Master Indenture, the "Indenture"), between the Board and the Trustee, providing for the terms and structure of the 2022 Bonds;

(2) a Preliminary Official Statement of the Board relating to the offering for sale of the 2022 Bonds (the "Preliminary Official Statement"); and

(3) a Continuing Disclosure Agreement of the Board relating to the obligations of the Board to disclose certain information on an ongoing basis in connection with the 2022 Bonds (the "Continuing Disclosure Agreement").

NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH TRANSPORTATION BOARD:

1. Authorization of the 2022 Bonds. The Board hereby determines that it is in the best interest of the Commonwealth and the Board for the Board (i) to enter into the Tenth Supplement to provide for the issuance of the 2022 Bonds, (ii) to issue the 2022 Bonds for the purposes authorized under and in accordance with the provisions of the Act and the Indenture and (iii) to sell the 2022 Bonds. The aggregate principal amount of the 2022 Bonds shall not exceed \$100,000,000, the final maturity date of the 2022 Bonds shall not exceed 25 years from their date of issuance, and the aggregate true interest cost of the 2022 Bonds shall not exceed the maximum aggregate true interest cost approved by the Treasury Board, which is empowered pursuant to Section 2.2-2416(7) of the Virginia Code to approve the terms and structure of all proposed bond issues by state agencies, boards or authorities where debt service payments are expected by such agency, board or authority to be made, in whole or in part, directly or indirectly, from appropriations of the

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Commonwealth. The Board expects the debt service payments to be made from appropriations of the Commonwealth.

2. Limited Obligations. The 2022 Bonds shall be limited obligations of the Board and the Commonwealth, payable from and secured by a pledge of the revenues pledged under the Indenture ("Revenues") and amounts in certain funds established pursuant to the Indenture. Nothing in this Resolution or the 2022 Bonds shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof.

3. Determination of Details of the 2022 Bonds. The Board authorizes the Chairperson of the Board (the "Chairperson"), subject to the criteria set forth in paragraph 1 of this Resolution, to determine the details of the 2022 Bonds, including, without limitation, the aggregate principal amount, the maturity schedule, the interest rates, the redemption provisions, the sale date, the sale price and the reoffering prices. In addition, the Board authorizes the Chairperson to allocate portions of the 2022 Bonds to the authorizations provided by the Bond Act, as amended, and the Appropriations Act, respectively, in accordance with the actual or projected application of the proceeds of the 2022 Bonds as provided by law and as she shall deem to be in the best interests of the Board, the Department and the Commonwealth. The Board authorizes the Chief Financial Officer of the Department and the Director, Financial Planning Division of the Department (either of whom may act) to effect the Chairperson's award of the 2022 Bonds (if the 2022 Bonds are sold by competitive bid) or execute a purchase contract of the 2022 Bonds (if the 2022 Bonds are sold by negotiated sale).

4. Sale of the 2022 Bonds. The Chairperson is authorized to sell the 2022 Bonds pursuant to a competitive sale and to prepare, publish and distribute a Notice of Sale in connection therewith (the "Notice of Sale"), provided that the Notice of Sale may not be published or distributed prior to the approval of the 2022 Bonds by resolution of the Treasury Board. Alternatively, if determined by the Chairperson to be in the best interest of the Commonwealth, the Board authorizes the Chairperson to solicit and consider proposals for a negotiated sale of the 2022 Bonds and to negotiate the terms of such sale. The Chairperson is authorized to execute and deliver a purchase contract or an agreement reflecting such proposal, provided that no such purchase contract or agreement may be executed prior to approval of the terms and structure of the 2022 Bonds by resolution of the Treasury Board.

5. Preliminary Official Statement. The Board approves the Preliminary Official Statement in substantially the form presented at this meeting. The Board authorizes and directs the Chairperson, in collaboration with the staff of the Department and the Board's financial advisor (the "Financial Advisor") and Bond Counsel, to prepare the final form of the Preliminary Official Statement with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the

2022 Bonds, as the Chairperson may approve. The Board authorizes the Chairperson to deem the Preliminary Official Statement to be final for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve the distribution thereof, provided that the Preliminary Official Statement may not be distributed prior to approval of the terms and structure of the 2022 Bonds by resolution of the Treasury Board.

6. Official Statement. The Board authorizes and directs the Chairperson, in collaboration with Bond Counsel, Department staff and Financial Advisor, to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement") in order to reflect the provisions of the winning bid or the executed purchase contract, as appropriate, for the purchase and sale of the 2022 Bonds. The Board authorizes and directs the Chairperson to execute the Official Statement, which execution shall constitute conclusive evidence of the approval of the Official Statement by the Chairperson on behalf of the Board and that it has been deemed final within the meaning of the Rule. The Board authorizes and directs Department staff to arrange for delivery to the winning bidders or underwriters, as appropriate, within seven business days after the date thereof, a sufficient number of copies of the Official Statement for the winning bidders or underwriters to distribute to each potential investor requesting a copy and to each person to whom the winning bidders or underwriters initially sell the 2022 Bonds. The Board authorizes and approves the distribution by the winning bidders or underwriters of the Official Statement as executed by the Chairperson.

7. Tenth Supplement. The Board approves the Tenth Supplement in substantially the form presented at this meeting. The Board authorizes and directs the Chairperson to prepare, execute, and deliver the final form of the Tenth Supplement with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the 2022 Bonds, including without limitation changes to the dated dates thereof, as the Chairperson may approve. Execution and delivery of the Tenth Supplement shall constitute conclusive evidence of the approval of such documents by the Chairperson on behalf of the Board.

8. Execution and Delivery of the 2022 Bonds. The Board authorizes and directs the Chairperson and the Secretary of the Board (the "Secretary") to have the 2022 Bonds prepared and to execute the 2022 Bonds in accordance with the Indenture, to deliver the 2022 Bonds to the Trustee for authentication, and to cause the 2022 Bonds so executed and authenticated to be delivered to or for the account of the winning bidders or underwriters upon payment of the purchase price of the 2022 Bonds, all in accordance with the Notice of Sale or executed purchase contract, as appropriate. Execution and delivery by the Chairperson and the Secretary of the 2022 Bonds shall constitute conclusive evidence of the approval of the 2022 Bonds by the Chairperson and the Secretary on behalf of the Board.

9. Continuing Disclosure. The Board approves the Continuing Disclosure Agreement in substantially the form presented at this meeting. The Board covenants to undertake ongoing disclosure and to provide "annual financial information" and "event notices" for the benefit of holders of the 2022 Bonds and to assist the winning bidders or the underwriters, as appropriate, in complying with the Rule, all in accordance with the Continuing Disclosure Agreement. The Board authorizes and directs the Chairperson to prepare, execute, and deliver the final form of the Continuing Disclosure Agreement, with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the 2022 Bonds, as the Chairperson may approve. The Chief Financial Officer of the Department is designated as the Dissemination Agent under the Continuing Disclosure Agreement. Execution and delivery by the Chairperson of the Continuing Disclosure Agreement shall constitute conclusive evidence of the approval of the Continuing Disclosure Agreement by the Chairperson on behalf of the Board.

10. Authorization of Further Action. The Board authorizes Department staff (i) to request the Treasury Board to approve the terms and structure of the 2022 Bonds in accordance with Section 2.2-2416(7) of the Virginia Code and the Act, (ii) to request the Governor of the Commonwealth to approve the issuance of the 2022 Bonds in accordance with the Act, (iii) if determined by Department staff to be cost beneficial, to procure and negotiate a contract with a credit facility provider to issue a credit facility with respect to some or all of the 2022 Bonds and to execute such contract, together with any other documents related to such credit facility and (iv) to collaborate with the staff of the Department of the Treasury of the Commonwealth or the State Treasurer to procure and to negotiate investments and investment contracts for any of the proceeds of the 2022 Bonds. The Board further authorizes the Chairperson to execute and deliver all documents and certificates and to take all such further action as he may consider necessary or desirable in connection with the issuance and sale of the 2022 Bonds, including, without limitation, execution and delivery of (a) an amendment to the Payment Agreement dated as of May 1, 2010, between the Board, the Treasury Board, and the Secretary of Finance of the Commonwealth, if necessary, to provide for the issuance and payment of debt service of the 2022 Bonds and (b) a document (i) setting forth the expected application and investment of the proceeds of the 2022 Bonds and the expected use of the property financed or refinanced thereby to show that such expected application, investment and use will not violate the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the Treasury Regulations promulgated thereunder including the provisions applicable to "arbitrage bonds" (as defined in the Tax Code) and (ii) providing for the rebate of any "arbitrage rebate amounts" (as defined in the Tax Code) earned on the investment of the proceeds of the 2022 Bonds to the United States. The Chairperson is further authorized to make on behalf of the Board such elections under the Tax Code and the applicable Treasury Regulations with respect to the 2022 Bonds as the Chairperson may deem to be in the best interests of the Commonwealth and the Board, in consultation with Bond Counsel and the Financial Advisor.

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11. Authorizations and Directions to Certain Officers. Any authorization or direction to the Chairperson or to the Secretary under this Resolution shall also be deemed to be an authorization or a direction to the Vice-Chairperson or to an Assistant Secretary, respectively, the Commissioner of Highways, and any officer or employee of the Board or the Department designated for such purpose by the Chairperson or the Secretary.

12. Effective Date. This Resolution shall be effective immediately upon adoption and shall remain in effect until December 31, 2022.

MEMORANDUM

TO: Members of the Commonwealth Transportation Board
Members of the Treasury Board

FROM: Shannon Valentine
Chairperson, Commonwealth Transportation Board

SUBJECT: Refunding of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds

Public Resources Advisory Group (“PRAG”), financial advisor to the Commonwealth Transportation Board (the “Transportation Board”), has analyzed refunding opportunities for the Transportation Board and has identified the following candidates:

- Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2012

The table below summarizes the refunding results for the Series 2012 bonds.

Series	Refunded Maturities	Refunded Par	Refunding Par	Final Maturity	PV Savings (\$)	PV Savings (%)
Series 2012	2032-2034, 2037	\$211,145,000	\$168,815,000	2037	\$45,894,462	21.7%

** Based on market conditions as of November 19, 2021.*

Pursuant to a resolution adopted by the Transportation Board on June 17, 2020 (the “Board’s Authorizing Resolution”), the Transportation Board authorizes the issuance and sale of revenue refunding bonds, pursuant to the following terms and conditions: (i) the minimum debt service savings threshold for any series of refunded bonds shall be no less than 3 percent on a present value basis or such other threshold approved by the Treasury Board of the Commonwealth and (ii) the fiscal year in which occurs the final maturity date of the refunding bonds of any series shall be no later than the fiscal year in which occurs the final maturity date of the respective refunded bonds. As the table above shows, the proposed refunded bonds meets the 3 percent savings threshold. Further, the final maturity of the refunding bonds will not be extended beyond the final maturity of the refunded bonds. This memorandum constitutes the memorandum to be prepared by the Chairperson of the Transportation Board pursuant to paragraph 1 of the Board’s Authorizing Resolution.

The final terms and structure of the refunding bonds will be determined at the time of the sale of the refunding bonds. It is anticipated that the refunding bonds will be sold on a competitive basis, but if market conditions warrant, the refunding bonds may be sold on a negotiated basis with the underwriting team selected from the Department of the Treasury’s pool of pre-approved underwriters. The following summarizes the anticipated structure for the refunding bonds but is preliminary and subject to change:

Bond Structure: For the 2022 Refunding Bonds, serial bonds paying current interest and maturing semi-annually or a combination of serial and term bonds paying current interest with mandatory sinking fund redemptions.

Optional Redemption Provisions: The 2022 Refunding Bonds may be subject to optional redemption prior to maturity.

Interest Payment Dates: Interest on the 2022 Refunding Bonds is payable beginning on May 15, 2022, and semiannually thereafter on each May 15 and November 15.

Principal Payment Dates: For the 2022 Refunding Bonds, principal is payable beginning on May 15, 2032 and each May 15 thereafter through May 15, 2037.

PRAG recommends proceeding with the refunding of the identified bond series. I concur with their recommendations and have begun the process to refund the identified bonds. Please contact Laura Farmer at (804) 786-3096 if you have any questions or would like to discuss further.

NEW ISSUE
BOOK-ENTRY ONLY

Ratings:
Fitch: _____
Moody's: _____
S&P: _____
(See "RATINGS" herein)

In the opinion of Bond Counsel, under current law and assuming the compliance with certain covenants and the accuracy of certain representations and certifications made by the Transportation Board and other persons described herein, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed under the Code and (iii) is exempt from income taxation by the Commonwealth of Virginia. See the section "Tax Matters" regarding certain other tax considerations. [To Be Updated As Needed]

Commonwealth Transportation Board

\$ _____ *

Commonwealth of Virginia

Transportation Capital Projects Revenue and Refunding Bonds, Series 2022

Dated: Date of Delivery

Due: May 15 (as shown on the inside front cover)

This Official Statement has been prepared by the Commonwealth Transportation Board of the Commonwealth of Virginia (the "Transportation Board") to provide information on the above-referenced bonds (the "Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Security

The Bonds are limited obligations of the Commonwealth of Virginia and the Transportation Board, secured by and payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth of Virginia, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly of the Commonwealth of Virginia, and do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth of Virginia or any of its political subdivisions. See the section "*Sources of Payment and Security for the Bonds.*"

Issued Pursuant to

The Bonds will be issued pursuant to a Master Indenture of Trust dated as of May 1, 2010 (as previously supplemented and amended), and a Tenth Supplemental Indenture of Trust dated as of February 1, 2022.

Purpose

The Bond proceeds are being used to (i) pay certain costs of certain transportation projects in the Commonwealth of Virginia, (ii) refund all or a portion of certain outstanding maturities of the Transportation Board's Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2012, and (iii) pay certain costs related to the issuance of the Bonds. See the sections "*Introduction,*" "*Capital Projects Revenue Bonds Program,*" and "*Application of Proceeds of the Bonds.*"

Interest Rates/Yields

See inside front cover.

Interest Payment Dates

May 15 and November 15, beginning May 15, 2022.

Denomination

\$5,000 or multiples thereof.

Redemption

See inside front cover and the section "*The Bonds.*"

Closing/Delivery Date

On or about February 15, 2022.*

Registration

Book-entry only. See the section "*The Bonds.*"

Trustee/Paying Agent

Wells Fargo Bank, National Association, Philadelphia, Pennsylvania.

Financial Advisor

Public Resources Advisory Group, New York, New York.

Bond Counsel

McGuireWoods LLP, Richmond, Virginia.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

* Preliminary, subject to change.

The Bonds will be awarded pursuant to electronic competitive bidding to be held via BiDCOMP/*PARITY*® on February [8], 2022,* unless postponed, as set forth in the Notice of Sale contained in Appendix G to this Official Statement.

Dated: _____, 2022

COMMONWEALTH TRANSPORTATION BOARD

\$ _____ *

Commonwealth of Virginia

Transportation Capital Projects Revenue and Refunding Bonds, Series 2022

(Base CUSIP[†] Number 927793)

<u>Maturity (May 15)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[†] Suffix</u>
2023	\$	%	%	
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				

Optional Redemption

The Bonds maturing on or before May 15, 2031,* will not be subject to optional redemption. The Bonds maturing on or after May 15, 2032* will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2031,* in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued on the principal amount to be redeemed to the date fixed for redemption.

Mandatory Redemption

Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the successful bidder elects to combine serial maturities into one or more term bonds in the manner set forth in the Notice of Sale. See "Notice of Sale" in Appendix G hereto.

* Preliminary, subject to change.

† See the last paragraph on page (i) regarding the use of CUSIP numbers in this Official Statement.

COMMONWEALTH TRANSPORTATION BOARD

Shannon Valentine, *Chairperson of the Transportation Board and Secretary of Transportation*
Alison DeTuncq, *Vice Chairperson*

Stephen C. Brich	W. Sheppard Miller, III
Carlos M. Brown	Jennifer Mitchell
Bert Dodson, Jr.	Cedric Bernard Rucker
Tom Fowlkes	Raymond D. Smoot, Jr.
Mary H. Hynes	Frederick T. Stant, III
Stephen A. Johnsen	Marty Williams
E. Scott Kasprowicz	Greg Yates
Mark H. Merrill	

VIRGINIA DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, *Commissioner of Highways*
Laura Farmer, *Chief Financial Officer*

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Jennifer Mitchell, *Director*
Tanyea Darrisaw, *Chief Financial Officer*

OFFICE OF THE ATTORNEY GENERAL

Mark R. Herring, *Attorney General*
Julie Whitlock, *Senior Assistant Attorney General/Section Chief*

TRUSTEE

Wells Fargo Bank, National Association
Philadelphia, Pennsylvania

BOND COUNSEL

McGuireWoods LLP
Richmond, Virginia

FINANCIAL ADVISOR

Public Resources Advisory Group
New York, New York

The Bonds are exempt from registration under the Securities Act of 1933, as amended. The Bonds are also exempt from registration under the securities laws of the Commonwealth of Virginia.

No dealer, broker, salesman or other person has been authorized by the Transportation Board to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Transportation Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the Transportation Board and the purchasers or owners of any of the Bonds. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under it will, under any circumstances, create any implication that there has been no change in the affairs of the Transportation Board since the date of this Official Statement.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the Transportation Board since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date. The information presented in this Official Statement has been obtained from the Transportation Board and other sources that are believed to be reliable, but such information is not guaranteed to be accurate or complete and should not be construed as a representation by a source as to information provided by another source.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Transportation Board and its financial results could cause actual results to differ materially from those stated in the forward-looking statements.

Third parties may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds, including transactions to (i) overallot in arranging the sales of the Bonds and (ii) make purchases in sales of Bonds, for long or short accounts, on a when-issued basis or otherwise, at such prices, in such amounts and in a manner beyond the Transportation Board's control. Such stabilization, if commenced, may be discontinued at any time.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of SEC Rule 15c2-12.

CUSIP is a registered trademark of the American Bankers Association (the "ABA"), used by Standard & Poor's in its operation of the CUSIP Service Bureau for the ABA. The CUSIP (Committee on Uniform Securities Identification Procedures) numbers for the Bonds and the referenced refunded bonds have been assigned by an organization not affiliated with the Transportation Board, and the Transportation Board is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The Transportation Board has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers identified in this Official Statement.

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OFFICIAL STATEMENT

Commonwealth Transportation Board

\$ _____ *

Commonwealth of Virginia

Transportation Capital Projects Revenue and Refunding Bonds, Series 2022

INTRODUCTION

This Official Statement is provided by the Commonwealth Transportation Board (the "Transportation Board"), a board created and existing pursuant to the laws of the Commonwealth of Virginia (the "Commonwealth"), to furnish information with respect to the offering of \$ _____ * aggregate principal amount of the Commonwealth of Virginia Transportation Capital Projects Revenue and Refunding Bonds, Series 2022 (the "Bonds"). The Bonds are expected to be offered for sale at competitive bidding on February [8], 2022.* See the section "*Sale at Competitive Bidding*."

This Introduction contains certain information for summary purposes only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The information contained in this Official Statement is given as of the date stated on the front cover.

Commonwealth Transportation Board

The Transportation Board was created by the enactment of Chapter 2, Title 33.2 of the Code of Virginia of 1950, as amended (the "Virginia Code"), and is responsible for general policies for the construction and use of Virginia's highway system and for the efficient and economic development of transportation. The powers and duties of the Transportation Board include, among other things, the allocation of funds in the Transportation Trust Fund to finance transportation needs, including needs for highway and public transportation. See the section "*Commonwealth Transportation Board, Virginia Department of Transportation, and Virginia Department of Rail and Public Transportation*."

The Bonds

The issuance of the Bonds is authorized by the provisions of (i) the Commonwealth Transportation Capital Projects Bond Act of 2007, enactment clause 2 of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia, 2007 Regular Session (the "2007 Act"); (ii) Item 456.H. of Chapter 874 of the Acts of the General Assembly of the Commonwealth of Virginia, 2010 Regular Session, as amended by Chapter 890 of the Acts of the General Assembly of the Commonwealth of Virginia, 2011 Regular Session, and Chapter 732 of the Acts of the General Assembly of the Commonwealth of Virginia, 2016 Regular Session (collectively, the "Appropriation Acts"); (iii) Chapters 830 and 868 of the Acts of the General Assembly of the Commonwealth of Virginia, 2011 Regular Session (the "2011 Amendments") (iv) Chapter 854 of the Acts of the General Assembly of the Commonwealth of Virginia, 2018 Regular Session (the "2018 Amendments" and, together with the 2007 Act, the Appropriations Acts and the 2011 Amendments, the "Capital Projects Revenue Bond Act"); (v) the Transportation Development and Revenue Bond Act, §§ 33.2-1700 *et seq.* of the Virginia Code (the "State Revenue Bond Act"); and (vi) resolutions adopted by the Transportation Board on June 17, 2020 and December 8, 2021 (collectively, the "Resolution"). The Bonds are being issued pursuant to a Master Indenture of Trust dated as of May 1, 2010, as previously supplemented and amended (the "Master Indenture"), and as further supplemented by a Tenth Supplemental Indenture of Trust dated as of February 1, 2022 (the "Tenth Supplemental Indenture" and collectively, with the Master Indenture, the "Indenture"), each between the Transportation Board and Wells Fargo Bank, National Association, Philadelphia, Pennsylvania, as trustee for the Bonds (the "Trustee").

The Bonds are the tenth series of bonds issued by the Transportation Board under the Capital Projects Revenue Bond Act. See the section "*Capital Projects Revenue Bonds Program*." The Bonds, the Prior Capital Projects Revenue Bonds, as hereinafter defined, and any additional bonds issued in the future under the Indenture are referred to collectively as the "Capital Projects Revenue Bonds."

* Preliminary, subject to change.

Purpose of the Bonds

The Transportation Board will use the net proceeds of the Bonds to (i) pay the costs (the "Costs") of certain transportation projects in the Commonwealth (the "Projects"), as authorized by the Capital Projects Revenue Bond Act, (ii) refund all or a portion of certain outstanding maturities of the Transportation Board's Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2012, as more particularly described in Appendix F (the "Refunded Bonds"), as authorized by the State Revenue Bond Act, and (iii) pay certain costs related to the issuance of the Bonds. See the sections "*Capital Projects Revenue Bonds Program*" and "*Application of Proceeds of the Bonds.*"

Pursuant to the Tenth Supplemental Indenture, the Transportation Board will deposit a portion of the proceeds of the Bonds into an escrow fund under an escrow agreement for the refunding of the Refunded Bonds. Further pursuant to the Tenth Supplemental Indenture, the Transportation Board will deposit a portion of the proceeds of the Bonds into the Project Fund, as hereinafter defined, established pursuant to the Master Indenture. See the section "*Application of Proceeds of the Bonds.*" From time to time, the Transportation Board will requisition funds from the Project Fund pursuant to the terms of the Indenture to pay the Costs of the Projects.

Limited Obligations

The Bonds are limited obligations of the Commonwealth and the Transportation Board, secured by and payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth (the "General Assembly"), or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth or of any of its political subdivisions. **The General Assembly is not obligated to make any such appropriation.**

Specifically, the Bonds are secured by and payable from revenues, receipts and funds (the "Revenues") as follows: (i) from the revenues deposited into the Priority Transportation Fund established pursuant to § 33.2-1527 of the Virginia Code (the "Priority Transportation Fund"), which is a part of the Transportation Trust Fund, established pursuant to § 33.2-1524.1 of the Virginia Code (the "Transportation Trust Fund"), (ii) to the extent required, from revenues legally available from the rest of the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds. In addition, the Bonds are payable from and secured by moneys held in certain funds established under the Indenture. The Prior Capital Projects Revenue Bonds, as hereinafter defined, are and future series of Capital Projects Revenue Bonds are expected to be payable and secured on a parity basis with the Bonds as provided under the Indenture. See the sections "*Sources of Payment and Security for the Bonds*" and "*Priority Transportation Fund.*"

The Bonds are not secured by any mortgage or lien on any transportation facilities of the Commonwealth or the Transportation Board. In the event of a failure to make any payment on the Bonds when due, the Trustee and the owners of the Bonds shall have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of any transportation facilities.

Approval of Issuance of Bonds and Terms and Structure of Bonds

Under the 2007 Act, the consent of the Governor of the Commonwealth of Virginia (the "Governor") must be obtained prior to the issuance of all Capital Projects Revenue Bonds. In addition, § 2.2-2416(7) of the Virginia Code requires the approval of the Treasury Board of the Commonwealth (the "Treasury Board") to the terms and structure of all proposed bond issues by state agencies, boards or authorities where debt service payments are expected by the issuing agency, board or authority to be made, in whole or in part, from appropriations of the Commonwealth. On December 15, 2021, the Treasury Board adopted a resolution approving the terms and structure of the Bonds within certain parameters and delegated to the State Treasurer of the Commonwealth (the "State Treasurer") the power to approve the final terms and structure of the Bonds within such parameters. The Transportation Board must obtain the consent of the Governor and the approval of the State Treasurer prior to the issuance of the Bonds, and the Transportation Board expects to receive both the consent and the approval in a timely manner.

CAPITAL PROJECTS REVENUE BONDS PROGRAM

The 2007 Act authorizes the Transportation Board to issue Capital Projects Revenue Bonds at one or more times in an aggregate principal amount not to exceed \$3 billion (the "Overall Limitation"); provided that the aggregate principal amount issued in any one fiscal year (which for the Commonwealth and the Transportation Board ends on June 30) (a "Fiscal Year") will not exceed \$300 million (the "Annual Limitation"), except that the 2011 Amendments

increased the Annual Limitation for the Fiscal Years ending June 30, 2012, and June 30, 2013, by \$200 million and \$300 million, respectively. If the aggregate principal amount issued in any Fiscal Year is less than the Annual Limitation, then the amount by which such issuance is less than the Annual Limitation may be issued in any subsequent fiscal year in addition to the Annual Limitation for the subsequent Fiscal Year. In determining compliance with either the Overall Limitation or any Annual Limitation, the Transportation Board may disregard (i) the principal amount of Capital Projects Revenue Bonds issued to pay issuance or financing expenses or costs (including any original issue discount) and (ii) the principal amount of Capital Projects Revenue Bonds issued to refund any outstanding Capital Projects Revenue Bonds.

The proceeds of the Capital Projects Revenue Bonds will be used to pay the Costs of Projects, which may include payments to an authority, locality, commission, or other entity for the purposes of paying for the costs of transportation projects. A minimum of 20% of the proceeds of the Capital Projects Revenue Bonds will be used for transit capital, a minimum of 4.3% of the proceeds of the Capital Projects Revenue Bonds will be used for rail capital, and the remaining amount of proceeds of the Capital Projects Revenue Bonds will be used for paying the costs of transportation projects, with such proceeds used or allocated (i) to match certain federal highway funds to the extent determined by the Transportation Board, (ii) to provide any required funding to fulfill the Commonwealth's allocation of equivalent revenue sharing matching funds to the extent determined by the Transportation Board and (iii) to pay or fund the costs of statewide or regional projects throughout the Commonwealth. Costs for construction or funding of these transportation projects include, but are not limited to, the costs of environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, acquisition, construction and related improvements, and any financing costs or other financing expenses related to the Capital Projects Revenue Bonds.

The Appropriation Acts authorize the Transportation Board to issue additional Capital Projects Revenue Bonds above the \$3 billion authorized by the 2007 Act at one or more times in an aggregate principal amount not to exceed \$180,000,000 ("Appropriation Act Bonds"), after all costs, with the net proceeds of the Appropriation Act Bonds to be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of the General Assembly, 2007 Regular Session, including but not limited to environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses. The 2018 Amendments authorized the Transportation Board, with the consent of the Governor, to issue at one time an additional aggregate principal amount not to exceed \$50 million of Capital Projects Revenue Bonds, the proceeds of which would be used exclusively to match federal funds provided for capital projects by the Washington Metropolitan Area Transit Authority ("2018 Amendments Bonds"). The Appropriation Acts and the 2018 Amendments together increased the Overall Limitation to \$3.23 billion. All \$180 million of authorized Appropriation Act Bonds have been issued. No 2018 Amendments Bonds have been issued.

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Set forth in the following chart are the issue dates, original principal amounts and outstanding principal amounts of the nine prior series of Capital Projects Revenue Bonds (the "Prior Capital Projects Revenue Bonds"):

<u>Series of Capital Projects Revenue Bonds</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of February 1, 2022</u>
Transportation Capital Projects Revenue Bonds, Series 2010A-1 (Tax-Exempt) and 2010A-2 (Federally Taxable – Build America Bonds)	May 26, 2010	\$492,665,000	\$322,920,000
Transportation Capital Projects Revenue Bonds, Series 2011	May 25, 2011	600,000,000	-
Transportation Capital Projects Revenue Bonds, Series 2012*	June 14, 2012	600,000,000	\$230,875,000
Transportation Capital Projects Revenue Bonds, Series 2014	December 3, 2014	274,980,000	\$228,945,000
Transportation Capital Projects Revenue Bonds, Series 2016	May 17, 2016	273,740,000	\$239,910,000
Transportation Capital Projects Revenue Bonds, Series 2017	July 12, 2017	260,670,000	\$234,105,000
Transportation Capital Projects Revenue Refunding Bonds, Series 2017A	December 14, 2017	629,165,000	\$629,165,000
Transportation Capital Projects Revenue Bonds, Series 2018	June 14, 2018	145,495,000	\$134,810,000
Transportation Capital Projects Revenue Bonds, Series 2019	April 23, 2019	\$235,965,000	\$224,965,000
Total		<u>\$3,512,680,000</u>	<u>\$2,245,695,000</u>

* Includes \$211,145,000 in aggregate principal amount expected to be refunded, defeased and redeemed with a portion of the proceeds of the Bonds. The amount to be refunded, defeased and redeemed is preliminary, subject to change.

Without taking into account the issuance of the Bonds, the unused Overall Limitation is approximately \$243,233,804 million and the available Annual Limitation for the Fiscal Year ending June 30, 2022, is approximately \$243,233,804 million.

THE BONDS

Description of the Bonds

The Bonds will be issued as fully registered Bonds in book-entry form. The Bonds will be dated their date of delivery, will be issued in denominations of \$5,000 or integral multiples of \$5,000, and will bear interest from the dated date thereof, payable semiannually on each May 15 and November 15, beginning May 15, 2022, at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement. Principal of, premium, if any, and interest on the Bonds will be paid by the Trustee to The Depository Trust Company ("DTC") for distribution as described in the subsection "Book-Entry Only System" below. Interest on the Bonds is computed on the basis of a year of 360 days and twelve 30-day months. The record date for payments on May 15 is the preceding May 1 and the record date for payments on November 15 is the preceding November 1.

Optional Redemption

The Bonds maturing on or before May 15, 2031,* will not be subject to optional redemption. The Bonds maturing on or after May 15, 2032,* will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2031,* in whole or in part (in increments of \$5,000), at any time, at par plus interest accrued on the principal amount to be redeemed to the date fixed for redemption.

Mandatory Sinking Fund Redemption

Mandatory Sinking Fund Redemption provisions will be included in the final Official Statement only if the successful bidder elects to combine serial maturities into one or more term Bonds in the manner set forth in the Notice of Sale. See "Notice of Sale" in Appendix G hereto.

Selection of Bonds for Redemption

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Bonds of any maturity are called for optional or mandatory redemption, the Bonds to be redeemed will be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Bond for such purpose.

Notice of Redemption

Notice of redemption will be given by the Trustee by registered or certified mail not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Bonds, to the substitute securities depository, or if none, to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books maintained by the Trustee. Such notice of redemption also will be given to certain securities depositories and certain national information services which disseminate such redemption notices. Such notice may state that the redemption of the Bonds to be redeemed is conditioned upon the occurrence of certain future events, including, without limitation, the deposit of moneys, in an amount sufficient to effect the redemption, with the Trustee on or before the date fixed for redemption. All Bonds called for redemption will cease to bear interest on the specified redemption date, provided funds sufficient for the redemption of such Bonds in accordance with the Master Indenture are on deposit with the Trustee. If such moneys are not available on the redemption date, such Bonds or portions thereof will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the Bonds called for redemption at the place or places of payment, such Bonds will be paid and redeemed provided sufficient funds are on deposit with the Trustee. During the period that DTC or its nominee is the registered owner of the Bonds, the Trustee will not be responsible for mailing notices of redemption to the actual beneficial owners of the Bonds (the "Beneficial Owners").

Book-Entry Only System

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payments of principal, premium, if any, and interest on the Bonds to DTC, its nominee, Direct Participants, as hereinafter defined, Indirect Participants, as hereinafter defined, or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other Bond-related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners is based solely on information furnished by DTC and is not, and should not be construed as, a representation by the Transportation Board as to its accuracy, completeness or otherwise.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Beneficial Owner of each Bond is in turn to be recorded on the Direct Participants and the Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (an "Omnibus Proxy") to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE INDENTURE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE TRANSPORTATION BOARD, THE COMMONWEALTH OR DTC, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Principal, redemption premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Transportation Board or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Trustee or the Transportation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Transportation Board or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants. THE TRANSPORTATION BOARD AND THE COMMONWEALTH CAN GIVE NO ASSURANCES THAT DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENT TO BENEFICIAL OWNERS.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Transportation Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Transportation Board may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Transportation Board, the Commonwealth nor the Trustee makes any representation or warranty regarding the accuracy or completeness thereof.

So long as Cede & Co., as nominee for DTC, is the sole holder of the Bonds, the Transportation Board and the Trustee shall treat Cede & Co. as the only holder of the Bonds for all purposes under the Indenture, including receipt of all principal of, premium, and interest on the Bonds, receipt of notices, voting and requesting or directing the Transportation Board and the Trustee to take or not to take, or consenting to, certain actions under the Indenture.

The Transportation Board and the Trustee have no responsibility or obligation to the Direct Participants or Indirect Participants or the Beneficial Owners with respect to (i) the accuracy or the maintenance of any records maintained by DTC or any Direct Participant or Indirect Participant; (ii) the payment by any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner with respect to the principal of, premium, and interest on the Bonds or the sending of any transaction statements; (iii) the delivery or timeliness of delivery by DTC or any Direct or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to holders of the Bonds; (iv) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Bonds or (v) other action taken by DTC or Cede & Co. as Bondholder of the Bonds, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

The Transportation Board or the Trustee may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of Beneficial Owners or Bondholders of the Bonds.

APPLICATION OF PROCEEDS OF THE BONDS

Set forth below are the amount and components of the proceeds of the sale of the Bonds and the application of the proceeds on the date of delivery of the Bonds:

Sources:	
Principal Amount of Bonds	\$
[Net] Original Issue [Premium/Discount]	_____
Total	\$ =====
 Uses:	
Deposit to Project Fund	\$
Deposit to Escrow Fund	
Deposit to Cost of Issuance Fund	
Underwriter's Discount	_____
Total	\$ =====

The Transportation Board will use a portion of the proceeds of the Bonds to refund, defease and redeem the Refunded Bonds, in the aggregate principal amount of \$211,145,000*, as more particularly described in Appendix F.

The proceeds of the Bonds used to defease and redeem the Refunded Bonds will be deposited in an irrevocable escrow fund (the "Escrow Account"), created under an escrow deposit agreement between the Transportation Board and Wells Fargo Bank, National Association, as escrow agent (in such capacity, the "Escrow Agent"). The Escrow Agent will apply the amount so deposited in the Escrow Account to purchase direct, non-callable obligations of the United States Treasury or securities guaranteed by the United States of America (the "Escrow Securities"). The Escrow Securities will mature and bear interest at times and in amounts which, together with cash in the Escrow Account, will be sufficient to pay the interest when due and the principal of the Refunded Bonds through and on their respective redemption dates as set forth in Appendix F. The sufficiency of the Escrow Securities and cash in the Escrow Account to effect the refunding will be verified by the Verification Agent (herein defined). See "*Verification of Mathematical Computations*" herein.

Simultaneously with the issuance of the Bonds, the Trustee will be given irrevocable instructions to optionally redeem the Refunded Bonds on the dates shown in Appendix F. As a result of the deposit of the Escrow Securities to the credit of the Escrow Account and such instructions, the Refunded Bonds will no longer be deemed outstanding under the Master Indenture. Amounts held by the Escrow Agent in the Escrow Account are held as trust funds solely for the benefit of the holders of the Refunded Bonds and will not constitute security for the payment of the Bonds.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Limited Obligations

The Bonds are limited obligations of the Commonwealth and the Transportation Board, secured by and payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly. The Bonds do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth or of any of its political subdivisions. The General Assembly is under no obligation to make any such appropriation.

The Bonds are not secured by any mortgage or lien on any transportation facilities of the Commonwealth or the Transportation Board. In the event of a failure to make any payment on the Bonds when due, the Trustee and the

* Preliminary, subject to change.

owners of the Bonds shall have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of any transportation facilities.

The Bonds and Other Capital Projects Revenue Bonds

General. The Bonds and any other Capital Projects Revenue Bonds issued and outstanding under the Indenture will be equally and ratably payable from and secured by (i) Revenues and (ii) from moneys in certain funds established under the Indenture. See the sections "*Priority Transportation Fund*," "*Transportation Trust Fund*" and "*Summary of the Indenture*."

Payment Agreement. The Transportation Board entered into a Payment Agreement dated as of May 1, 2010, with the Treasury Board and the Secretary of Finance (the "Payment Agreement"). The Payment Agreement provides, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the Capital Projects Revenue Bonds and for the payment of such debt service. The Payment Agreement requires the Transportation Board and the Treasury Board to use their best efforts to have (i) the Governor include a sufficient appropriation request in each biennial or any supplemental budget of the Commonwealth and (ii) the General Assembly appropriate the amount requested by the Governor. See the section "*Summary of Payment Agreement*."

Additional Capital Projects Revenue Bonds. The Transportation Board may issue one or more series of additional Capital Projects Revenue Bonds under the Indenture on parity with the Bonds upon satisfaction of various conditions. The Indenture provides that additional Capital Projects Revenue Bonds may be issued only (i) to pay the Costs of the Projects authorized under the Capital Projects Revenue Bond Act or other costs authorized under the Capital Projects Revenue Bond Act, (ii) to refund any Capital Projects Revenue Bonds issued under the Indenture and (iii) for a combination of such purposes. See the section "*Summary of the Indenture – Conditions of Issuing Additional Bonds*."

The 2007 Act provides that no bonds, obligations, or other evidences of debt that expressly require as a source for debt service payments thereon or for the repayment thereof the revenues of the Priority Transportation Fund, such as the Capital Projects Revenue Bonds, shall be issued or entered into unless at the time of the issuance the revenues then in the Priority Transportation Fund or reasonably anticipated to be deposited into the Priority Transportation Fund pursuant to the law then in effect are by themselves sufficient to make 100% of the contractually required debt service payments on all such bonds, obligations, or other evidence of debt, including any interest related thereto and the retirement thereof. For purposes of the foregoing, contractually required debt service shall not include debt service scheduled to be paid from the Project Fund. See the section "*Priority Transportation Fund*."

As described in the section "*Capital Projects Revenue Bond Program*," the General Assembly has imposed an Overall Limitation and Annual Limitations on the principal amounts of Capital Projects Revenue Bonds the Transportation Board may issue. The Transportation Board does not anticipate issuing additional Capital Projects Revenue Bonds in Fiscal Year 2022.

The limitations on the issuance of the Capital Projects Revenue Bonds described in the preceding two paragraphs could be changed by the General Assembly at any time.

Other Bonds

In addition to the Capital Projects Revenue Bonds, the General Assembly has authorized and may authorize the issuance of other bonds by the Transportation Board under other transportation financing programs to pay the costs of other transportation improvements in the Commonwealth. Such presently outstanding bonds and such possible future bonds could be payable from amounts which may be appropriated by the General Assembly from the Priority Transportation Fund, other legally available funds in the Transportation Trust Fund, and other legally available funds of the Commonwealth. See the section "*Authorized, Issued and Unissued Bonds Payable from Transportation Trust Fund*."

Information Pertaining to the Commonwealth

Appendices B and C contain, respectively, certain financial, demographic and economic information pertaining to the Commonwealth, and Appendix A contains the comprehensive financial statements of the Commonwealth for its Fiscal Year 2021. See also the section "*Transportation Trust Fund – Sources of Revenues – Economic Conditions Affecting the Commonwealth*."

PRIORITY TRANSPORTATION FUND

General

The General Assembly first established the Priority Transportation Fund in 2000. The Priority Transportation Fund currently exists under § 33.2-1527 of the Virginia Code as a special non-reverting fund of the Transportation Trust Fund held in the state treasury. Interest earned on moneys in the Priority Transportation Fund remain therein and are credited to it. All funds as may be designated in an appropriation act by the General Assembly for deposit to the Priority Transportation Fund shall be paid into the state treasury and credited to the Priority Transportation Fund. Effective July 1, 2013, and prior to the enactment of Chapter 1230 of the Acts of the General Assembly of the Commonwealth of Virginia, 2020 Regular Session ("Chapter 1230"), such revenues included:

- (1) One-third of the revenues derived from the annual license tax imposed on insurance companies doing business in the Commonwealth under Chapter 25 of Title 58.1 of the Virginia Code, with certain adjustments as described below (the "Insurance Tax Revenues");
- (2) A certain portion of the revenues derived from taxes imposed on motor fuels under the Virginia Fuels Tax Act, Chapter 22 (§ 58.1-2200 et seq.) of Title 58.1 of the Virginia Code (the "Motor Fuels Tax Revenues");
- (3) All revenues that exceed the official forecast, pursuant to § 2.2-1503 of the Virginia Code, for (i) the HMO Fund and (ii) the allocation to highway and mass transit improvement projects as set forth in § 33.2-1526 of the Virginia Code, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Airport Fund under such section; and
- (4) Any other such funds as may be transferred, allocated, or appropriated.

Chapter 1230 dedicates the Insurance Tax Revenues and the Motor Fuels Tax Revenues previously dedicated to the Priority Transportation Fund to the Commonwealth Transportation Fund for distribution beginning in fiscal year 2021, and Chapter 1230 provides that the following funds will be credited to the Priority Transportation Fund beginning in fiscal year 2021:

- (1) A transfer from the Transportation Trust Fund equal to 10.5% of certain revenues distributed to the Transportation Trust Fund from the Commonwealth Transportation Fund (the "Transportation Trust Fund Deposit");
- (2) All revenues that exceed the official forecast, pursuant to § 2.2-1503 of the Virginia Code, for (i) the allocation to the Highway Maintenance and Operating Fund established in § 33.2-1530 as set forth in § 33.2-1524 and (ii) the allocation to highway and mass transit improvement projects as set forth in § 33.2-1524.1 of the Virginia Code, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Aviation Fund under such section (the "Official Forecast Excess Revenues");
- (3) All revenues from the lease or sale and conveyance by the Commissioner of Highways of the airspace superadjacent or subjacent to any highway in the Commonwealth under § 33.2-226 of the Virginia Code (the "Airspace Revenues"); and
- (4) Any other such funds as may be transferred, allocated, or appropriated.

[Reserved for chart showing flow of revenues to the Priority Transportation Fund]

All moneys in the Priority Transportation Fund will first be used for debt service payments on the Bonds, any other Capital Projects Revenue Bonds or other bonds for which the Priority Transportation Fund is expressly required for making debt service payments to the extent needed. No other such bonds have been issued or are authorized.

Moneys in the Priority Transportation Fund remaining after the payment of the above-described debt service will be used by the Transportation Board to facilitate the financing of priority transportation projects throughout the Commonwealth. The Transportation Board may use the Priority Transportation Fund either (i) by expending amounts therein on such projects directly, (ii) by payment to any authority, locality, commission or other entity for the purpose of paying the costs thereof or (iii) by using such amounts to support, secure, or leverage financing for such projects. The Transportation Board will use the Priority Transportation Fund to facilitate the financing of priority transportation projects as designated by the General Assembly; provided, however, that, at the discretion of the Transportation Board,

funds allocated to projects within a transportation district may be allocated among projects within the same transportation district as needed to meet construction cash-flow needs.

Transportation Trust Fund Deposit

As provided in § 33.2-1524, after certain annual distributions are made from the Commonwealth Transportation Fund, 49% of the remaining funds in the Commonwealth Transportation Fund are allocated to the Transportation Trust Fund. Under § 33.2-1524.1, 10.5% of such allocation is then distributed to the Priority Transportation Fund to comprise the Transportation Trust Fund Deposit. In Fiscal Year 2021, the Transportation Trust Fund Deposit was equal to \$_____ million. See the section *"Transportation Trust Fund—Chapter 1230 and the Commonwealth Transportation Fund."* For a description of the specific revenues from which the Transportation Trust Fund Deposit is derived, see the section *"Transportation Trust Fund—Sources of Revenues"* herein.

Official Forecast Excess Revenues

As provided in § 33.2-1527 of the Virginia Code, any Official Forecast Excess Revenues will be deposited in the Priority Transportation Fund. The Priority Transportation Fund received Official Forecast Excess Revenues in FY 2022 in the amount of \$344.6 million, which were from FY 2021 results.

Airspace Revenues

As provided in § 33.2-226, any Airspace Revenues will be deposited in the Priority Transportation Fund. [However, the Priority Transportation Fund is not projected to receive any Airspace Revenues and has not received any Airspace Revenues since such revenues were directed to the Priority Transportation Fund following the enactment of Chapter 1230.]

Other Funds

The Priority Transportation Fund is not projected to receive any funds or revenues other than the Transportation Trust Fund Deposits, the Official Forecast Excess Revenues and the Airspace Revenues.

Historical and Projected Priority Transportation Fund Revenues

As provided in § 33.2-1527 of the Virginia Code, the funds in the Priority Transportation Fund will consist of Transportation Trust Fund Deposits, Official Forecast Excess Revenues, Airspace Revenues, any other such funds as may be transferred, allocated or appropriated and any investment income received on any of the foregoing. The following table shows the amounts of such revenues deposited or forecasted to be deposited into the Priority Transportation Fund since the enactment of Chapter 1230, effective beginning FY 2021. See the section *"Transportation Trust Fund – Chapter 1230 and the Commonwealth Transportation Fund."*

**Historical and Projected Priority Transportation Fund Allocations
(in millions)¹**

Fiscal Year :	2021	2022 ²	2023 ²	2024 ²	2025 ²	2026 ²
Transportation Trust Fund Deposit						
Official Forecast Excess Revenues						
Airspace Revenues						
Investment Income						
Total Priority Transportation Fund Revenues						

Sources: Commonwealth of Virginia Department of Accounts and Department of Taxation.

¹ The sum of the revenue amounts may not equal the total amounts due to rounding.

² Projections based on Commonwealth Transportation Fund Forecast provided in December 2021. Forecasts are issued several times a year, and the next forecast is expected in _____, 2022. Preliminary estimates and actual results may differ materially from such forward-looking statements.

The Transportation Board makes no representation (i) that the General Assembly will maintain or continue to make transfers to the Priority Transportation Fund or (ii) that the General Assembly will not repeal or materially modify the legislation creating the Priority Transportation Fund or imposing the taxes of which the collections are deposited into the Priority Transportation Fund.

DEBT SERVICE REQUIREMENTS

The following table sets forth for each Fiscal Year the amounts needed in each annual period for payment of principal of and interest on the Capital Projects Revenue Bonds, as of the date of the issuance of the Bonds.

Fiscal Year	Outstanding Bond Debt Service ^{1,2}	2022 Bond Principal	2022 Bond Interest	2022 Bond Debt Service	Total Fiscal Year Debt Service
2022 ³	\$189,112,198				
2023	188,871,400				
2024	188,602,620				
2025	188,333,725				
2026	187,930,863				
2027	187,539,603				
2028	187,147,073				
2029	186,759,983				
2030	186,365,693				
2031	185,970,460				
2032	185,554,480				
2033	185,140,113				
2034	184,701,235				
2035	184,251,608				
2036	153,911,375				
2037	116,086,975				
2038	75,804,488				
2039	75,804,438				
2040	57,582,013				
2041	57,579,363				
2042	40,785,463				
2043	24,260,163				
2044	-				
2045	-				
2046	-				
Total	\$3,218,095,325	\$	\$	\$	\$

- 1 A prior series of Capital Projects Revenue Bonds, the \$407,150,000 Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2010A-2 (Federally Taxable – Build America Bonds) were issued as Build America Bonds. As such, that Series is entitled to a subsidy payment from the United States Treasury under Section 54AA of the Tax Code, but the debt service amounts shown above have not accounted for any such subsidy.
- 2 Includes debt service on the Refunded Bonds.
- 3 Reflects debt service for FY 2022 and includes debt service payment made on November 15, 2021.

TRANSPORTATION TRUST FUND

General

The Transportation Trust Fund was established by the General Assembly in Chapters 11, 12, 13 and 15 of the Acts of the Assembly, 1986 Special Session (the "1986 Special Session Acts"), as a special non-reverting fund administered and allocated by the Transportation Board for the purpose of increased funding for construction and other capital needs of state highways, airports, mass transit and ports. Chapter 1230 enacts numerous structural changes to the transportation funding system in the Commonwealth. These changes generally became effective for fiscal year 2021, which commenced July 1, 2020.

Under Chapter 1230, transportation-related revenues are directed to a new, special non-reverting fund known as the Commonwealth Transportation Fund, and the distribution of revenues is streamlined, based on codified formulas, to sub-funds established to meet the varying transportation needs and different modes of transportation in the Commonwealth. The Transportation Trust Fund continues to be funded primarily from the initial base of revenues specified by the 1986 Special Session Acts, as amended, including the retail sales and use tax, motor fuels tax and motor vehicle related taxes and fees. Chapter 1230 makes changes and adds to these revenue sources. See the subsection below "Sources of Revenues."

Chapter 1230 and the Commonwealth Transportation Fund

Chapter 1230 was enacted in 2020 by the General Assembly in an effort to revise the composition and increase available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the Commonwealth Transportation Fund will serve as the fund to which all transportation revenues are deposited and then distributed to programs and funds.

The transportation revenues allocated to the Commonwealth Transportation Fund and then available for distribution to the Transportation Trust Fund include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fees; (iv) 0.5% statewide sales and use taxes; (v) 0.3% statewide sales and use taxes for transportation; (vi) 4.15% motor vehicles sales and use taxes; (vii) motor vehicle rental taxes (10% of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation taxes; (ix) taxes on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes. See the subsection below "Sources of Revenues."

Chapter 1230 also amends the allocation of funds. Before any funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 13 of Chapter 1230 provides that the Special Structure Fund shall receive \$10 million in fiscal year 2021 and \$30 million in fiscal year 2022. Enactment Clause 11 of Chapter 1230 allows the Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the HMO Fund are at least equal to the amounts provided for in the six year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, and appreciation accrued to the Transportation Trust Fund or the HMO Fund also would be allocated to the Commonwealth Transportation Fund and distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.

Certain of the remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund, which is referred to above as the "Transportation Trust Fund Deposit;" and (viii) 1% to a special fund within the Commonwealth Transportation Fund to be used to meet the necessary expenses of the Department of Motor Vehicles. Enactment Clause 11 of Chapter 1230 also allows the Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

The investment of money in the Transportation Trust Fund is administered by the State Treasurer under guidelines adopted by the Transportation Board. The Transportation Board has adopted the same guidelines as the Treasury Board for the investment of public funds.

The Transportation Board makes no representation (i) that the General Assembly will maintain the Transportation Trust Fund or (ii) that the General Assembly will not repeal or materially modify Chapter 1230 or any other legislation affecting the Transportation Trust Fund. Without limiting the generality of the foregoing, the provisions of Chapter 1230 that generate additional state revenue for transportation purposes, including revenues for deposit in the Transportation Trust Fund, shall expire on December 31 of any year in which the General Assembly appropriates any of such revenues for any non-transportation-related purpose.

Highway Maintenance and Operating Fund

The Highway Maintenance and Operating Fund is established in the Virginia Code to address the highway maintenance and operating needs of VDOT. The HMO Fund was initially created in 1987, separating funding for this

purpose from funds meant for highway construction. Since this time, the revenue sources dedicated to the HMO Fund have been updated to provide for additional funding to meet highway maintenance and operating needs. Chapter 1230 dedicates a significant share of the Commonwealth Transportation Fund to the HMO Fund. Enactment Clause 11 of Chapter 1230 allows the Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

The construction funds available for allocation in the Six-Year Improvement Program for Fiscal Years 2022 through 2027 adopted by the Transportation Board in June 2021 (the "Current SYIP") were reduced by \$108.7 million in Fiscal Year 2022 to provide the revenues needed to meet the obligations of the HMO Fund which includes the maintenance and operations of Virginia's highways.

The Transportation Board makes no representation that the General Assembly will maintain the HMO Fund. Without limiting the generality of the foregoing, the provisions of Chapter 1230 that generate additional revenue for transportation purposes, including revenues for deposit in the HMO Fund, shall expire on December 31 of any year in which the General Assembly appropriates any of such revenues for any non-transportation-related purpose.

Sunset Provision

The provisions of Chapter 1230 that generate additional state revenue for transportation purposes expire on December 31 of any year in which the General Assembly appropriates any of such revenues for any non-transportation-related purpose (the "Sunset Provision").

The General Assembly has from time to time made appropriations of portions of transportation revenue for non-transportation-related purposes which would have activated similar sunset provisions under other transportation legislation had the General Assembly not also enacted a savings clause to override such sunset provisions (a "Savings Clause").

No assurance can be given that the General Assembly will not activate the Sunset Provision of Chapter 1230 in future appropriation acts, and no assurance can be given that, if the Sunset Provision is activated, the General Assembly will enact a Savings Clause to override it.

Highway Allocation Formula

The Transportation Board is required by the Virginia Code to allocate each year all funds made available for highway purposes in accordance with the priorities established by Section 33.2-358 of the Virginia Code. Highway funds are allocated first for maintenance of interstate, primary, secondary and certain local roads and highways, administrative and general expenses, and other payments. The distribution of funding after this allocation was changed by Chapter 1230.

After the first allocation of funds as described above, the Transportation Board shall allocate all remaining funds, as follows: (i) 30% to the Transportation Board's "State of Good Repair Purposes", (ii) 20% to the Transportation Board's "High Priority Project Program," (iii) 20% to the "Construction District Grant Program," (iv) 20% to the "Interstate Operations and Enhancement Program," and (v) 10% to the "Virginia Highway Safety Improvement Program."

While the Virginia Code establishes the priorities by which the Transportation Board must allocate the funds made available to it, the Transportation Board, VDOT and other transportation agencies are responsible for allocating such funds among transportation projects throughout the Commonwealth. In the normal course of business, the Transportation Board, VDOT and the other agencies procure and enter into contracts with private parties for the rehabilitation, construction and improvement of transportation projects. The procurements are conducted in various ways as permitted under the Virginia Code, including traditional sealed bidding, design build arrangements and procurements under the Public-Private Transportation Act of 1995 (Section 33.2-1800 et. seq.) (the "PPTA"). The PPTA encourages investment in the Commonwealth by private entities to facilitate the development and/or operation of transportation facilities, and PPTA contracts typically involve an allocation of financial, completion and other risks between the private entity and the Commonwealth that differ from the risk allocation in more traditional procurement formats. If any of these contracts were terminated or if the applicable project was delayed or altered, the Transportation Board, VDOT or the other applicable agency could be contractually obligated to pay certain costs associated with the delay or determination of the project incurred by the private party and to pay other related expenses and fees, which

may or may not exceed the funding currently allocated to the applicable project. The payment obligation of the Transportation Board, VDOT or the other applicable agency is generally subject to appropriation by the General Assembly. While no specific funding source is identified, the Transportation Trust Fund is one possible funding source for such payments. If such a payment were to be made from the Transportation Trust Fund, the funds for such payment would be made available by changing the allocation of available funds among the projects in the Six-Year Improvement Plan. A change in the allocation of funds would not impact the revenues appropriated to the Transportation Trust Fund, but the change could impact the planned schedules of other projects. The Transportation Board, VDOT and the other agencies regularly adjust the allocation of the funds among transportation projects to account for a variety of factors. See the section "*Commonwealth Transportation Board, Virginia Department of Transportation and Virginia Department of Rail and Public Transportation.*"

Sources of Revenues

The following table summarizes the actual Transportation Trust Fund revenues for Fiscal Years 2016 through 2020. Historical receipts of the Transportation Trust Fund may not be indicative of future receipts, especially because of the changes related to Chapter 1230. In addition, the information below includes data for periods prior to the outbreak of COVID-19 and should not be relied upon as representing revenue amounts or trends that may be available in future years. See "*Recent Developments Regarding the COVID-19 Pandemic.*"

Total Transportation Trust Fund Revenues – All Modes (in millions)⁽¹⁾

Fiscal Year Ending June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Retail Sales and Use Tax	\$723.7	\$743.3	\$751.3	\$786.4	\$813.9
Motor Vehicle Sales and Use Tax (2)	265.4	275.4	272.8	285.9	269.9
Motor Fuels Taxes(3)	138.9	138.6	136.5	136.5	136.9
Motor Vehicle Registration Fees(4)	21.6	22.2	21.6	22.5	41.3
Recordation Tax(5)	29.5	48.1	47.8	47.1	59.7
Investment Income	2.4	3.9	5.4	9.4	10.9
Priority Transportation Fund(6)	<u>186.0</u>	<u>199.9</u>	<u>205.2</u>	<u>209.2</u>	<u>226.5</u>
Total Transportation Trust Revenues	<u>\$1,367.5</u>	<u>\$1,431.4</u>	<u>\$1,440.6</u>	<u>\$1,497.0</u>	<u>\$1,558.2</u>

Sources: Department of Accounts and Department of Motor Vehicles.

⁽¹⁾ Net of moneys deposited in the Federal Fund, which is part of the Transportation Trust Fund. Totals may not add due to rounding.

⁽²⁾ Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax. Note these taxes were amended by Chapter 766 (as hereinafter defined).

⁽³⁾ Motor Fuels Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax for Diesel Fuel. Note these taxes were amended by Chapter 766 and Chapter 837 of the Acts of Assembly, 2019 Regular Session ("Chapter 837"). The 2019 increase in road taxes is committed to Interstate Improvements.

⁽⁴⁾ Motor Vehicle Registration Fees includes the revenue anticipated from an increase in truck registration fees beginning July 1, 2019 in accordance with Chapter 837. These funds are committed to Interstate Improvements in Fiscal Year 2020.

⁽⁵⁾ Reflects the deposits into the Transportation Trust Fund on and after July 1, 2008, from the revenues collected each Fiscal Year from \$0.02 of the total state recordation taxes imposed pursuant to Sections 58.1-801 and 58.1-803 of the Virginia Code. Beginning in Fiscal Year 2017, the estimate reflects the revenue from \$0.01 of the total state recordation taxes that was previously dedicated to the HMO Fund. It is now dedicated to the Commonwealth Transit Capital Fund.

⁽⁶⁾ Reflects the deposits into the Priority Transportation Fund on and after July 1, 2008, of one-third of the revenues of the Insurance Tax and incremental motor fuels tax revenues (as described under the heading "*Priority Transportation Fund - General*"). Amounts shown include estimated investment income.

The following table provides the actual revenues for Fiscal Year 2021 and the projected revenues for Fiscal Years 2022 through 2026 received or to be received in the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund and from the Transportation Trust Fund to the Priority Transportation Fund. The projected revenues for Fiscal Years 2022 through 2026 are based on the interim revenue estimate from December 2021, reflecting the changes related to Chapter 1230 and the projected impact of the COVID-19 pandemic as of such date. Historical receipts of the Transportation Trust Fund may not be indicative of future receipts.

**Commonwealth Transportation Fund
(in millions)**

Fiscal Year Ending June 30:	2021	Forecast 2022¹	Forecast 2023¹	Forecast 2024¹	Forecast 2025¹	Forecast 2026¹
Retail Sales and Use Tax	\$1,264.1					
Motor Vehicles Sales and Use Tax	1,110.6					
Motor Fuels Taxes	972.9					
Road Tax for Diesel Fuel	55.0					
International Registration Plan	121.4					
Motor Vehicle Registration Fees	241.7					
State Insurance Premium Tax	181.4					
Recordation Tax	83.8					
Motor Vehicles Rental Tax	34.3					
Highway Use Fee	42.7					
Total Commonwealth Transportation Fund Revenues	<u>\$4,107.9</u>					
Distribution of Commonwealth Transportation Fund						
Route 58 Corridor Development Fund	\$40.0					
Northern Virginia Transportation District Fund	40.0					
Special Structures Fund	0.0					
Highway Maintenance and Operating Fund	2,060.0					
Allocation to Transportation Trust Fund	<u>\$1,876.7</u>					
Distribution to Priority Transportation Fund of Allocation to Transportation Trust Fund	<u>\$(197.0)</u>					

Sources: Commonwealth of Virginia Department of Accounts, Department of Motor Vehicles, and Department of Taxation.

¹ Projections based on Commonwealth Transportation Fund Forecast provided in December 2021. Forecasts are issued several times a year, and the next forecast is expected in _____, 2022. Preliminary estimates and actual results may differ materially from such forward-looking statements.

The following is a brief description of the taxes and fees designated for transfer from the Commonwealth Transportation Fund to the Transportation Trust Fund.

Retail Sales and Use Tax. The retail sales tax is imposed on every transaction involving (i) the business of selling at retail or distributing tangible personal property in the Commonwealth; (ii) the leasing or rental of tangible personal property as part of an established business; (iii) the storing for use or consumption in the Commonwealth of any item or article of tangible personal property or leasing or renting such property within the Commonwealth; (iv) the furnishing of transient accommodations or (v) the selling of certain services. The tax on sales is based on the gross sales price of each item or article of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. The tax on accommodations, leases and rentals, which is based upon the lessor's gross proceeds from the leases and rentals, is collected by the lessor by separately stating the amount of tax and adding it to the charge made to the lessee. The tax on items or articles of tangible personal property stored in the Commonwealth for use or consumption in the Commonwealth is based on the cost price of each item or article. The tax on taxable services is based on the gross sales of services.

The use tax is imposed on the use or consumption of tangible personal property in the Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in the Commonwealth. This tax applies to (i) tangible personal property purchased outside the Commonwealth that would have been subject to sales tax if purchased in the Commonwealth and (ii) purchases, leases or rentals made in the Commonwealth if the sales tax was not paid at the time of purchase, lease or rental. In general, the tax is based on the cost price of each item or article of tangible personal property used or consumed in the Commonwealth or the cost price of each item or article of tangible personal property stored outside the Commonwealth for use or consumption in the Commonwealth. The Virginia Code provides various exclusions and exemptions to the retail sales and the use tax.

The state and local retail sales and use taxes were increased from 4.0% to 4.5% by the General Assembly in the 1986 Special Session Acts and increased again in 2004 from 4.5% to 5.0%. The 1986 Special Session Acts designated the tax revenues from a 0.5% sales and use tax to the Transportation Trust Fund. Pursuant to Chapter 766 of the Acts of the General Assembly of the Commonwealth of Virginia 2013 Regular Session ("Chapter 766"), the 2013 General Assembly increased taxes by 0.3% to 5.3% (a portion of which was allocated to the HMO Fund), and pursuant to Chapter 766 the Commonwealth can collect the tax on online sales, if there is a change in federal law. On June 19, 2018, the U.S. Supreme Court in *South Dakota v. Wayfair, Inc.* held that states may require an out-of-state retailer to collect and remit sales tax on purchases by residents within that state. While many states, including the Commonwealth, have enacted legislation similar to the South Dakota statute at issue, which required out-of-state retailers to collect and remit sales taxes if they delivered more than \$100,000 of goods or services into the state or engaged in 200 or more separate transactions for the delivery of goods and services into the state on an annual basis, the U.S. Congress has not yet acted to provide consistent treatment of state tax collections by out-of-state retailers. Chapter 1230 dedicates Retail Sales and Use Taxes committed to transportation to the Commonwealth Transportation Fund.

Motor Vehicle Sales and Use Tax. A tax based on the gross sales price or gross proceeds is levied upon the sale or use of motor vehicles in the Commonwealth, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business.

The tax applies to the sale price of motor vehicles, mobile homes and mobile offices sold in the Commonwealth, with the exceptions noted above, and to the sale price of motor vehicles, mobile homes and mobile offices not sold in the Commonwealth but used or stored for use in the Commonwealth. Under Commonwealth law, certain motor vehicles are exempt from the sales and use tax. In general, the minimum tax levied on the sale of any motor vehicle in the Commonwealth is \$75.00.

The tax on the sale or use of a motor vehicle is paid by the purchaser or user of the new motor vehicle and collected by the Commissioner of the Department of Motor Vehicles (the "DMV Commissioner") at the time the owner applies to that Department for, and obtains, a certificate of title. No tax is levied or collected upon the sale or use of a motor vehicle for which no certificate is required by the Commonwealth.

As a result of the 1986 Special Session Acts, this tax increased from 2.0% to 3.0%, effective January 1, 1987. Since then, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund. As a result of Chapter 766, effective July 1, 2013, this tax increased from 3.0% to 4.0%, and increased by 0.05% on each successive July 1 up to and including July 1, 2016, at which time the rate equaled 4.15%. Chapter 1230 dedicates the Motor Vehicle Sales and Use Tax to the Commonwealth Transportation Fund.

Motor Fuels Tax and Diesel Tax. A tax is levied on motor fuels sold and delivered or used in the Commonwealth. Certain categories of motor fuels, however, are exempt from this tax under Virginia Code Section 58.1-2226, including, but not limited to, fuel for the exclusive use of the governments of the United States, the Commonwealth and the Commonwealth's political subdivisions and diesel fuel used for certain purposes. The motor fuels tax is collected by and paid to the Commonwealth only once with respect to any motor fuels. All aviation fuels that are sold and delivered or used in the Commonwealth are taxed. Synthetic motor fuel produced in the Commonwealth from coal is subject to an incremental tax. Likewise, motor fuels refined in the Commonwealth exclusively from crude oil produced in the Commonwealth in a refinery meeting certain specifications are subject to an incremental tax. Chapter 1230 increased the statewide tax on motor fuels incrementally from \$0.162 to \$0.212 per gallon in Fiscal Year 2021 and from \$0.212 to \$0.262 per gallon in Fiscal Year 2022 and then indexes the tax for inflation thereafter. Chapter 1230 also increased the statewide tax on diesel fuels to \$0.212 per gallon in Fiscal Year 2021 and to \$0.27 per gallon in Fiscal Year 2022 and then indexes the tax for inflation thereafter.

Each dealer or limited dealer in motor fuels must file monthly a report with the DMV Commissioner showing, among other things, the quantity of motor fuels and aviation fuel used, sold, or delivered during the preceding month. The motor fuels tax must be paid at the time the report is rendered to the DMV Commissioner.

International Registration Plan Fees. The Governor may enter into reciprocal agreements on behalf of the Commonwealth with the appropriate authorities of any state of the United States or a state or province of a country providing for the assessing and collecting of license fees for motor vehicles, tractor trucks, trucks, trailers, and semitrailers on an apportionment or allocation basis, as outlined in the International Registration Plan. The DMV Commissioner may assess any owner, lessor, or lessee for any license fees due to the Commonwealth. Trip permit registration may be issued for any vehicle or combination of vehicles that could be lawfully operated in the jurisdiction if registration were obtained. The fee for this permit is \$15, and the permit is valid for 10 days.

Motor Vehicle Annual Registration Fees. The annual registration fee collected by the DMV Commissioner for all motor vehicles, trailers and semi-trailers was increased \$3 per vehicle by the 1986 Special Session Acts, and the General Assembly has appropriated the net additional revenues from this fee increase to the Transportation Trust Fund. Chapter 1230 captures all registration fees for the Commonwealth Transportation Fund, including those dedicated to the HMO Fund and truck registration fees formerly committed to Interstate Improvements.

Recordation Taxes. Recordation taxes are imposed on every deed and deed of trust (mortgage) recorded in the Commonwealth subject to certain exceptions and exemptions. Chapter 896, effective July 1, 2008, provides that, of the state recordation taxes imposed pursuant to Sections 58.1-801 and 58.1-803 of the Virginia Code, the revenues collected each Fiscal Year from \$0.02 of the total tax imposed under each section are appropriated for and deposited into the Transportation Trust Fund for the Commonwealth Mass Transit Fund. Chapter 684 of the Acts of the General Assembly of the Commonwealth of Virginia 2015 Regular Session ("Chapter 684"), effective July 1, 2017, provides that, of the state recordation taxes imposed pursuant to Section 58.1-801 and Section 58.1-803 of the Virginia Code, the revenues collected each Fiscal Year from \$0.01 of the total tax are appropriated for and deposited into the Transportation Trust Fund for use in the Commonwealth Transit Capital Fund through fiscal year 2020. Chapter 1230 dedicates these revenues to the Commonwealth Transportation Fund for distribution.

Insurance License Tax. Chapter 25 of Title 58.1 of the Virginia Code imposes an annual license tax on insurance companies doing business in the Commonwealth, which tax is equal to a percentage of the insurance companies' direct gross income from its premiums or subscriber fees collected in the most recently ended fiscal year. Under § 58.1-2531 of the Virginia Code, one-third of the revenues derived from such tax, less one-third of the total amount of such tax refunded in the most recently ended fiscal year will be deposited in the Commonwealth Transportation Fund.

Motor Vehicle Rental Tax. A tax upon the rental of motor vehicles in Virginia, without regard to whether such vehicles are required to be licensed by the Commonwealth, is levied at a rate of up to 10% of the gross proceeds from rentals of most passenger vehicles.

Highway Use Fee. Chapter 1230 imposes a highway use fee on fuel efficient, alternative fuel, and electric vehicles. The fee, which is paid at the time of registration, is based on 85% of the difference between fuel taxes paid by the average vehicle (based on 23.7 miles per gallon) and the fuel tax paid by the fuel-efficient vehicle. In the alternative, motorists will have the option of participating in a "mileage based user fee" program, effective July 1, 2022. Such user fee is a per-mile fee, capped at the applicable highway use fee, determined by dividing the applicable highway use fee by the average number of miles travelled by passenger vehicles in Virginia. In connection with the new fee structure, Chapter 1230 repeals the \$64 vehicle license tax for electric vehicles previously in place.

Economic Conditions Affecting the Commonwealth Transportation Fund

The availability of funds in the Commonwealth Transportation Fund for transfer to the Transportation Trust Fund is dependent on a number of economic factors. The bulk of such funds dedicated to the Transportation Trust Fund consists of the motor fuels taxes, motor vehicles sales and uses taxes and retail sales and use taxes described herein, which may fluctuate based on, among other things, the condition of the Commonwealth and national economies, population growth, income and employment levels, levels of tourism, weather conditions, fuel prices, vehicle fuel efficiency, road conditions, and the availability of alternate modes of transportation. There can be no assurance that downturns in any of the numerous factors affecting these revenues will not significantly affect the availability of funds to make timely payments on Bonds. In particular, the COVID-19 pandemic has impacted the Commonwealth's revenues and transportation revenues and is expected to impact revenues in future years. For a more detailed discussion of the risks and the impact, see "*Recent Developments Regarding the COVID-19 Pandemic.*" See Appendix C, "*Commonwealth of Virginia, Demographic and Economic Information*" for certain information regarding some of

these factors. The availability of funds in the Transportation Trust Fund is also subject to appropriation by the General Assembly.

There is no assurance that any of these taxes or fees will remain in effect or that they will continue at their current levels. The General Assembly is under no obligation to continue the appropriation of the revenues generated by Chapter 1230 to the Transportation Trust Fund or for other transportation-related purposes. Further unanticipated costs related to delayed, altered or terminated major transportation projects may be paid from the Transportation Trust Fund.

RECENT DEVELOPMENTS REGARDING THE COVID-19 PANDEMIC

[To Be Updated]

Background

The World Health Organization declared on March 11, 2020, a global pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus that has been negatively impacting most, if not all, areas of the world. Within the United States, the federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of different efforts aimed at mitigating the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors, have resulted in dislocations in the labor market and stress on the global and national economies.

Mitigation Measures Taken in the Commonwealth

On March 12, 2020, Governor Northam declared a state of emergency in the Commonwealth as a result of the COVID-19 pandemic. Following such declaration, Governor Northam imposed a series of public health restrictions designed to mitigate the spread of COVID-19 in the Commonwealth, including, at various times, statewide mask-wearing and social distancing guidelines, limitations on public and private in-person gatherings, the closure of certain businesses deemed non-essential, a statewide stay-at-home order, and the cancellation of in-person instruction at schools.

On May 14, 2021, Governor Northam lifted the public health restrictions imposed to mitigate the spread of COVID-19, citing the effectiveness and wide availability of the COVID-19 vaccines described below. In addition, the Governor's declaration of a state of emergency expired on June 30, 2021.

Since that date, in response to the rise of COVID-19 variants, the Governor has imposed two requirements. On August 5, 2021, the Governor issued a new executive directive requiring state employees and contractors to disclose vaccination status and, if not vaccinated, to submit to certain testing requirements, beginning September 1, 2021. On August 12, 2021, following Center for Disease Control guidelines, the Governor issued a Public Health Emergency Order requiring universal masking indoors for all K-12 schools.

Under the auspices of the federal government's program called Operation Warp Speed, vaccines have been developed to combat COVID-19. Currently, everyone in Virginia aged 12 and older is eligible to receive a COVID-19 vaccine. As reported by the Virginia Department of Health on October 6, 2021, approximately 5,814,301 people had been vaccinated with at least one dose of a COVID-19 vaccine in the Commonwealth (which represents approximately 68.1% of the Commonwealth's total population and approximately 80.9% of the Commonwealth's population aged 18 and older).

There is no basis to predict how long the public health crisis caused by COVID-19 or its collateral effects will continue. The Governor will continue to monitor the number of COVID-19 cases, the availability of hospital beds and the rate of vaccinations. Should there be a deterioration in the public health situation, the Governor retains the executive authority to impose new restrictions in one or more localities or regions of the Commonwealth.

Fiscal Impact of the COVID-19 Pandemic on the Commonwealth

Preliminary, Unaudited Results for Fiscal Year 2021. Based on preliminary, unaudited financial results reported on August 18, 2021 by the Secretary of Finance, the Commonwealth finished the fiscal year on June 30,

2021, with a \$2.6 billion surplus, representing an increase in total revenue collections of 14.2 percent over the fiscal year ended June 30, 2020, and ahead of the Fiscal Year 2021 forecast of 2.6 percent growth.

More specifically, on a Fiscal Year 2021-to-Fiscal Year 2020 comparison, (a) collections of payroll withholding (approximately 54.7 percent of total general fund revenues) increased 4.7 percent over the prior fiscal year, exceeding the annual forecast of 2.7 percent growth; (b) collections of individual income tax non-withholding (approximately 20.3 percent of total general fund revenues) increased 37.1 percent over the prior fiscal year, exceeding the annual forecast of 4.4 percent growth; (c) collections of sales taxes (approximately 16.3 percent of total general fund revenues) increased 12.4 percent over the prior fiscal year, exceeding the annual forecast of 4.7 percent growth; and (d) collections of corporate income taxes (approximately 5.9 percent of total general fund revenues) increased 49.8 percent over the prior fiscal year, exceeding the annual forecast of 27.4 percent growth.

Final, audited results are expected to be available in December 2021. Such final results may differ from the preliminary, unaudited results described above, and such differences may be material.

Interim Revenue Report for First Two Months of Fiscal Year 2022. In the normal course, the Secretary of Finance provides periodic reports during the fiscal year regarding, among other things, the Commonwealth's revenue collections. The most recent report is dated September 13, 2021, and covers the first two months (which ended August 31, 2021) of the current fiscal year ending June 30, 2022 (the "August Revenue Report").

The August Revenue Report indicates that, on a fiscal year-to-date basis, total general fund revenue collections through August 2021 rose 5.2 percent over the same period last year, which is ahead of the annual forecast of an 8.0 percent decline. More specifically, on a fiscal year-to-date basis, (a) collections of individual income tax withholding (estimated to represent 62.2 percent of total general fund revenues for the fiscal year) have increased 9.6 percent over the same period last year, which is ahead of the annual forecast of 1.7 percent growth; (b) collections of individual income tax non-withholding (estimated to represent 16.9 percent of total general fund revenues for the fiscal year) have decreased 50.2 percent over the same period last year, which is behind the annual forecast of a 25.4 percent decline; (c) collections of sales taxes (estimated to represent 17.4 percent of total general fund revenues for the fiscal year) have increased 14.3 percent over the same period last year, which is ahead of the annual forecast of a 4.2 percent decline; and (d) collections of corporate income taxes (estimated to represent 5.5 percent of total general fund revenues for the fiscal year) have increased 22.3 percent over the same period last year, which is ahead of the annual forecast of a 16.1 percent decline.

The projections described above are based on current revenue trends and are subject to change. Actual revenues collected over the course of the full fiscal year may be different, and such differences may be material.

Expenses. The Commonwealth has incurred, and anticipates that it will continue to incur, significant additional expenditures to address the COVID-19 pandemic. The potential magnitude of such expenditures cannot be predicted with any certainty; however, in addition to the federal disaster relief funds that the Commonwealth anticipates receiving, the Commonwealth has received approximately \$3.1 billion in funds from the federal Coronavirus Aid, Relief, and Economic Security ("CARES") Act of 2020 to help cover costs related to the pandemic. Of that amount, the Governor has allocated approximately \$1.3 billion to the cities and counties in Virginia (excluding Fairfax County, which received approximately \$200 million in CARES Act funding directly from the federal government based on the large size of the county's population) and has retained approximately \$1.8 billion to pay or reimburse costs incurred by the Commonwealth and its related entities to address the pandemic.

The Commonwealth received approximately \$4.3 billion in May 2021 from the State and Local Recovery Fund ("SLRF") established by the federal American Rescue Plan Act of 2021 ("ARPA"), which is in addition to grant funding provided by the CARES Act described above. Virginia cities and counties are expected to receive separately approximately \$2.3 billion in ARPA-SLRF funding directly from the federal government, and the Commonwealth has received approximately \$317 million to be passed through to smaller cities and towns and expects to receive an additional approximately \$317 million for the same purpose next year. In total, the Commonwealth and its cities and counties expect to receive a total of approximately \$7.2 billion in ARPA-SLRF funding. The Virginia General Assembly met in a special session in August 2021 and adopted an amendment to the current 2020-2022 biennial budget to appropriate approximately \$3.2 billion of the ARPA-SLRF funds to Fiscal Year 2022 expenditures. Of the balance in available ARPA-SLRF funds, the Virginia General Assembly authorized the Governor to appropriate additional amounts as necessary to respond to a public health emergency or to prevent the emergence of a new health emergency and to include approximately \$353.8 million in the Governor's introduced budget for the 2022-2024 biennium. The budget amendment was approved by the Governor on August 10, 2021, and effective that same date. The ARPA-SLRF funds appropriated for Fiscal Year 2022 expenditures were allocated primarily to serve five specific

needs: (1) public health (by means of upgrading state and local public health services and helping people with the cost of housing and utilities); (2) small businesses (by means of providing additional funding for the Rebuild Virginia small business recovery plan, augmenting relief dollars for the hardest-hit industries, investing in Virginia Tourism's work to recruit visitors, and helping the Housing and Community Development department invest in Virginia's main streets, small towns and industrial revitalization); (3) workers (by means of providing additional funding for the Unemployment Trust Fund and the Virginia Employment Commission); (4) public schools (by means of modernizing public school buildings across the Commonwealth); and (5) broadband (by means of providing broadband access to all of Virginia's cities and counties).

Available Cash and Investments. Based on the latest available monthly analysis of the Commonwealth's cash and investments, the Office of the Comptroller reported that for the period ended August 31, 2021, the Commonwealth had approximately \$9.99 billion in unrestricted cash available for immediate transfer into the General Fund (compared to approximately \$10.05 billion available as of July 31, 2021), and an additional approximately \$11.36 billion available in non-General Fund sources to support cash flow in other Commonwealth operating funds as necessary (compared to approximately \$11.85 billion available as of July 31, 2021).

AUTHORIZED, ISSUED AND UNISSUED BONDS PAYABLE FROM TRANSPORTATION TRUST FUND

The General Assembly has enacted from time to time legislation providing for the issuance of revenue bonds for transportation facilities which are payable from various sources, including appropriations from the Transportation Trust Fund. Set forth below are descriptions of the financing programs for highway projects, the bonds for which the General Assembly has committed, subject to appropriation, to pay from Transportation Trust Fund revenues. The descriptions include the credit structure of and the authorized, issued and unissued bonds under each such program. **The Transportation Board makes no representation that the General Assembly will maintain the Transportation Trust Fund or that the General Assembly will not repeal or materially modify the statutes governing any of the programs described below, including the amount of bonds authorized thereunder, or the Transportation Trust Fund.** See the subsections "*Transportation Trust Fund – General,*" and "*– Sources of Revenues.*"

Transportation Revenue Bonds

Northern Virginia Transportation District Program. The General Assembly enacted legislation in 1993, which was amended in the 1994, 1998, 1999, 2002, 2005 and the 2020 Regular Sessions ("NVTB Bond Legislation") that authorized the Transportation Board to issue Transportation Revenue Bonds ("NVTB Bonds"), pursuant to the State Revenue Bond Act, as amended, in the amount of \$500,200,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses for certain projects in the Northern Virginia Highway Construction District (the "NVTB Program"). Refunding bonds are not included in this limit. It is expected that revenue for payment of the debt service on the NVTB Bonds will be provided from funds appropriated by the General Assembly from (i) the Northern Virginia Transportation District Fund (the "NVTB Fund"), (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed by the NVTB Bonds are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly. The NVTB Fund consists of (i) transfers of \$40,000,000 annually from the Commonwealth Transportation Fund; (ii) any public rights-of-way use fees appropriated by the General Assembly; (iii) any state or local revenues which may be deposited to the NVTB Fund pursuant to a contract between a jurisdiction participating in the Northern Virginia Transportation District Program and the Transportation Board; and (iv) any other funds as may be appropriated by the General Assembly and designated for the NVTB Fund and all earnings on the NVTB Fund. Since its first issuance in 1993, the Transportation Board has issued \$477,870,000 in NVTB Bonds, which includes amounts to cover issuance costs, reserve funds, and other financing expenses, to finance the costs of the NVTB Program plus an additional \$505,415,000 to refund NVTB Bonds that had been previously issued. Of the total amount of NVTB Bonds issued, \$71,970,000 is currently outstanding. Chapters 854 and 856 of the 2018 Acts of Assembly and Chapter 1230 amended Section 33.2-2400 of the Virginia Code, requiring \$20 million each year be transferred from the NVTB Fund to the Washington Metropolitan Area Transit Authority Capital Fund established pursuant to Section 33.2-3401, beginning in Fiscal Year 2019 and to the Northern Virginia Transportation Authority Fund established pursuant to Section 33.2-2509, beginning in Fiscal Year 2021.

U.S. Route 58 Corridor Development Program. The General Assembly enacted legislation in 1989, which was amended in the 1999, 2013 and 2020 Regular Sessions ("U.S. Route 58 Bond Legislation"), that authorized the

Transportation Board to issue Transportation Revenue Bonds ("U.S. Route 58 Bonds"), pursuant to the State Revenue Bond Act, in an amount not to exceed \$1,300,000,000, plus an amount for issuance costs, reserve funds and other financing expenses, to finance a portion of the costs of the development of a modern, safe and efficient highway system generally along the U.S. Route 58 Corridor ("U.S. Route 58 Program"). Refunding bonds are not included in this limit. The U.S. Route 58 Bonds are payable from funds appropriated by the General Assembly from (i) the \$40,000,000 of annual collections from the Commonwealth Transportation Fund, (ii) to the extent required, other revenues legally available from the Transportation Trust Fund and (iii) to the extent required, other legally available funds. Since its first inception in 1989, the Transportation Board has issued \$720,110,000 in U.S. Route 58 Bonds, which includes amounts to cover issuance costs, reserve funds, and other financing expenses, to finance the costs of U.S. Route 58 Program plus an additional \$963,715,000 to refund U.S. Route 58 Bonds that had been previously issued. Of the total amount of U.S. Route 58 Bonds issued, \$58,340,000 is currently outstanding. The Transportation Board expects to issue approximately \$_____ in U.S. Route 58 Bonds in Fiscal Year 2022.

Transportation Improvement Program Set-Aside Fund. The 1993 Session of the General Assembly also authorized the creation of the Transportation Improvement Program Set-aside Fund (the "Set-aside Fund") for transportation improvements endorsed by the requesting local jurisdiction or jurisdictions affected and to provide for the issuance of Transportation Program Revenue Bonds pursuant to the State Revenue Bond Act to finance those improvements. The jurisdiction or jurisdictions requesting participation in the Set-aside Fund and the issuance of bonds must agree that certain distributions of state recordation taxes attributable to them be deposited in the Set-aside Fund by the State Treasurer and used to pay debt service on any Transportation Program Revenue Bonds issued by the Transportation Board to finance the cost of the improvements. Before any bonds may be issued, the improvements to be financed must be approved by the General Assembly.

If amounts in the Set-Aside Fund are insufficient to pay debt service on Transportation Program Revenue Bonds, such Transportation Program Revenue Bonds may be paid, subject to appropriation, from Transportation Trust Fund revenues.

The 1994 Session of the General Assembly authorized the issuance of \$32,500,000 Transportation Program Revenue Bonds, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses, to finance the cost of the Oak Grove Connector project. In July 1997, the Transportation Board issued bonds in the amount of \$32,500,000 to finance the Oak Grove Connector, a portion of which was refunded by the Transportation Program Revenue Refunding Bonds Series 2006A, which were refunded by the Transportation Program Revenue Refunding Bonds, Series 2016A (the "Oak Grove Connector Bonds"). Of the total amount of Oak Grove Connector Bonds issued, \$1,895,000 is currently outstanding. These Transportation Program Revenue Bonds are the only bonds authorized to be paid from the Set-aside Fund.

Transportation Contract Revenue Bonds. In the 1988 Regular Session, the General Assembly enacted legislation which authorized the Transportation Board to issue Transportation Contract Revenue Bonds pursuant to the State Revenue Bond Act in an amount not to exceed \$160,700,000 to finance the costs of Phase I of the Route 28 project, plus an amount for issuance costs, reserve funds and other financing expenses. Due to a subsequent reduction in the estimated Phase I cost, the Transportation Board issued \$138,483,372.25 of Transportation Contract Revenue Bonds, Series 1988 (the "Series 1988 Bonds"). The balance of the authorization was not required to complete Phase I of the Route 28 project. In the 1990 Session, the General Assembly amended the legislation to permit any proceeds of the Series 1988 Bonds remaining after the completion of Phase I and any of the unissued Transportation Contract Revenue Bonds authorized under the legislation to be applied to Phase II of the Route 28 project. No other bonds have been authorized for Phase II. In 1992, the Transportation Board refunded all of the outstanding Series 1988 Bonds by issuing \$111,680,000 of Transportation Contract Revenue Bonds, Series 1992 (the "Series 1992 Bonds"). The 1993 Session of the General Assembly provided for the rezoning of commercial and industrial property within the Route 28 Transportation Improvement District to residential property provided the property owner makes a one-time payment equal to the projected tax revenues over the life of the Series 1992 Bonds as if the property had remained zoned for commercial or industrial use. In October 2002, the Transportation Board issued bonds in the amount of \$83,820,000 to refund the outstanding principal balance on the Series 1992 Bonds and issued Transportation Contract Revenue Bonds in the amount of \$36,823,667.45 to finance a portion of the costs of Phase II improvements plus an amount for issuance costs. These Transportation Contract Revenue Bonds were issued under a new Master Indenture of Trust, dated as of October 1, 2002 (the "Route 28 Indenture"), with security features similar to those for the Series 1988 Bonds and Series 1992 Bonds. The Series 2002 Bonds are payable from funds appropriated by the General Assembly for such purpose from the following three sources: (i) special tax revenues collected from a tax levied on commercial and industrial property in the Route 28 Transportation Improvement District, (ii) money appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or to the Counties of Fairfax or Loudoun, and (iii) other legally available money in the Transportation Trust Fund. In the Route 28 Indenture, the Transportation Board agrees that it shall issue no further

notes, bonds or other evidence of indebtedness under the provisions of the Master Indenture of Trust, dated as of September 1, 1988, pursuant to which the Series 1988 Bonds and Series 1992 Bonds were issued. In May 2012, the Transportation Board issued bonds in the amount of \$50,620,000 to refund a portion of the outstanding Series 2002 Bonds. Of the total amount of Transportation Contract Revenue Bonds issued, as of February 1, 2022, \$58,469,541.33 is outstanding (net of unamortized discount on the outstanding Series 2002 capital appreciation bonds).

Federal Transportation Grant Anticipation Revenue Notes. In Chapters 830 and 868 of the 2011 Acts of Assembly, which became effective July 1, 2011, the General Assembly authorized the Transportation Board by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act, in one or more series from time to time revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series" ("GARVEEs"). The aggregate principal amount of GARVEEs outstanding at any time shall not exceed \$1.2 billion, and exclusive of (i) the amount of any revenue obligations that may be issued to refund GARVEEs, and (ii) any amounts issued for financing expenses (including, without limitation, any original issue discount). The net proceeds of GARVEEs shall be used exclusively for the purpose of providing funds, together with any other available funds, for paying the costs incurred or to be incurred for construction or funding of such projects to be designated by the Transportation Board. In connection with the issuance of each series of GARVEEs, the Transportation Board shall establish a fund, which secures and is used for the payment of such series of GARVEEs. In the fund there shall be deposited such amounts, appropriated therefor by the General Assembly, as are required to pay principal or purchase price of, and redemption premium, if any, and interest on such GARVEEs, as and when due and payable, (i) first from the federal highway reimbursements received by the Commonwealth from time to time only with respect to the project or projects to be financed by the series of GARVEEs; (ii) then, at the discretion of the Transportation Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose. The Transportation Board has issued \$1,380,380,000 in GARVEE Bonds to finance the costs of the GARVEE Program plus an additional \$287,665,000 to refund GARVEE Bonds previously issued. Of the total amount of GARVEE Bonds issued, \$892,025,000 is currently outstanding.

**COMMONWEALTH TRANSPORTATION BOARD,
VIRGINIA DEPARTMENT OF TRANSPORTATION, AND VIRGINIA DEPARTMENT
OF RAIL AND PUBLIC TRANSPORTATION**

Commonwealth Transportation Board

The Transportation Board consists of 17 members, including the Secretary of Transportation of the Commonwealth, the Commissioner of Highways, the Director of the Department of Rail and Public Transportation, and 14 citizen members from various areas of the Commonwealth appointed by the Governor, subject to confirmation by the General Assembly. One member is chosen from each of the Commonwealth's nine highway construction districts, three members are selected as urban at-large members and two members are selected as rural at-large members. In addition to representing rural and urban transportation needs, the at-large members represent the interests of seaport, airport, railway and mass transit users. The Chairperson of the Transportation Board is the Secretary of Transportation. Only the 14 citizen members of the Transportation Board have voting privileges, except that the Chairperson has voting privileges in the event of a tie.

The current membership of the Transportation Board, the expiration dates of their terms and the constituency represented by each member are as follows:

<u>Member</u>	<u>Term Expires</u>	<u>Constituency</u>
Shannon Valentine	At the Pleasure of the Governor	Chairperson, Transportation Board; Secretary of Transportation
Stephen C. Brich	At the Pleasure of the Governor	Commissioner of Highways
Jennifer Mitchell	At the Pleasure of the Governor	Director, Department of Rail and Public Transportation
Alison DeTuncq	June 30, 2022	Vice Chairperson, Transportation Board, Culpeper District
Carlos M. Brown	June 30, 2023	Richmond District
Cedric Bernard Rucker	June 30, 2022	Fredericksburg District
Raymond D. Smoot, Jr.	June 30, 2025	Salem District
Mary H. Hynes	June 30, 2024	Northern Virginia District
E. Scott Kasprowicz	June 30, 2025	At-Large Urban

Member	Term Expires	Constituency
Frederick T. Stant, III	June 30, 2025	Hampton Roads District
Stephen A. Johnsen	June 30, 2022	At-Large Rural
Tom Fowlkes	June 30, 2025	Bristol District
Bert Dodson Jr.	June 30, 2023	Lynchburg District
Mark H. Merrill	June 30, 2024	Staunton District
W. Sheppard Miller III	June 30, 2022	At-Large Urban
Greg Yates	June 30, 2024	At-Large Rural
Marty Williams	June 30, 2022	At-Large Urban

Shannon Valentine was appointed as Secretary of Transportation of the Commonwealth by Governor Ralph Northam and confirmed by the General Assembly in January, 2018. The Transportation Secretariat provides a wide array of products and services including road construction and repairs, rest area maintenance, regulating sea ports, airports and rail, and issuing license plates and driver's licenses. Prior to being named Secretary, Ms. Valentine was a member of the Transportation Board and served in the state House of Delegates from 2006-2010, representing Lynchburg and part of Amherst County. While in the General Assembly, she focused on transportation, housing and economic development issues and led the effort to invest in inner-city passenger rail service. She also previously served as co-director of a transition team focused on transportation issues for Governor Northam's predecessor, Governor Terry McAuliffe. Before being elected to the House of Delegates, Ms. Valentine worked as the neighborhood coordinator with the Lynchburg Neighborhood Development Foundation. She worked in non-profit community development and corporate marketing and public relations in the late 1980s and 1990s. Valentine is a graduate of the University of Virginia, where she earned a bachelor's degree in economics. She also holds an education for ministry certificate from Sewanee University and is a graduate of the Sorensen Institute for Political Leadership. She lives in Lynchburg, Virginia.

Virginia Department of Transportation

VDOT has the responsibility for construction, maintenance and operation of the Commonwealth highway system under legislation enacted by the General Assembly and in accordance with policies and procedures adopted by the Transportation Board.

VDOT's budget for Fiscal Year 2022 is approximately \$7.2 billion. VDOT's revenues provide funding for debt service, maintenance, administration and construction and VDOT's budget reflects the planned use of the revenues available to the agency and also includes pass-through funds to regional Commonwealth transportation entities. VDOT's Highway Construction Program as approved in the FY 2022-2027 SYIP is valued at \$18.2 billion and supports more than 3,700 projects.

The Commonwealth has the nation's third largest system of state-maintained highways totaling approximately 58,000 miles of interstate, primary and secondary roads. The system includes approximately 21,000 bridges and culverts. In addition, independent cities and towns maintain about 11,600 miles of local streets and receive funds from the Transportation Board for such purpose.

The Commonwealth is divided geographically into nine construction districts for highway purposes as follows:

Bristol District	Hampton Roads District	Richmond District
Culpeper District	Lynchburg District	Salem District
Fredericksburg District	Northern Virginia District	Staunton District

These districts are divided into 29 residencies, each typically consisting of one to four counties. The field organization is further subdivided into 248 other locations across the Commonwealth that provide area maintenance. About 82% of VDOT's nearly 7,200 employees (as of October 18, 2022) are assigned to the field organization. The remainder is assigned to the central office in Richmond or to units associated with the central office that serves an administrative function.

Financial Accountability and Program Delivery

VDOT has been focused on the continuous improvement of its financial accountability and program delivery processes. The agency has developed a long-term strategic vision and uses a business plan with performance goals

and strategies. Transparency of operations has been enhanced through the creation of a public Dashboard, and the streamlining of operations, reorganization and the improvement of business practices have been a major focus.

Each quarter, VDOT prepares a performance report for review with the Transportation Board. Since tracking began in 2001, VDOT's performance shows a continued trend of improvement.

For Fiscal Year 2021, the agency attained on-time and on-budget performance goals by delivering more than 91% of all construction and maintenance projects on or before their original due dates, and by completing more than 98% of those projects within their budgets. In comparison, when tracking started in 2001 only 20% of construction contracts and 38% of maintenance contracts were delivered on time, while less than 60% were completed within budget.

The Current SYIP for Fiscal Years 2022 through 2027 is based on the interim revenue forecast updates and cost estimates available. The issuance of Capital Projects Revenue Bonds and the utilization of existing authorization for the issuance of GARVEEs are reflected in the adopted Current SYIP. Additionally, the U.S. Route 58 Bonds that the Transportation Board expects to issue in Fiscal Year 2022 in an aggregate principal amount of approximately \$_____ are reflected in the adopted Current SYIP. The program reflects the Transportation Board's commitment to citizen safety, by prioritizing critical safety and maintenance needs of the existing transportation system. The priorities of the update to the Current SYIP include: funding complete project phases, maximizing the use of federal funding, funding deficient bridges and paving projects, and implementation of Section 33.2-214.1 of the Virginia Code. The Transportation Board and VDOT strive to be flexible with their project selection and implementation by proceeding with projects in phases. By doing so, the Transportation Board and VDOT remain able to allocate resources between projects in the event that funding decreases or is interrupted.

Virginia Department of Transportation Staff

Stephen C. Brich, P.E. was named Commissioner by then Governor-Elect Ralph Northam in December 2017. At the time, Mr. Brich was a vice president with Kimley-Horn and Associates, Inc., focusing on transportation-related matters in Virginia. He has more than 25 years of experience, specializing in traffic engineering, safety, operations, transportation planning and research. Prior to joining Kimley-Horn, he served in several senior roles with VDOT, including as the assistant district urban program manager, division administrator – Operations Management and assistant division administrator – Mobility Management. He successfully led and managed a wide array of transportation-related projects and studies during his tenure with VDOT, as well as in a consultant capacity. He also has been instrumental in developing various policy directives for VDOT as it relates to traffic engineering and transportation system management and operations. He began his career as an engineering technician in Norfolk. Mr. Brich holds a Bachelors of Science degree in civil engineering from Old Dominion University and a Masters of Science degree in civil engineering from the University of Virginia. He is a registered engineer in Maryland and Virginia. Mr. Brich is from the Hampton Roads area.

Robert H. Cary, P.E., L.S. was named Chief Deputy Commissioner of VDOT in January 2018. Prior to that, starting in March 2017, Mr. Cary was VDOT's Chief of Innovation, serving as the executive leader responsible for bringing innovation to every aspect of VDOT's business and managing VDOT's Transportation Research Council, Office of Private-Public Partnerships, and Strategic Technology Initiatives Office. Prior to that, he was the Richmond District Engineer, where he was responsible for a \$450 million annual budget in delivering the construction, maintenance and operations programs across nearly 19,000 lane miles of state roadways and almost 2,600 National Bridge Inventory (NBI) structures. Mr. Cary has more than 29 years of experience in transportation design, project development and strategic leadership. He is a registered professional engineer and licensed surveyor and has a bachelor's degree in Civil Engineering from Virginia Tech. He began his career with the agency in 1992 as a transportation engineer and rose through the roles of District Location and Design Engineer, Preliminary Engineering Manager and District Engineer in three of VDOT's districts across Virginia. Mr. Cary has served as a member of the American Association of state Highway Officials (AASHTO) Technical Committee on Project Management (chairman), AASHTO's Subcommittee on Design, and AASHTO's Council on Highways and Streets. He received AASHTO's Pathfinder Award, the AASHTO Subcommittee on Design's Award, three VDOT Commissioner's Awards for Excellence, as well as a Governor's Award for his work with VDOT. Mr. Cary holds a Bachelor of Science degree in civil engineering from Virginia Tech. He is a member of Chi Epsilon, the Civil Engineering Honor Society. He is also a graduate of VDOT's Executive Leadership Program and is a registered professional engineer and licensed surveyor in Virginia.

Laura Farmer was named Chief Financial Officer of the Virginia Department of Transportation in October 2019. She oversees the agency's \$7.2 billion annual budget and is responsible for the leadership and execution of the agency's financial planning, capital investment, fiscal management, and tolling programs. She previously served as the agency's director of financial planning. In this role, she was instrumental in establishing the GARVEE Notes Program, and

provided financial arrangements around the agency's innovative finance programs and public-private partnership projects, including the Elizabeth River Tunnels and I-95 Express Lanes projects. Prior to joining VDOT, Ms. Farmer served as a budget analyst for health and human resources agencies at the Virginia Department of Planning and Budget. Ms. Farmer earned a bachelor's in history from Chowan University in Murfreesboro, North Carolina and a master's degree in public policy from the College of William and Mary. She is a graduate of the Virginia Executive Institute, the Commonwealth Management Institute and International Bridge, Tunnel and Turnpike Association Leadership Academy.

Virginia Department of Rail and Public Transportation

The Virginia Department of Rail and Public Transportation ("DRPT"), is one of the agencies that is part of the Transportation Secretariat. DRPT works closely with VDOT. Each of DRPT's three primary areas of activity (rail, public transportation, and commuter services) focuses on the movement of people and goods throughout the Commonwealth.

Rail transportation involves the movement of people and goods on railways owned and operated by private railroad companies. There are more than a dozen railroad companies and services in the Commonwealth, including Norfolk Southern, CSX, Amtrak, VRE, and ten shortline railroads. Freight rail programs help ensure the economic vitality of businesses and communities with a cost-effective, reliable way to bring goods to market, while passenger rail programs relieve congestion on highways and offer travelers more transportation choices. DRPT supports both passenger and freight rail initiatives through funding options, expert advice, research, and advocacy. To safeguard the Commonwealth's connections to the national rail network, DRPT represents the state's interests in interstate and national rail issues.

Public transportation systems help manage traffic congestion and provide transportation choices while safely transporting people to destinations across the Commonwealth. There are 67 public transportation systems in the Commonwealth that range in size from two-bus programs in small towns to larger regional systems like WMATA (Metrorail) in Northern Virginia and HRT in Hampton Roads. Some systems are fee-based, while others provide free access for the elderly and disabled. There are 49 human transportation services in Virginia. By advising, supporting and funding public transportation programs statewide, DRPT helps provide safe, reliable transportation options for everyone.

Commuter services programs work to promote carpools, vanpools, tele-work and other alternative modes of transportation to the Commonwealth's commuters. These programs not only save people (and employers) time and money, they can also help manage traffic congestion and benefit the environment. DRPT currently partners with eighteen commuter service programs operating in the Commonwealth to provide people with information, business incentives, and ride matching services at no charge.

DRPT Staff

Jennifer Mitchell was named Director of DPRT in January 2014 and reappointed in 2018. She has over 20 years of experience in the transportation industry, where she has specialized in the planning and implementation of public transit projects, with a particular emphasis on developing financial plans and advancing projects through planning, design and construction. Prior to joining DPRT, she was an Assistant Vice President with Parsons Brinckerhoff, a transportation consulting firm, where she advised transportation agencies across the country on funding strategies, capital program management and project development. She served as Deputy Project Director for the Dulles Corridor Metrorail Project with the Metropolitan Washington Airports Authority, and held several positions working on the Dulles project throughout its environmental and planning phases. Ms. Mitchell also held other consulting positions in which she worked on public transit, highway, airport and port projects across the U.S. and internationally. Ms. Mitchell holds a master's degree in regional planning from the University of North Carolina - Chapel Hill, and a bachelor's degree in urban planning from University of Virginia. She is an incoming member of the APTA Board of Directors, Vice Chair of the American Public Transportation Foundation, and a member of APTA's Policy and Planning and Legislative Committees.

Tanyea Darrisaw was selected to become the Chief Financial Officer of DRPT in September 2021. She oversees DRPT's \$860.3 million annual budget as well as DRPT activities and initiatives in finance, budget, general accounting, audit, and procurement. Mrs. Darrisaw is an experienced government financial manager demonstrated by establishing cross-functional partnerships that has delivered excellent results with her nearly 19 years of service in the Commonwealth of Virginia. She brings extensive financial experience to DRPT including her most recent role as the Budget Director at the Virginia Department of Medical Assistance Services (DMAS) where she effectively managed the agency's \$19 billion budget. Prior to her 16.5 years of service at DMAS, she worked at VDOT and in the private

sector for various U.S. Department of Defense contractors. Mrs. Darrisaw holds a Bachelor's degree in Accounting from the University of Richmond, a Master's degree in Accounting from Strayer University, and a Master's degree in Higher Education Administration from Michigan State University.

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SUMMARY OF THE INDENTURE

The following, in addition to the information presented in the sections "*Bonds*" and "*Sources of Payment and Security for the Bonds*" summarizes certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Indenture and any additional supplemental agreements in their entireties, copies of which may be obtained at the office of the Transportation Board. See the section "*Miscellaneous*."

Definitions. In addition to the terms previously defined in this Official Statement, the following words used in this summary will have the following meanings unless a different meaning clearly appears from the context:

"Account" means any account established in a Fund with respect to a Related Series of Bonds or otherwise pursuant to the terms of the Master Indenture or any Supplemental Indenture.

"Act" means, collectively, the Commonwealth Transportation Capital Projects Revenue Bond Act of 2007, enactment clause 2 of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia 2007 Regular Session, as amended; Item 456.H. of Chapter 874 of the Acts of the General Assembly of the Commonwealth of Virginia, 2010 Regular Session, as amended by Chapter 890 of the Acts of the General Assembly of the Commonwealth of Virginia, 2011 Regular Session; and Chapter 854 of the Acts of the General Assembly of the Commonwealth of Virginia, 2018 Regular Session.

"Agency Obligations" means senior debt obligations of U.S. government-sponsored agencies that are not backed by the full faith and credit of the U.S. government, including, but not limited to, Federal Home Loan Mortgage Corporation debt obligations, Farm Credit System consolidated system wide bonds and notes, Federal Home Loan Banks consolidated debt obligations, Federal National Mortgage Association debt obligations, Student Loan Marketing Association debt obligations, Resolution Funding Corporation debt obligations, and U.S. Agency for International Development guaranteed notes.

"Amortization Requirement," as applied to any Term Bonds of any maturity for any Bond Year, means the principal amount or amounts fixed by, or computed in accordance with the terms of, the Related Supplemental Indenture for the retirement of such Term Bonds by mandatory purchase or redemption on the Principal Payment Date or Dates established by such Supplemental Indenture.

"Ancillary Contract" means any type of contract or arrangement that the Transportation Board determines is to be used, or is intended to be used, to manage or reduce the cost of any indebtedness on any Bonds or to convert any indebtedness on all or any portion of a Series of Bonds from one form to another, including, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; or (iv) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls or to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk.

"Ancillary Contract Counterparty" means, with respect to an Ancillary Contract, the Person that is identified in such agreement as the counterparty to, or contracting party with, the Transportation Board.

"Ancillary Contract Obligation" means an obligation of the Transportation Board to make payments to an Ancillary Contract Counterparty pursuant to an Ancillary Contract.

"Board Obligations" means any bonds or other evidences of obligations that the Transportation Board is permitted to issue under the Act, including, but not limited to, the Bonds, Parity Obligations, Reimbursement Obligations, Ancillary Contract Obligations, and Subordinate Obligations.

"Board Representative" means the Chairman or the Vice-Chairman of the Transportation Board and any other member, officer or employee of the Transportation Board authorized by resolution of the Transportation Board to perform the act or sign the document in question.

"Bond" or **"Bonds"** means any or all Commonwealth of Virginia Transportation Capital Projects Revenue Bonds issued pursuant to Article V of the Master Indenture and any or all Bond Anticipation Notes. For clarification, this definition applies only to such terms as used in this section "Summary of the Indenture" and in the section

"Summary of the Payment Agreement." For all other parts of this Official Statement, the "Bonds" shall refer to the Commonwealth of Virginia Transportation Capital Projects Revenue and Refunding Bonds, Series 2022.

"Bond Anticipation Notes" means notes issued by the Transportation Board in anticipation of the sale of the Bonds, as authorized in Section 8 of the Act and issued pursuant to Article V of the Master Indenture.

"Bond Counsel" means (i) McGuireWoods LLP or (ii) other Counsel selected by the Office of the Attorney General of the Commonwealth that is nationally recognized as experienced in matters relating to obligations issued or incurred by states and other governmental entities.

"Bond Credit Facility" means a line of credit, letter of credit, standby bond purchase agreement, municipal bond insurance or similar credit enhancement or liquidity facility established to provide credit or liquidity support for all or any portion of a Series of Bonds as provided in the Related Supplemental Indenture.

"Bond Credit Provider" means, as to all or any portion of a Series of Bonds, the Person providing a Bond Credit Facility, as designated in the Related Supplemental Indenture in respect of such Bonds.

"Bond Debt Service Fund" means the Bond Debt Service Fund established pursuant to Section 7.1 of the Master Indenture and required by Section 11 of the Act.

"Capital Appreciation Bonds" means Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in the Related Supplemental Indenture and is payable upon redemption or on the maturity date of such Bonds or on the date, if any, upon which such Bonds become Current Interest Bonds.

"Commonwealth" means the Commonwealth of Virginia.

"Cost of Issuance Fund" means the Cost of Issuance Fund established with respect to a Series of Bonds as provided in Section 7.1 of the Master Indenture.

"Counsel" means any attorney or firm of attorneys, who or which may be Bond Counsel or counsel for the Transportation Board or the Trustee.

"Current Interest Bonds" means Bonds the interest on which is payable currently on the Interest Payment Dates provided therefor in the Related Supplemental Indenture.

"Custodian" means a bank or trust company that is (i) organized and existing under the laws of the United States or any of its states and (ii) acceptable to the Trustee.

"Defeasance Obligations" means noncallable (i) Agency Obligations, (ii) Government Obligations, (iii) Government Certificates, (iv) Defeased Municipal Obligations, and (v) Defeased Municipal Obligation Certificates.

"Defeased Municipal Obligation Certificates" means evidence of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a Custodian.

"Defeased Municipal Obligations" means obligations of the Commonwealth or any county, city, town, district, authority, agency, political subdivision or other public body of the Commonwealth, which are rated in the highest rating category by any Rating Agency, provision for the payment of the principal of and interest on which has been made by the deposit with a trustee or escrow agent of Government Obligations or Government Certificates, the maturing principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations.

"Department" means the Virginia Department of Transportation, an executive agency of the Commonwealth.

"Escrow Fund" means an escrow fund relating to a Series of Refunding Bonds that may be established pursuant to the Related Supplemental Indenture and Sections 7.2 and 7.9 of the Master Indenture.

"Event of Default" means any of the events enumerated in Section 10.1 of the Master Indenture.

"Fund" means any fund established pursuant to the terms of the Master Indenture or any Supplemental Indenture.

"General Assembly" means the General Assembly of the Commonwealth.

"Government Certificates" mean certificates representing ownership of United States Treasury bond principal at maturity or interest coupons for accrued periods, which bonds or coupons are held in the capacity of custodian by a Custodian that is independent of the seller of such certificates.

"Government Obligations" means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

"Interest Payment Date" means, with respect to each Series of Bonds, each date as provided by the Related Supplemental Indenture on which interest is payable.

"Interest Requirement" means, for any Interest Payment Date, as applied to all of the Current Interest Bonds or a portion thereof, the total of the interest regularly scheduled to become due on such Bonds on such Interest Payment Date. Interest expense shall be excluded from the definition of Interest Requirement to the extent that proceeds of any Bonds are held by the Trustee to pay such interest. Unless the Transportation Board shall otherwise provide in a Supplemental Indenture, interest expense on Bond Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds, shall not be included in the determination of an Interest Requirement.

"Majority Owners" means the Owners of at least 51% of the aggregate principal amount of the Bonds Outstanding.

"Master Indenture" means the Master Indenture of Trust dated as of May 1, 2010, between the Transportation Board and the Trustee, as the same may be modified, altered, amended and supplemented in accordance with its terms by one or more Supplemental Indentures.

"Officer's Certificate" means a certificate signed by a Board Representative and filed with the Trustee.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Opinion of Counsel" means a written opinion of Counsel.

"Optional Tender Bonds" means any Bonds issued under the Master Indenture a feature of which is an option on the part of the Owners of such Bonds to tender to the Transportation Board, or to the Trustee or other fiduciary for such Owners, or to an agent of any of the foregoing, all or a portion of such Bonds for payment or purchase.

"Outstanding" when used in reference to the Bonds and as of a particular date, means all Bonds authenticated and delivered under the Master Indenture except:

- (i) any Bond canceled or required to be canceled by the Trustee at or before such date;
- (ii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered under the Master Indenture;
- (iii) any Bond deemed paid under Article IX of the Master Indenture except that any such Bond shall be considered Outstanding until its maturity or redemption date only for the purpose of actually being paid and for purposes of Articles III and IV and Section 6.1 of the Master Indenture (or the corresponding provisions of the Related Supplemental Indenture, as the case may be); and
- (iv) any Bond not deemed Outstanding under, but only to the extent provided for in, Section 12.2 of the Master Indenture.

"Owner" means the registered owner of any Bond.

"Parity Obligations" means any Board Obligations, other than the Bonds, incurred in accordance with Section 5.6 of the Master Indenture, which are secured on a parity with the Bonds. Parity Obligations may include, without limitation, Reimbursement Obligations and Ancillary Contract Obligations.

"Payment Agreement" means the agreement by and among the Transportation Board, the Treasury Board and the Secretary of Finance of the Commonwealth, dated as of May 1, 2010, providing for the request for appropriation of funds from the General Assembly and payments of such funds to the Trustee for payment of debt service on the Bonds, as the same may be modified, altered, amended and supplemented in accordance with its terms.

"Payment Date" means a date that is an Interest Payment Date or a Principal Payment Date or both.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Principal" means (i) with respect to a Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except when used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default in which case "principal" means the initial public offering price of the Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) and (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of an Amortization Requirement, if applicable, or at maturity.

"Principal and Interest Requirements" for any Payment Date or for any period means the sum of the Principal Requirements and the Interest Requirements for such date or such period, respectively.

"Principal Payment Date" means, with respect to each Series of Bonds, each date provided by the Related Supplemental Indenture upon which the principal amount of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of an Amortization Requirement.

"Principal Requirement" means for any Principal Payment Date, as applied to all Bonds or a portion thereof, the total of the principal regularly scheduled to become due on such Principal Payment Date. Principal payments shall be excluded from the definition of Principal Requirement to the extent that proceeds of any Bonds are held by the Trustee to pay such Principal.

"Priority Transportation Fund" means the Priority Transportation Fund established by § 33.2-1527 of the Virginia Code.

"Project" means any transportation project for which the net proceeds of the Bonds may be used to provide funds pursuant to the Act.

"Project Fund" means the Project Fund to be established as provided in Section 7.1 of the Master Indenture.

"Rating Agency" means, with respect to any Bonds Outstanding, any nationally recognized credit rating agency if and for so long as such rating agency, at the request of the Transportation Board, maintains a rating on such Bonds.

"Rating Confirmation" means written evidence that no rating that has been requested by the Transportation Board and is then in effect from a Rating Agency with respect to a Bond will be withdrawn, reduced, or suspended solely as a result of an action to be taken hereunder.

"Rebate Amount" means the liability of the Transportation Board under Section 148 of the Tax Code (including any "yield reduction payments") with respect to any Series of Bonds as may be calculated or specified (including with such reserves or error margin as the Transportation Board may deem appropriate) in accordance with the Related Supplemental Indenture or the Related Tax Compliance Agreement.

"Rebate Fund" means the Rebate Fund to be established with respect to a Series of Bonds as provided in Section 7.1 of the Master Indenture.

"Refunding Bonds" shall have the meaning set forth in Section 5.3 of the Master Indenture.

"Reimbursement Fund" means the Reimbursement Fund Related to a Series of Bonds that may be established by the Related Supplemental Indenture and Section 7.2 of the Master Indenture.

"Reimbursement Obligations" means any reimbursement or payment obligations of the Transportation Board for which moneys in the Reimbursement Fund are pledged or payable pursuant to the provisions of the Master Indenture or any Supplemental Indenture.

"Related" as the context may require, means (i) when used with respect to any Cost of Issuance Fund, Escrow Fund, Rebate Fund or Reimbursement Fund, the Fund so designated and established by the Master Indenture and the Supplemental Indenture authorizing a particular Series of Bonds, (ii) when used with respect to a Supplemental Indenture, the Supplemental Indenture authorizing a particular Series of Bonds, or Supplemental Indenture related thereto, (iii) when used with respect to a Bond Credit Facility or Reimbursement Obligation, the Bond Credit Facility securing a particular Series of Bonds and the Reimbursement Obligation entered into in connection therewith or (iv)

when used with respect to an Ancillary Contract or an Ancillary Contract Obligation, the Ancillary Contract applicable to a particular Series of Bonds and the Ancillary Contract Obligation entered into in connection therewith.

"Revenues" means monies appropriated by the General Assembly from time to time for the payment of the Bonds (i) from revenues deposited into the Priority Transportation Fund pursuant to § 33.2-1527 of the Virginia Code, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund, and (iii) to the extent required, from any legally available funds.

"Serial Bonds" means the Bonds of a Series that are stated to mature in semiannual or annual installments and that are so designated in the Related Supplemental Indenture.

"Series" means all of the Bonds of a particular series authenticated and delivered pursuant to the Master Indenture and the Related Supplemental Indenture and identified as such pursuant to such Supplemental Indenture, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Indenture and such Supplemental Indenture, regardless of variations in lien status, maturity, interest rate, sinking fund installments or other provisions.

"State Revenue Bond Act" means §§ 33.2-1700 *et seq.* of the Virginia Code.

"Subordinate Obligations" means any Board Obligations that are made specifically subordinate as to payment and security to the Bonds and the Parity Obligations. Subordinate Obligations may include, without limitation, Reimbursement Obligations and Ancillary Contract Obligations.

"Supplemental Indenture" means any indenture supplementary to or amendatory of the Master Indenture or any Supplemental Indenture now or hereafter duly executed and delivered in accordance with the provisions of the Master Indenture.

"Tax Code" means the Internal Revenue Code of 1986, as amended, as in effect upon the issuance of and thereafter applicable to any Series of Bonds and the regulations of the U.S. Department of the Treasury promulgated thereunder as in effect upon the issuance of and thereafter applicable to any Series of Bonds.

"Tax Compliance Agreement" means, with respect to any Series of Bonds, the Federal Tax Certificate and Compliance Agreement, dated the date of the issuance of the Related Series of Bonds, between the Transportation Board and the Trustee, as the same may be modified, altered, amended or supplemented pursuant to its terms.

"Term Bonds" means all or some of the Bonds of a Series, other than Serial Bonds, that shall be stated to mature on one or more dates and that are so designated in the Related Supplemental Indenture.

"Transportation Board" means the Commonwealth Transportation Board, created and existing under the laws of the Commonwealth, and its successors and assigns.

"Transportation Trust Fund" means the Transportation Trust Fund established pursuant to § 33.2-1524 of the Virginia Code.

"Treasury Board" means the Treasury Board of the Commonwealth, created and existing under the laws of the Commonwealth, and its successors and assigns.

"Trustee" means Wells Fargo Bank, National Association, and its successors serving in the same capacity under the Master Indenture.

"Variable Rate Bonds" means any Bonds the interest rate on which is not established, at the time such Bonds are issued, at a single numerical rate for the entire term of the Bonds.

"Virginia Code" means the Code of Virginia of 1950, as amended, and any successor provisions of law.

Bond Debt Service Fund. Pursuant to the Act, the Transportation Board established the Bond Debt Service Fund under the Master Indenture to secure and be used to pay the debt service on the Capital Projects Revenue Bonds when due, to the credit of which there will be deposited amounts, subject to appropriation by the General Assembly, from (i) revenues deposited into the Priority Transportation Fund; (ii) revenues legally available from Transportation Trust Fund; and (iii) any other legally available funds.

Permitted Investments. Subject to the provisions of any Supplemental Indenture, any amounts held in any Fund or Account established by the Master Indenture or any Supplemental Indenture may be separately invested and reinvested by the Trustee, at the request of and as directed in writing by the State Treasurer after consultation with a Board Representative, in any investments which are at the time legal investments for public funds of the type to be invested under Virginia law, including without limitation the Act and the Investment of Public Funds Act, Chapter 45, Title 2.2 of the Virginia Code, as amended, or any successor provision of law.

Covenants with Bond Credit Providers. The Transportation Board may make such covenants as it may, in its sole discretion determine to be appropriate, with any Bond Credit Provider that shall agree to provide for Bonds of any one or more Series a Bond Credit Facility that shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds. Such covenants may be set forth in the Related Supplemental Indenture or other Supplemental Indenture and shall be binding on the Transportation Board, the Trustee, and the Owners of the Bonds the same as if such covenants were set forth in full in the Master Indenture.

Conditions of Issuing Additional Bonds. Prior to the issuance of additional Bonds under the Indenture, the Transportation Board must deliver to the Trustee the following items:

- (a) An executed counterpart of a Supplemental Indenture including the details of the additional Bonds;
- (b) A certified copy of each resolution adopted by the Transportation Board authorizing the additional Bonds and the Related Supplemental Indenture;
- (c) If required by law, a certificate of the Transportation Board that certifies that the Revenues in the Priority Transportation Fund or reasonably anticipated to be deposited in the Priority Transportation Fund pursuant to the law then in effect are by themselves sufficient to make 100% of the contractually required debt service payments on all bonds, obligations, or evidences of debt that expressly require as a source for debt service payments or for the repayment of such bonds, obligations, or other evidence of debt the revenues of the Priority Transportation Fund, including any interest related thereto and the retirement of such bonds, obligations, or other evidences of debt (the 2007 Act requires this certification);
- (d) If the additional Bonds are refunding other Outstanding Bonds:
 - (i) Evidence satisfactory to the Trustee that the Transportation Board has provided for the payment or redemption of the Bonds to be refunded, as required by the Master Indenture; and
 - (ii) A report of a nationally-recognized independent verification agent or firm of independent certified public accountants that the proceeds of the refunding Bonds together with other funds, if any, will be sufficient to pay at redemption or maturity, as applicable, the principal of and premium, if any, and interest in the Bonds to be refunded.
- (e) An Opinion of Counsel that the Related Supplemental Indenture has been duly executed and delivered by the Transportation Board and complies with Master Indenture
- (f) An Opinion of Bond Counsel that the Bonds to be issued are valid and legally binding limited obligations of the Transportation Board;
- (g) A certificate of the Transportation Board certifying that upon the issuance of the additional Bonds no Event of Default under the Indenture and no event or condition, which with the giving of notice or lapse of time or both would become an Event of Default will have occurred and be continuing; and
- (h) A certified copy of a resolution of the Treasury Board approving the terms and structure of the additional Bonds.

Events of Default and Remedies upon Default. Each of the following events shall constitute an Event of Default under the Master Indenture: (i) default in the payment of any installment of interest in respect of the Bonds of any Series as the same shall become due and payable; (ii) default in the payment of the principal of or premium, if any, in respect of the Bonds of any Series as the same shall become due and payable either at maturity, upon redemption, or otherwise; (iii) default in the payment of any Amortization Requirement in respect of any Term Bond as the same shall become due and payable; (iv) subject to certain provisions of the Master Indenture, failure on the part of the Transportation Board duly to observe or perform any other of the covenants or agreements on the part of the Transportation Board contained in the Master Indenture, a Supplemental Indenture, a Tax Compliance Agreement, or any Bond or (v) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the

Revenues and the other Funds and Accounts pledged pursuant to the Master Indenture, or the filing by the Transportation Board of any petition for reorganization of the Transportation Board or rearrangement or readjustment of the obligations of the Transportation Board under the provisions of any applicable bankruptcy or insolvency law.

Notwithstanding any other provision of the Master Indenture, failure to pay the principal or any Amortization Requirement of or interest on any Subordinate Obligation will not constitute an Event of Default with respect to any of the Bonds or Parity Obligations.

The Transportation Board may, pursuant to a Supplemental Indenture, provide for a particular Series of Bonds different or additional Events of Default and remedies upon the occurrence thereof including, but not limited to, Events of Default upon the occurrence of events specified in any agreement entered into in connection with the delivery of a Bond Credit Facility or an Ancillary Contract and acceleration of the full principal amount of such Bonds.

The principal of and interest on the Bonds is not subject to acceleration upon the occurrence or the continuation of an Event of Default.

Upon the occurrence and continuation of an Event of Default, the Trustee may, in its discretion, and shall, at the written request of the Majority Owners of the Bonds Outstanding and subject to certain provisions of the Master Indenture, pursue any available remedy, at law or in equity, to remedy any Event of Default.

Notwithstanding anything in the Master Indenture or any Supplemental Indenture to the contrary, upon the occurrence and continuation of an Event of Default, the Majority Owners of the Bonds Outstanding shall, subject to certain provisions of the Master Indenture, have the right, by an instrument in writing executed and delivered to the Trustee, to control and direct all actions of the Trustee in remedying such Event of Default, provided that such direction is in accordance with law and the Master Indenture and that the Trustee shall have the right to decline to follow any such direction which, in the sole judgment of the Trustee, would be unduly prejudicial to the rights of Owners not joining in such direction. Notwithstanding the foregoing, the Trustee shall have the right to select and retain Counsel of its choosing to represent it in any such remedial proceedings and the Trustee may take any other action which is not inconsistent with any direction given by the Majority Owners to the Trustee under this Section.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than twenty-five% in aggregate principal amount of the Bonds then Outstanding, shall upon being indemnified to its satisfaction therefore, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts or omissions to act which may be unlawful or in violation hereof or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Owners of Bonds not making such request.

Notwithstanding any other provision of the Master Indenture, so long as any Bonds or Parity Obligations are Outstanding, no owner or holder of any Subordinate Obligation may exercise any remedy under the Master Indenture or any Supplemental Indenture.

Defeasance of Bonds. If the Transportation Board shall pay or provide for the payment of the entire indebtedness on all Bonds Outstanding in any one or more of the following ways: (i) by paying or causing to be paid the principal of and premium, if any, and interest on such Bonds, as and when the same shall become due and payable; (ii) by delivering such Bonds to the Trustee for cancellation or (iii) by depositing with the Trustee (or an escrow agent), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue thereon (the "Payment Amount"), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds Outstanding at or before their respective maturity dates, without consideration of any reinvestment of the Payment Amount, as a firm of nationally-recognized independent verification agents or a firm of independent certified public accountants shall verify to the Trustee's satisfaction; and if the Transportation Board shall pay or provide for the payment of (on the date of defeasance or over time) all other sums payable hereunder by the Transportation Board, and if any of the Bonds Outstanding are to be redeemed before their maturity, notice of such redemption shall have been given as provided in the Master Indenture (and the corresponding sections of the Supplemental Indentures) or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the Master Indenture and the estate and rights granted hereunder (except for the provisions of the Master Indenture regarding the general terms and conditions of the Bonds and the redemption of the Bonds (and the corresponding sections of the Supplemental Indentures) and payment of the Bonds) shall cease, determine, and become null and void. Thereupon the Trustee shall, upon receipt by the Trustee of an Officer's Certificate and an Opinion of Bond Counsel each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the Master Indenture as provided above have been complied with, forthwith execute proper instruments acknowledging

satisfaction of and discharging the Master Indenture (except for the provisions of the Master Indenture regarding the general terms and conditions of the Bonds and the redemption of the Bonds (and the corresponding sections of the Supplemental Indentures) and payment of the Bonds) and the lien hereof.

Any moneys, securities, or other property remaining on deposit in any of the Funds or Accounts established by the Master Indenture and held by the Trustee (except the cash and/or Defeasance Obligations deposited in trust as above provided) shall, upon the full satisfaction of the Master Indenture as provided above, forthwith be distributed to the Transportation Board.

Amendments and Supplemental Indentures. The Transportation Board and the Trustee may, without the consent of, or notice to, any of the Owners of the Bonds, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of the Master Indenture or any Supplemental Indenture for any one or more of the following purposes:

- (a) To cure or correct any ambiguity, formal defect, omission or inconsistent provision in the Master Indenture or in a Supplemental Indenture;
- (b) To grant to or confer on the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Owners or the Trustee or either of them;
- (c) To subject to the lien and pledge of the Master Indenture additional revenues, properties or collateral;
- (d) To provide for the issuance of coupon Bonds if authorized under the Related Supplemental Indenture;
- (e) To amend certain provisions of the Master Indenture or any Supplemental Indenture in any manner consistent with Sections 103 and 141 through 150 of the Tax Code (or such other hereinafter enacted sections of the Tax Code as may be applicable to the Bonds) as in effect at the time of the amendment;
- (f) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Master Indenture or any Supplemental Indenture, of the Revenues or any other moneys, property or Funds or Accounts;
- (g) To modify, amend or supplement the Master Indenture or any Supplemental Indenture as required to permit its qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of any of the Bonds for sale under the securities laws of any of the states of the United States, and, if the Transportation Board and the Trustee so determine, to add to the Master Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute;
- (h) To add to the covenants and agreements of the Transportation Board contained in the Master Indenture or any Supplemental Indenture other covenants and agreements thereafter to be observed for the Owners' protection, including, but not limited to, additional requirements imposed by virtue of a change of law, or to surrender or to limit any right, power or authority therein reserved to or conferred upon the Transportation Board;
- (i) To amend, modify or change the terms of any agreements governing any book-entry-only system for any of the Bonds;
- (j) To provide for the issuance of additional Series of Bonds (including Refunding Bonds) or any Subordinate Obligations, and to provide for such other related matters as may be required or contemplated by or appropriate under the Master Indenture;
- (k) To provide for the issuance of Parity Obligations that, as expressed in a finding or determination by the Transportation Board (which shall be stated in the Related Supplemental Indenture, and may be based on an Opinion of Bond Counsel or the written opinion of the Transportation Board's financial advisor), would not materially affect the security for the Bonds adversely;

- (l) To make any changes necessary to comply with the requirements of a Rating Agency, a Bond Credit Provider, or an Ancillary Contract Counterparty that, as expressed in a finding or determination by the Transportation Board (which shall be stated in the Related Supplemental Indenture, and may be based on an Opinion of Bond Counsel or the written opinion of the Transportation Board's financial advisor), would not materially adversely affect the security for the Bonds;
- (m) To make any other changes that (i) will have no adverse effect upon the ratings currently assigned to the Bonds by any Rating Agency, as expressed in a Rating Confirmation or (ii) shall not prejudice in any material respect the rights of the Owners of the Bonds then Outstanding, as expressed in a determination or finding by the Transportation Board (which shall be stated in the Supplemental Indenture, and may be based upon an Opinion of Bond Counsel or the written opinion of the Transportation Board's financial advisor); and
- (n) To restate in one document the Master Indenture and all Supplemental Indentures, which restatement shall then become the Master Indenture for all purposes, effective as of the date of the Master Indenture with respect to matters set forth therein and as of the date of any Supplemental Indenture included in the restatement as to matters set forth in any such Supplemental Indenture. Supplemental Indentures and the Bonds issued thereunder prior to a restatement shall be deemed to relate to the restated Master Indenture without any further action or amendment.

Exclusive of Supplemental Indentures covered above and subject to the terms and provisions contained in this Section, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right from time to time, notwithstanding any other provision of this Indenture, to consent to and approve the execution by the Transportation Board and the Trustee of such other Supplemental Indenture or Supplemental Indentures as the Transportation Board shall deem necessary or desirable to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Indenture; provided, however, that without the consent and approval of the Owners of all of the affected Bonds then Outstanding nothing in the Master Indenture shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest on it, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as otherwise provided herein, or (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture.

If at any time the Transportation Board shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of the Supplemental Indenture to be mailed to each Owner of Bonds then Outstanding by registered or certified mail to the address of each such Owner as it appears on the registration books for the Bonds; provided, however, that failure to give such notice by mailing, or any defect in it, shall not affect the validity of any proceedings under this Section. Such notice shall briefly state the nature of the proposed Supplemental Indenture and shall state that copies of it are on file at the Trustee's designated corporate trust office for inspection by all Owners. If, within six months or such longer period as shall be prescribed by the Transportation Board following the giving of such notice, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have consented to and approved its execution as provided under this Section, no Owner of any Bond shall have any right to object to any of the terms and provisions contained in it, or its operation, or in any manner to question the propriety of its execution, or to enjoin or restrain the Trustee or the Transportation Board from executing such Supplemental Indenture or from taking any action under its provisions. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, the Master Indenture shall be deemed to be modified and amended in accordance therewith.

Bonds owned or held by or for the account of the Transportation Board or any Person controlling, controlled by or under common control with the Transportation Board shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds for purposes of entering into Supplemental Indentures. At the time of any such calculation, the Transportation Board shall furnish the Trustee an Officer's Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Anything contained in the Master Indenture to the contrary notwithstanding, the Transportation Board and the Trustee may enter into any Supplemental Indenture upon receipt of the consent of the Owners of all Bonds then Outstanding.

SUMMARY OF THE PAYMENT AGREEMENT

The following, in addition to the information presented in the section "*Sources of Payment and Security for the Bonds,*" summarizes certain provisions of the Payment Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Payment Agreement in its entirety, copies of which may be obtained at the office of the Treasury Board or the office of the Transportation Board.

Under the Payment Agreement, the Transportation Board is obligated to do the following:

- (a) Each year and in accordance with the schedule of the Department of Planning and Budget of the Commonwealth, the Transportation Board or the Transportation Board's designee shall request that the Governor include in the budget to be delivered to the General Assembly during their next session a provision that there be appropriated Revenues sufficient to pay the Principal and Interest Requirements coming due on the Bonds and all other amounts required to be paid under the Master Indenture during the next succeeding Fiscal Year or biennial period, as applicable.
- (b) The Transportation Board shall use its best efforts to have (i) the Governor include, in each biennial or any supplemental budget that is presented to the General Assembly, the amounts described in (a) above and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.
- (c) The Transportation Board shall provide to the Treasury Board, as and when reasonably requested by the Treasury Board, all requisitions and documents and shall take all actions necessary to have paid to the Treasury Board from Revenues appropriated as described in (a) above all amounts due under the Payment Agreement and to direct the Treasury Board to make from such funds all payments due under the Master Indenture to the Trustee on the Transfer Date.
- (d) The Transportation Board shall take all actions necessary to have payments which are made pursuant to (c) above charged against the proper appropriation made by the General Assembly.
- (e) The Transportation Board shall notify the Treasury Board, the Secretary of Finance, and the Trustee promptly upon becoming aware of any failure by the General Assembly to appropriate for the next succeeding Fiscal Year or biennial period, as applicable, amounts sufficient to pay all debt service on the Bonds coming due or expected to come due and all other amounts required to be paid under the Master Indenture coming due or expected to come due.

Under the Payment Agreement, the Treasury Board is obligated to do the following:

- (a) The Treasury Board shall use its best efforts to have (i) the Governor include in each biennial or any supplemental budget of the Commonwealth Revenues sufficient to pay the Principal and Interest Requirements coming due on the Bonds and all other amounts required to be paid under the Master Indenture during the next succeeding Fiscal Year or biennial period, as applicable, and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.
- (b) The Treasury Board shall use its best efforts to obtain each year the appropriate requisitions and documents needed from the Transportation Board to make all payments due under the Master Indenture to the Trustee on the Transfer Date.
- (c) The Treasury Board shall make all debt service payments on the Bonds to the Trustee on the Transfer Dates solely from moneys made available to it.
- (d) The Treasury Board shall notify the Transportation Board, the Secretary of Finance, and the Trustee promptly upon becoming aware of any failure by the General Assembly to appropriate for the next succeeding Fiscal Year or biennial period, as applicable, amounts sufficient to pay all debt service on the Bonds coming due or expected to come due and all other amounts required to be paid under the Master Indenture coming due or expected to come due.

Under the Payment Agreement, the Secretary of Finance is obligated to use his or her best efforts to have (i) the Governor include in each biennial or any supplemental budget of the Commonwealth Revenues sufficient to pay the Principal and Interest Requirements coming due on the Bonds and all other amounts required to be paid under the

Master Indenture during the next succeeding Fiscal Year or biennial period, as applicable, and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

The Commonwealth's budgetary process, to which the Payment Agreement provisions relate, is described in the subsection "*Budgetary Process*" within the section "*Financial Factors*" in Appendix B - Commonwealth of Virginia, Financial and Other Information.

The Trustee is a third party beneficiary of the Payment Agreement and is entitled to enforce, on behalf of the holders of the Bonds, all of the obligations of the Transportation Board and the obligations and the rights of the parties thereto to the same extent as if the Trustee were one of the contracting parties.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Transportation Board upon delivery of the Bonds, substantially in the form set forth in Appendix D. Bond Counsel's opinion will be limited to matters relating to the authorization and the validity of the Bonds and to the federal income status of interest on the Bonds, as described in the section "*Tax Matters.*" Bond Counsel has not been engaged to investigate the financial resources of the Transportation Board, the Commonwealth or the ability to provide for payment of the Bonds, and Bond Counsel's opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase the Bonds.

Certain legal matters will be passed upon for the Commonwealth by the Office of the Attorney General of Virginia.

TAX MATTERS

[To Be Updated]

Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion will state that, under current law, interest on the Bonds (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Code and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax (a "Specific Tax Preference Item"). See "Form of Bond Counsel Opinion" in Appendix D hereto.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the Transportation Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Transportation Board has covenanted, however, to comply with the requirements of the Code.

Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the treatment of interest on the Bonds, Bond Counsel is relying upon certifications of representatives of the Transportation Board, the Underwriter, as hereinafter defined, and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants, as hereinafter defined, by the Transportation Board. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation and not become a Specific Tax Preference Item. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The tax compliance agreement to be entered into by the Transportation Board with respect to the Bonds contains covenants (the "Covenants") under which the Transportation Board has agreed to comply with such requirements. Failure by the Transportation Board to comply with the Covenants could

cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the tax compliance agreement, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Original Issue Discount

The "original issue discount" ("OID") on any Bond is the excess of such Bond's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such Bond. The "issue price" of a Bond is the initial offering price to the public at which price a substantial amount of such Bonds of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The issue price for each maturity of the Bonds is expected to be the initial public offering price set forth on the inside front cover page of this Official Statement (or, in the case of Bonds sold on a yield basis, the initial offering price derived from such yield), but is subject to change based on actual sales. OID on the Bonds with OID (the "OID Bonds") represents interest that is excludable from gross income for purposes of federal and Virginia income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax and the distribution requirements of certain investment companies and may result in some of the collateral federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral federal and Virginia income tax consequences although the owner may not have received cash in such year.

Interest in the form of OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner's cost basis in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for federal income tax purposes. The accrual of OID and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Possible Legislative or Regulatory Action

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the Transportation Board as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and various State legislatures. Such legislation may effect changes in federal or State income tax rates and the application of federal or State income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or State income tax purposes. The U.S. Department of the Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or State tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or State tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or State tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel – Virginia Income Tax Consequences

Bond Counsel's opinion also will state that, under current law, interest on the Bonds is exempt from income taxation by the Commonwealth. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the

Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of the Bonds should consult their own tax advisors regarding such other Virginia tax consequences or the tax status of interest on the Bonds in a particular state or local jurisdiction other than the Commonwealth.

LEGALITY FOR INVESTMENT

The 2007 Act provides that the Bonds are securities in which all public officers and bodies of the Commonwealth and its political subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees and other fiduciaries in the Commonwealth may properly and legally invest funds under their control.

No representation is made as to the eligibility of the Bonds for investment or for any other purpose under the laws of any other state.

LITIGATION

There is no litigation now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contest or affect the validity of the Bonds, any proceeding of the Transportation Board or the Treasury Board taken with respect to their issuance or sale, or any appropriation of funds to pay debt service on the Bonds.

See the section "*Litigation of the Commonwealth*" in Appendix B for a discussion of litigation pending against the Commonwealth.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, officials who signed the Bonds will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that such officials did not independently verify the information in the Official Statement from sources other than the Transportation Board and VDOT, but that they have no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

Rule 15c2-12 in General

Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), prohibits an underwriter from purchasing or selling municipal securities unless it has determined that the issuer of such securities and/or other persons deemed to be materially "obligated persons" (hereinafter referred to as "MOPs" and each, a "MOP") have committed to provide (i) on an annual basis, certain financial information and operating data (collectively, "Annual Reports") and (ii) notice of the events described in Rule 15c2-12 ("Event Notices"), to the Municipal Securities Rulemaking Board (the "MSRB").

Transportation Board Continuing Disclosure

The Transportation Board will covenant in a Continuing Disclosure Agreement in substantially the form set forth in Appendix E, for the benefit of the holders of the Bonds, to provide to the MSRB Annual Reports and Event Notices to the MSRB.

Commonwealth Continuing Disclosure

The Commonwealth, which the Transportation Board has determined to be a MOP for purposes of Rule 15c2-12, will covenant in a Continuing Disclosure Agreement, in substantially the form set forth in Appendix E, to be executed prior to the issuance of the Bonds for the benefit of the holders of the Bonds, to provide to the MSRB Annual Reports

with respect to the Commonwealth. Similarly, the State Treasurer will provide Event Notices to the MSRB on rating changes with respect to the Commonwealth's general obligation bonds.

The Commonwealth has entered into numerous continuing disclosure undertakings with respect to its own debt issuances, as well as debt issuances by related Virginia authorities. Such undertakings require in part that the Commonwealth annually file on the MSRB's Electronic Municipal Market Access System (the "EMMA System") its audited Annual Financial Statements and its Annual Report (consisting of a separately filed Appendix B - Financial and Other Information and a separately filed Appendix C – Demographic and Economic Information). The Commonwealth has become aware that (a) for fiscal years 2017, 2018, 2019 and 2020, such filings were not successfully linked on the EMMA System to all of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2011A, issued by the Virginia College Building Authority ("VCBA"), and (b) for fiscal year 2020, such filings were not successfully linked on the EMMA System to any of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2020A, and Educational Facilities Federally Taxable Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs), Series 2020B, issued by VCBA. Such filings were otherwise available on the EMMA System with respect to other continuing disclosure undertakings of the Commonwealth. The Commonwealth has made a remedial filing to correct the linkage problem for any such VCBA bonds that are currently outstanding.

See "*Continuing Disclosure Agreement*" in Appendix E hereto.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") assigned the Bonds ratings of ____, ____, ____, respectively.

Such ratings reflect only the respective views of such organizations. Reference should be made to the individual rating agency for a fuller explanation of the significance of the rating assigned by such rating agency. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by any of the rating agencies if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of ratings may have an adverse effect on the market price of the Bonds.

SALE AT COMPETITIVE BIDDING

The Bonds will be offered for sale at competitive bidding on February [8], 2022,* unless changed as described in the Notice of Sale in Appendix G hereto. This Preliminary Official Statement has been deemed final as of its date by the Transportation Board in accordance with the meaning and requirements of Rule 15c2-12, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12. After the Bonds have been awarded, the Transportation Board will deem the Official Statement final as of its date, and the Official Statement as so completed will be a final official statement within the meaning of Rule 15c2-12 (the "Final Official Statement"). The Final Official Statement will include, among other matters, the identity of the winning bidder and the managers of the syndicate, if any, submitting the winning bid (the "Underwriter"), the expected selling compensation to the Underwriter of the Bonds and other information on the interest rates and offering prices or yields of the Bonds, as supplied by the Underwriter.

FINANCIAL ADVISOR

Public Resources Advisory Group ("PRAG"), New York, New York, is serving as financial advisor to the Transportation Board on the issuance of the Bonds. PRAG has assisted in the preparation of this Official Statement and in matters relating to the planning, structuring and issuance of the Bonds and has provided other advice. PRAG is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal or any other negotiable instruments.

* Preliminary, subject to change.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations of the adequacy of the cash and maturing principal amounts of an interest on the Escrow Securities in the Escrow Account to pay when due all principal of and interest on the Refunded Bonds through and on their redemption dates will be verified by _____.

TRUSTEE

The Transportation Board has appointed Wells Fargo Bank, National Association, a national banking association under the laws of the United States, as trustee for the Bonds. The Trustee shall carry out those duties assigned to it under the Indenture. Except for the material under this heading, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement, the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of those documents.

Other than verifying that the Transportation Board has satisfied the procedures for requisitioning moneys from the Project Fund, the Trustee is not accountable for the Transportation Board's use or application of the proceeds of the Bonds. The Trustee is not responsible or liable for any loss suffered in connection with any investment of money made by it in accordance with the Indenture. The Trustee has not evaluated the risks, benefits or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any of the assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of any Project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

RELATIONSHIP OF PARTIES

McGuireWoods LLP, Richmond, Virginia, Bond Counsel represents Wells Fargo Bank, National Association, the trustee, from time to time, in matters unrelated to the Bonds.

[Remainder of Page Intentionally Left Blank]

MISCELLANEOUS

The references in this preliminary Official Statement to the Indenture, the Payment Agreement, and other documents are brief outlines of certain of their provisions. These outlines do not purport to be complete and reference is made to such documents, copies of which will be furnished by the Transportation Board, upon request made to Laura Farmer, Chief Financial Officer, Virginia Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219 (telephone: 804-786-3096).

So far as any statements made in this preliminary Official Statement involve matters of opinion, forward-looking statements or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this preliminary Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

The purpose of this preliminary Official Statement is to supply information to prospective buyers of the Bonds. All quotations from and summaries and explanations of laws contained in this preliminary Official Statement do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

The Transportation Board has deemed this preliminary Official Statement final as of its date within the meaning of Rule 15c2-12, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12.

The distribution of this preliminary Official Statement has been duly authorized by the Transportation Board.

COMMONWEALTH TRANSPORTATION BOARD

By: _____
Shannon Valentine, Chairperson

COMMONWEALTH OF VIRGINIA

**FINANCIAL STATEMENTS OF THE COMMONWEALTH
FOR THE YEAR ENDED JUNE 30, 2021**

COMMONWEALTH OF VIRGINIA

**FINANCIAL AND OTHER
INFORMATION**

COMMONWEALTH OF VIRGINIA

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

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FORM OF BOND COUNSEL OPINION

APPENDIX E

**CONTINUING DISCLOSURE UNDERTAKINGS OF THE
COMMONWEALTH TRANSPORTATION BOARD AND THE
COMMONWEALTH OF VIRGINIA**

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REFUNDED BONDS

COMMONWEALTH TRANSPORTATION BOARD
SUMMARY OF REFUNDED BONDS

BASE CUSIP NUMBER: 927793

<u>Bonds</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	<u>Call Price</u>
Commonwealth of	5/15/2032	WK1	4.000%	\$ 31,835,000	5/15/2022	100%
Virginia Transportation	5/15/2033	WL9	4.000	33,105,000	5/15/2022	100
Capital Projects Revenue	5/15/2034	WM7	4.000	34,430,000	5/15/2022	100
Bonds, Series 2012	5/15/2037	WN5	4.000	111,775,000	5/15/2022	100

APPENDIX G

NOTICE OF SALE

TENTH SUPPLEMENTAL INDENTURE OF TRUST

between

COMMONWEALTH TRANSPORTATION BOARD

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

Dated as of February 1, 2022

Relating to

\$ _____

**Commonwealth of Virginia
Transportation Capital Projects Revenue and Refunding
Bonds,
Series 2022**

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Exhibit A – Form of 2022 Bond

Exhibit B – Refunded Bonds

TENTH SUPPLEMENTAL INDENTURE OF TRUST

This **TENTH SUPPLEMENTAL INDENTURE OF TRUST** (this "Tenth Supplemental Indenture") is made as of February 1, 2022, between the **COMMONWEALTH TRANSPORTATION BOARD**, created and existing under the laws of the Commonwealth of Virginia (the "Board"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, and its successors, as trustee (the "Trustee").

RECITALS

WHEREAS, the Board has executed and delivered to the Trustee the Master Indenture of Trust dated as of May 1, 2010 (the "Master Indenture"), under which, among other things, the Board has provided for (i) the issuance from time to time of Bonds to finance or refinance the Costs of any Project and for such other purposes as may be authorized under and pursuant to the Act and (ii) the security for and sources of payment of the debt service on such Bonds; and

WHEREAS, the Board is now issuing, selling and delivering a Series of Bonds under the Master Indenture in the aggregate principal amount of \$_____; and

WHEREAS, the Board will use the proceeds of such Bonds to pay the issuance costs of such Bonds, to pay the Costs of the Projects and to refund certain outstanding maturities of the Board's Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2012; and

WHEREAS, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, the Board shall deliver to the Trustee a Supplemental Indenture; and

WHEREAS, all things necessary to make the 2022 Bonds valid and binding limited obligations of the Board, when authenticated and issued as provided in this Tenth Supplemental Indenture, and to constitute this Tenth Supplemental Indenture a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the 2022 Bonds, have been done and performed.

NOW, THEREFORE, the Board hereby covenants and agrees with the Trustee and with the Owners from time to time of the 2022 Bonds as follows:

ARTICLE I TENTH SUPPLEMENTAL INDENTURE

Section 1.1 Tenth Supplemental Indenture. This Tenth Supplemental Indenture is authorized and executed by the Board and delivered to the Trustee pursuant to and in accordance with the Bond Resolution and Articles V and XII of the Master Indenture. All terms, covenants, conditions and agreements of the Master Indenture apply with full force and effect to the 2022 Bonds, except as otherwise provided in this Tenth Supplemental Indenture.

Section 1.2 Definitions. All capitalized words and terms used but not defined in this Tenth Supplemental Indenture have the meanings set forth in Article I of the Master Indenture. In

addition, the following words and terms have the following meanings unless the context clearly requires otherwise:

"2022 Bonds" means the Series of Bonds authorized to be issued under Section 2.1 hereof.

"2022 Cost of Issuance Fund" means the Cost of Issuance Fund related to the 2022 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Tenth Supplemental Indenture.

"2022 Rebate Fund" means the Rebate Fund related to the 2022 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Tenth Supplemental Indenture.

"2022 Tax Compliance Agreement" means the Federal Tax Certificate and Compliance Agreement dated the Closing Date made by the Board for the benefit of the Trustee and the Owners of the 2022 Bonds.

"Bond Resolution" means (i) the resolution adopted by the Board on December 8, 2021, and entitled "Resolution of the Commonwealth Transportation Board Authorizing the Issuance and Sale of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2022" and (ii) the resolution adopted by the Board on June 17, 2020, and entitled "Resolution of the Commonwealth Transportation Board Authorizing the Issuance and Sale of Revenue Refunding Bonds."

"Closing Date" means the date of the issuance and delivery of the 2022 Bonds.

"Dated Date" means the Closing Date.

"DTC" has the meaning set forth in Section 2.3 hereof.

"Tenth Supplemental Indenture" means this Tenth Supplemental Indenture of Trust, dated as of February 1, 2022, between the Board and the Trustee, as it may be modified, altered, amended or supplemented from time to time in accordance with the provisions herein and of the Master Indenture.

"Letter of Representations" means the Board's Blanket Letter of Representations to DTC.

"Master Indenture" means the Master Indenture of Trust dated as of May 1, 2010, between the Board and the Trustee, as previously supplemented and amended and as the same may be modified, altered, amended and supplemented from time to time in accordance with its terms.

"Rebate Requirement" means, collectively, the requirements applicable to tax-exempt bonds under Section 148(f)(2) and (3) of the Tax Code.

"Refunded Bonds" means the Board's Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2012, as more particularly described in Exhibit B.

Section 1.3 Representations of the Board. The Board represents that (i) it is duly authorized under the Constitution and laws of the Commonwealth, including particularly and without limitation the Act, to issue the 2022 Bonds, to execute this Tenth Supplemental Indenture, and to pledge and grant a security interest in the Revenues, the Bond Debt Service Fund, and the Project Fund as security for the 2022 Bonds in the manner and to the extent set forth in the Master Indenture and this Tenth Supplemental Indenture, (ii) all action on its part necessary for the execution and delivery of this Tenth Supplemental Indenture has been taken, and (iii) the 2022 Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Board.

**ARTICLE II
AUTHORIZATION AND DETAILS OF 2022 BONDS**

Section 2.1 Authorization of 2022 Bonds. (a) There is authorized to be issued pursuant to the Master Indenture a Series of Bonds of the Board in the aggregate principal amount of \$_____ to be called the "Commonwealth of Virginia Transportation Capital Projects Revenue and Refunding Bonds, Series 2022." The proceeds of the 2022 Bonds shall be used for the purposes set forth in the recitals, including paying the Costs of the Projects and refunding the Refunded Bonds.

Section 2.2 Details of 2022 Bonds. (a) The 2022 Bonds shall be dated the Dated Date, shall be issued in denominations of \$5,000 and integral multiples of \$5,000, shall be numbered from R-1 upwards, sequentially, and shall bear interest, payable on each May 15 and November 15, commencing on May 15, 2022 at the rates set forth below and shall mature on May 15 in the years and in the amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$	%	2035	\$	%
2024			2036		
2025			2037		
2026			2038		
2027			2039		
2028			2040		
2029			2041		
2030			2042		
2031			2043		
2032			2044		
2033			2045		
2034			2046		

(b) The 2022 Bonds shall bear interest (i) from the Dated Date, if such 2022 Bond is authenticated before May 15, 2022, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such 2022 Bond is authenticated; provided, however, that if at the time of authentication any payment of interest is in default, such 2022 Bond shall bear interest from the date to which interest has been paid. Interest on the 2022 Bonds shall be computed on the basis of a year of 360 days and twelve 30-day months.

(c) Interest on the 2022 Bonds shall be payable by checks or drafts mailed to the Owners thereof at their addresses as they appear on November 1 (with respect to a November 15 Payment Date) and May 1 (with respect to a May 15 Payment Date) on the registration books kept by the Trustee. Notwithstanding the foregoing, if (i) the Owner of a 2022 Bond owns at least \$1,000,000 in aggregate principal amount of 2022 Bonds and (ii) such Owner has provided satisfactory prior notice to the Trustee regarding payment by wire transfer, then interest shall be paid to such Owner by wire transfer. Principal of and premium, if any, on the 2022 Bonds shall be payable to the Owners thereof upon the surrender of the 2022 Bonds at the Trustee's corporate trust office in Minneapolis, Minnesota or such other office as the Trustee may designate.

(d) Notwithstanding the foregoing, for so long as Cede & Co. or other nominee of DTC is Owner of all of the 2022 Bonds, principal of and premium, if any, and interest on the 2022 Bonds shall be payable as provided in the Letter of Representations.

(e) The principal of and premium, if any, and interest on the 2022 Bonds shall be payable in lawful money of the United States of America.

(f) If the principal of any 2022 Bond is not paid when due (whether at maturity, by mandatory sinking fund redemption or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the rate set forth in the 2022 Bond.

Section 2.3 Book Entry Provisions for the 2022 Bonds. (a) The 2022 Bonds will be registered in the name of Cede & Co., a nominee of The Depository Trust Company ("DTC"), and immobilized in DTC's custody. One fully registered Bond for the original principal amount of each maturity of each Series will be registered to Cede & Co. Beneficial owners of the 2022 Bonds will not receive physical delivery of the 2022 Bonds. Individual purchases of the 2022 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000. For as long as the 2022 Bonds are held in book-entry format, payments of principal of and premium, if any, and interest on the 2022 Bonds will be made to DTC or its nominee as the sole Owner on the applicable Payment Date in accordance with the Letter of Representations.

DTC is responsible for the transfer of the payments of the principal of and premium, if any, and interest on the 2022 Bonds to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants"). Transfer of the payments of the principal of and premium, if any, and interest on the 2022 Bonds to the beneficial owners of the 2022 Bonds is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of beneficial ownership interests in the 2022 Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the 2022 Bonds, in accordance with rules specified by DTC and its Participants. Neither the Board nor the Trustee makes any assurances that DTC, its Participants or other nominees of the beneficial owners of the 2022 Bonds will act in accordance with such rules or on a timely basis.

The Board and the Trustee disclaim any responsibility or obligations to the Participants or the beneficial owners with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any

amount due to any beneficial owner in respect of the principal of and premium, if any, and interest on the 2022 Bonds, (iii) the delivery by DTC or any Participant of any notice to any beneficial owner that is required or permitted under the terms of the Master Indenture or this Tenth Supplemental Indenture to be given to Owners of the 2022 Bonds, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the 2022 Bonds or (v) any consent given or other action taken by DTC as Owner.

So long as Cede & Co., as nominee of DTC, is the sole Owner of the 2022 Bonds, references in the Master Indenture or this Tenth Supplemental Indenture to the Owners or registered owners of the 2022 Bonds shall mean Cede & Co. and not the beneficial owners of the 2022 Bonds. Any notice to or consent requested of Owners of 2022 Bonds under the Master Indenture or this Tenth Supplemental Indenture shall be given to or requested of Cede & Co.

(b) Replacement Bonds (the "Replacement Bonds") will be registered in the name of and be issued directly to beneficial owners of the 2022 Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the 2022 Bonds; or

(2) The Trustee or the Board has advised DTC of the Board's determination that DTC is incapable of discharging its duties or that it is otherwise in the best interests of the beneficial owners of the 2022 Bonds to discontinue the book-entry system of transfer.

(c) Upon the occurrence of an event described in subsection (b)(1) or (2) above (and the Trustee and the Board undertake no obligation to make any investigation regarding the matters described in subsection (b)(2) above), the Board may attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace DTC, the Board shall execute and the Trustee shall authenticate and deliver to the Participants the Replacement Bonds (substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by the Master Indenture or this Tenth Supplemental Indenture) to which the Participants are entitled for delivery to the beneficial owners of the 2022 Bonds. The Trustee shall be entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds. The Owners of the Replacement Bonds shall be entitled to the lien and benefits of the Master Indenture and this Tenth Supplemental Indenture.

Section 2.4 Form of 2022 Bonds. Each of the 2022 Bonds shall be substantially in the form attached as Exhibit A to this Tenth Supplemental Indenture, with such appropriate variations, omissions and insertions as permitted or required by the Master Indenture or this Tenth Supplemental Indenture. There may be endorsed on any of the 2022 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Section 2.5 Authentication of 2022 Bonds. Each 2022 Bond shall bear a certificate of authentication, substantially as set forth in the applicable form of the 2022 Bond attached as an exhibit, duly executed by the Trustee. The Trustee shall authenticate each 2022 Bond with the signature of one of its authorized officers or employees, but it shall not be necessary for the same person to authenticate all of the 2022 Bonds. Only such authenticated 2022 Bonds shall be entitled to any right or benefit under the Master Indenture or this Tenth Supplemental Indenture, and such certificate on any 2022 Bond shall be conclusive evidence that the 2022 Bond has been duly issued under and is secured by the provisions of the Master Indenture and this Tenth Supplemental Indenture.

**ARTICLE III
REDEMPTION OF 2022 BONDS**

Section 3.1 Optional Redemption. (a) The Board shall not call the 2022 Bonds for optional redemption except as provided in this section.

(b) The 2022 Bonds maturing on or before May 15, 2031, shall not be subject to redemption at the Board's option before their respective maturity dates.

(c) The 2022 Bonds maturing on or after May 15, 2032, may be redeemed prior to their respective maturities, at the option of the Board, from any moneys that may be made available for such purpose, either in whole or in part (in \$5,000 increments), on any date and in such order as the Board may determine on and after May 15, 2031, at 100% of the principal amount to be redeemed together with the interest accrued on the principal amount to be redeemed to the date fixed for redemption.

Section 3.2 Mandatory Sinking Fund Redemption.

(a) The 2022 Bonds maturing on May 15, 20___, are required to be redeemed in part before maturity by the Board on May 15 in the years and the amounts shown below, at a redemption price equal to 100% of the principal amount of the 2022 Bonds to be redeemed, plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

(final maturity)

(b) The Board will receive a credit for payments required to be made on any mandatory sinking fund redemption date in an amount equal to the principal amount of the 2022 Bonds subject to mandatory sinking fund redemption on such date that have been redeemed (otherwise than by mandatory sinking fund redemption) before such mandatory sinking fund redemption date or purchased by the Board or by anyone acting on behalf of the Board and delivered to the Trustee for cancellation at least 60 days before such date; provided, however, that the principal amount of the 2022 Bonds has not previously been applied as a credit against any mandatory sinking fund redemption payment.

(c) Mandatory redemption of the 2022 Bonds pursuant to this Section 3.2 shall not require the Board or a Board Representative to provide notice of the pending redemption to the Trustee.

Section 3.3 Selection of 2022 Bonds for Redemption. If less than all of the 2022 Bonds are called for optional redemption, the maturities of the 2022 Bonds to be redeemed will be called in such order as the Board may determine.

Section 3.4 Notice of Redemption. (a) When (i) required to redeem 2022 Bonds under any provision of the Master Indenture or this Tenth Supplemental Indenture or (ii) directed to do so by a Board Representative in writing at least 45 days before the date fixed for redemption, the Trustee shall cause notice of the redemption to be mailed by first class mail, not less than 30 nor more than 60 days before the redemption date, to all Owners of 2022 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee; provided, however, that the failure to mail any such notice or any defect in the mailing to any one or more of the Owners shall not affect the validity of the redemption with respect to any Owners to whom such notice was properly mailed.

(b) Any notice of redemption may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied.

(c) Any notice of redemption mailed in the manner specified above shall be deemed to have been duly given when mailed by the Trustee.

(d) In preparing any notice of redemption, the Trustee shall take into account, to the extent it has knowledge and is applicable, the prevailing tax-exempt securities industry standards and any regulatory statement of any federal or state administrative body having jurisdiction over the Board or the tax-exempt securities industry, including without limitation, Release No. 34-23856 of the Securities and Exchange Commission, or any subsequent amending or superseding release.

(e) Any notices given to DTC under this Section shall be given at the times and in the manner set forth in the Letter of Representations.

Section 3.5 Payment of Redemption Price. (a) On or before the date fixed for redemption, funds shall be deposited with the Trustee to pay the redemption price of the 2022 Bonds called for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date and the required notice shall have been given, the 2022 Bonds called for redemption shall cease to bear interest from and after the redemption date, shall no longer be entitled to the benefits provided by the Master Indenture and this Tenth Supplemental Indenture and shall not be deemed to be Outstanding under the provisions of the Master Indenture and this Tenth Supplemental Indenture.

(b) The Trustee shall ensure that CUSIP number identification accompanies all redemption payments on the 2022 Bonds.

ARTICLE IV
ESTABLISHMENT OF FUNDS; APPLICATION OF SALE PROCEEDS

Section 4.1 Establishment of Funds for the 2022 Bonds. (a) In accordance with Section 7.1 of the Master Indenture, the 2022 Cost of Issuance Fund and the 2022 Rebate Fund are hereby established for the 2022 Bonds.

(b) The 2022 Rebate Fund shall be held by the Trustee. The 2022 Cost of Issuance Fund shall be held on behalf of the Board by the Trustee.

Section 4.2 Application of Sale Proceeds of the 2022 Bonds. On the Closing Date, the Trustee shall apply the total amount received for the 2022 Bonds in payment therefor (\$_____), consisting of \$_____ received from the underwriters on the Closing Date and \$_____ received from the Board on the Closing Date (such amount representing the good faith deposit from the underwriters), as follows:

(a) \$_____ shall be deposited in the 2022 Cost of Issuance Fund;

(b) \$_____ shall be deposited in the Project Fund; and

(c) \$_____ shall be deposited in the Escrow Fund established under that certain Escrow Agreement dated February __, 2022, in accordance with Section 7.2 of the Master Indenture, and used to defease and redeem the Refunded Bonds.

ARTICLE V
APPLICATION OF CERTAIN FUNDS

Section 5.1 Project Fund. (a) The Board shall apply the amounts in the Project Fund to pay the Costs of Projects.

(b) The Trustee shall disburse the money in the Project Fund in accordance with Section 7.4 of the Master Indenture.

Section 5.2 2022 Cost of Issuance Fund. (a) The Board shall apply the amounts in the 2022 Cost of Issuance Fund to pay the issuance costs of the 2022 Bonds.

(b) Any amounts deposited in the 2022 Cost of Issuance Fund as described in Section 4.2(a) that are not applied in accordance with this Section and Section 7.7 of the Master Indenture to pay the costs of issuance of the 2022 Bonds shall, at the written direction of a Board Representative, be transferred by or on behalf of the Board to the Bond Debt Service Fund and applied by the Trustee to pay debt service on the 2022 Bonds before any other amounts therein are so used.

Section 5.3 2022 Rebate Fund. The Trustee shall invest and apply amounts on deposit in the 2022 Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the 2022 Tax Compliance Agreement. The Trustee shall have no continuing responsibility for amounts on deposit in the 2022 Rebate Fund other than to ensure that such amounts are not commingled with any other funds as required under the Master Indenture.

ARTICLE VI SPECIAL COVENANTS

Section 6.1 2022 Tax Compliance Agreement. (a) The Board shall not take any action, or omit to take any action, if any such action or omission would adversely affect the excludability from gross income of interest on the 2022 Bonds under Section 103 of the Tax Code. The Board shall not directly or indirectly use or permit the use of any proceeds of the 2022 Bonds or any other funds of the Board or take or omit to take any action that would cause the 2022 Bonds to be "arbitrage bonds" under Section 148(a) of the Tax Code. To these ends, the Board shall comply with all requirements of Sections 141 through 150 of the Tax Code, including the Rebate Requirement, to the extent applicable to the 2022 Bonds.

(b) Without limiting the generality of the foregoing, the Board: (i) shall not directly or indirectly use or permit the use of the proceeds of the 2022 Bonds except in accordance with the 2022 Tax Compliance Agreement and (ii) shall act as though the requirements of the 2022 Tax Compliance Agreement are specifically set forth herein.

(c) The Trustee shall comply with all written instructions of the Board Representative given in accordance with the 2022 Tax Compliance Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2022 Tax Compliance Agreement. If the Trustee requests, the Trustee shall receive written instructions from Bond Counsel acceptable to the Trustee regarding the interpretation of Sections 141 through 150 of the Tax Code, and the Trustee shall comply with such directions (upon which the Trustee and the Board may conclusively rely) so as to enable the Board to perform its covenants under this Section.

(d) Notwithstanding any provisions of this Section, if the Board provides to the Trustee an Opinion of Bond Counsel addressed and acceptable to the Board and the Trustee to the effect that any action required under this Section by incorporation or otherwise is not required to maintain the excludability from gross income of the interest on the 2022 Bonds under Section 103 of the Tax Code, the Board and the Trustee shall rely conclusively on such opinion in complying with the provisions of this Section.

ARTICLE VII MISCELLANEOUS

Section 7.1 Amendments to Master Indenture. Reference is hereby made to the amendments to the Master Indenture contained in Article VII of the Second Supplemental Indenture of Trust dated May 1, 2011, by and between the Board and the Trustee, which provisions are incorporated in the Master Indenture and made a part thereof. The amended provisions are set forth in Exhibit C.

Section 7.2 Successors and Assigns. This Tenth Supplemental Indenture is binding upon, inures to the benefit of and is enforceable by the parties to it and their respective successors and assigns.

Section 7.3 Severability. If any provision of this Tenth Supplemental Indenture is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 7.4 Governing Law. This Tenth Supplemental Indenture shall be governed by and construed under the applicable laws of the Commonwealth.

Section 7.5 Counterparts. This Tenth Supplemental Indenture may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

Section 7.6 Parties Interested. Nothing in this Tenth Supplemental Indenture expressed or implied is intended or will be construed to confer upon any Person, other than the Board, the Trustee and the Owners of the 2022 Bonds, any right, remedy or claim under or by reason of this Tenth Supplemental Indenture, this Tenth Supplemental Indenture being intended for the sole and exclusive benefit of the Board, the Trustee and the Owners of the 2022 Bonds.

[Signature page follows]

IN WITNESS WHEREOF, the Board and the Trustee have caused this Tenth Supplemental Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

COMMONWEALTH TRANSPORTATION BOARD

By: _____
Chairperson

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

By: _____
Vice President

EXHIBIT A
FORM OF 2022 Bond

REGISTERED
R-___

CUSIP
927793 ___

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COMMONWEALTH TRANSPORTATION BOARD

COMMONWEALTH OF VIRGINIA
TRANSPORTATION CAPITAL PROJECTS REVENUE AND REFUNDING BOND
SERIES 2022

INTEREST RATE	MATURITY DATE	DATED DATE
___%	May 15, 20__	_____, 2022

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS (\$_____)

THE COMMONWEALTH TRANSPORTATION BOARD ("the Board"), for value received, promises to pay upon surrender of this Bond at the corporate trust office of Wells Fargo Bank, National Association, or its successor, as trustee and paying agent (the "Trustee") under the Indenture, as hereinafter defined, to the registered owner of this Bond (the "Owner") or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, and to pay interest on this Bond semiannually on each May 15 and November 15, commencing May 15, 2022, at the annual rate stated above, solely from the sources pledged for such purpose as described below. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

"Indenture" means the Master Indenture of Trust dated as of May 1, 2010, between the Board and the Trustee, as previously supplemented and amended (the "Master Indenture") and as further supplemented by the Tenth Supplemental Indenture of Trust dated as of February 1, 2022 (the "Tenth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), between the Board and the Trustee.

Unless otherwise defined, each capitalized term used in this Bond has the meaning given it in the Indenture.

Interest is payable (i) from the dated date set forth above (the "Dated Date"), if this Bond is authenticated before May 15, 2022 or (ii) otherwise from the interest payment date that is, or immediately precedes, the date on which this Bond is authenticated (unless payment of interest on this Bond is in default, in which case this Bond shall bear interest from the date to which interest has been paid). Interest on this Bond is computed on the basis of a year of 360 days and twelve 30-day months.

Interest is payable by check or draft mailed to the holder of this Bond at the address that appears on November 1 (with respect to a November 15 payment date) and May 1 (with respect to a May 15 payment date) on the registration books kept by the Trustee. Notwithstanding the foregoing, if (i) the Owner of this Bond owns at least \$1,000,000 in aggregate principal amount of the 2022 Bonds (as defined below) and (ii) such Owner has provided satisfactory prior notice to the Trustee regarding payment by wire transfer, then interest shall be paid to such Owner by wire transfer. Notwithstanding anything to the contrary contained in this Bond or in the Indenture, for so long as Cede & Co. or any other nominee of DTC is the Owner of all of the 2022 Bonds, the principal of and premium, if any, and interest on this Bond shall be payable pursuant to the additional requirements provided under the Board's Blanket Issuer Letter of Representations to DTC.

If the date of maturity of the principal of this Bond or the date fixed for the payment of interest on this Bond shall not be a Business Day, then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such date of maturity or date fixed for the payment of interest.

This Bond is one of an issue of \$_____ Commonwealth of Virginia Transportation Capital Projects Revenue and Refunding Bonds, Series 2022 Bonds (the "2022 Bonds"), of like date and tenor, except as to number, denomination, rate of interest, and maturity, authorized and issued by the Board pursuant to the Act, a resolution adopted by the Board on December 8, 2021, and the Indenture, to provide proceeds to be used to pay the issuance costs of the 2022 Bonds, to refund the Refunded Bonds and to pay the Costs of the Projects.

The 2022 Bonds and the premium, if any, and the interest thereon are limited obligations of the Board and payable solely from the revenues, moneys and other property pledged to the Trustee for such purpose under the Indenture. This Bond is secured on parity with the other 2022 Bonds, the Outstanding Bonds on the date hereof, and other Bonds hereafter to be issued and Outstanding under the Indenture. **THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF. NOTHING IN THIS BOND OR IN THE INDENTURE SHALL BE DEEMED TO CREATE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF.**

Reference is made to the Indenture and all amendments and supplements to it for a description of the provisions, among others, with respect to the nature and extent of the security for the 2022 Bonds, the rights, duties and obligations of the Board and the Trustee, the rights of the Owners of the 2022 Bonds and the terms upon which the 2022 Bonds are issued and secured. The Board has issued certain bonds and may from time to time hereafter issue additional bonds ranking equally with the 2022 Bonds for certain purposes on the terms provided in the Indenture.

The 2022 Bonds maturing on or before May 15, 2031, shall not be subject to redemption at the Board's option before their respective maturity dates.

The 2022 Bonds maturing on or after May 15, 2032, are subject to optional redemption prior to their respective maturities on or after May 15, 2031, at the option of the Board, in whole or in part (in increments of \$5,000) at any time, at a redemption price equal to 100% of the principal amount of the 2022 Bonds to be redeemed together plus unpaid interest accrued on the principal amount to be redeemed to the date fixed for redemption.

The 2022 Bonds maturing on May 15, 20__ are required to be redeemed in part before maturity by the Board on May 15 in the years and the amounts shown below, at a redemption price equal to 100% of the principal amount of the 2022 Bonds to be redeemed, plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Principal Amount</u>
	\$

(final maturity)

The Board will receive a credit for payments required to be made on any mandatory sinking fund redemption date in an amount equal to the principal amount of the 2022 Bonds subject to mandatory sinking fund redemption on such date that have been redeemed (otherwise than by mandatory sinking fund redemption) before such mandatory sinking fund redemption date or purchased by the Board or by anyone acting on behalf of the Board and delivered to the Trustee for cancellation at least sixty days before such date; provided, however, that the principal amount of the 2022 Bonds has not previously been applied as a credit against any mandatory sinking fund redemption payment.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect to it, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any supplement to it may be made only to the extent and in the circumstances permitted by the Indenture.

The 2022 Bonds are issuable as registered bonds in denominations of \$5,000 and integral multiples of \$5,000. Upon surrender for transfer or exchange of this Bond at the Trustee's designated corporate trust office, the Board shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees or Owner, as applicable, a new 2022 Bond or

2022 Bonds of like date, tenor and of any authorized denomination for the aggregate principal amount any such transferee or Owner is entitled to receive, subject in each case to such reasonable regulations as the Board or the Trustee may prescribe. When presented for transfer, exchange, or payment, this Bond must be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Board and the Trustee, duly executed by the Owner or by his or her duly authorized attorney-in-fact or legal representative. Any such transfer or exchange shall be at the Board's expense, except that the Trustee may charge the person requesting such transfer or exchange the amount of any tax or other governmental charge required to be paid with respect to it.

The Owner of this Bond shall be treated as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Owner, except that interest payments shall be made to the person registered as Owner on the first day of the month of each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

This Bond shall not become obligatory for any purpose, be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Bond and inserted the date of authentication.

[Signature Page Follows]

IN WITNESS WHEREOF, the Commonwealth Transportation Board has caused this Bond to be signed by the facsimile signature of its Chairperson, a facsimile of its seal to be printed on it and attested by the facsimile signature of its Secretary, and this Bond to be dated the Dated Date.

(SEAL)

**COMMONWEALTH TRANSPORTATION
BOARD**

By: _____
Chairperson

ATTEST:

Secretary

[Signature Page of the Bond]

* * * * *

CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2022 Bonds described in the above-mentioned Indenture.

Authentication Date: _____, 2022

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF
TRANSFEREE)

this Bond and all rights under it, and irrevocably constitutes and appoints
_____, attorney, to transfer this Bond on the books kept for its
registration, with full power of substitution.

Dated: _____

Tax I.D. No. _____

Signature Guaranteed:

(NOTE: The signature of the registered owner
or owners must be guaranteed by an Eligible
Guarantor Institution such as a Commercial
Bank, Trust Company, Securities
Broker/Dealer, Credit Union or Savings
Association which is a member of a medallion
program approved by The Securities Transfer
Association, Inc.)

Registered Owner
(NOTE: The signature above must correspond
exactly with the name of the registered owner as
it appears on the front of this Bond.)

EXHIBIT B
REFUNDED BONDS

Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2012

<u>Maturity</u> <u>Date</u>	<u>CUSIP</u> <u>Number</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	<u>Call Price</u>
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EXHIBIT C
AMENDMENTS TO MASTER INDENTURE

Section 5.3(e) of the Master Indenture of Trust dated as of May 1, 2010, between the Commonwealth Transportation Board (the "Board") and Wells Fargo Bank, National Association, as trustee (the "Trustee") has been amended by Article VII of the Second Supplemental Indenture of Trust dated as of May 1, 2011, between the Board and the Trustee, as follows:

(e) If required by law, a certificate of the Board, signed by the Chairman or the Vice-Chairman of the Board and dated the date of delivery of the Bonds of the Series then to be issued, substantially to the effect that the Revenues then in the Priority Transportation Fund or reasonably anticipated to be deposited into the Priority Transportation Fund pursuant to the law then in effect are by themselves sufficient to make 100% of the contractually required debt service payments on all bonds, obligations, or other evidences of debt that expressly require as a source for debt service payments or for the repayment of such bonds, obligations, or other evidences of debt the revenues of the Priority Transportation Fund, including any interest related thereto and the retirement of such bonds, obligations, or other evidences of debt, provided, however, that contractually required debt service shall not include debt service scheduled to be paid from the Revenue Stabilization Fund or the Project Fund;

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is dated _____, 2022 (the "Closing Date"), and is executed and delivered by the **Commonwealth Transportation Board** (the "Transportation Board") of the Commonwealth of Virginia (the "Commonwealth") in connection with the issuance by the Transportation Board of its \$ _____ Commonwealth of Virginia Transportation Capital Projects Revenue and Refunding Bonds, Series 2022 (the "Bonds"), pursuant to the provisions of a Master Indenture of Trust dated as of May 1, 2010, as previously supplemented and amended, and as further supplemented by a Tenth Supplemental Indenture of Trust dated as of February 1, 2022 (collectively, the "Indenture"), entered into between the Transportation Board and Wells Fargo Bank, National Association, as trustee (the "Trustee").

The Transportation Board hereby covenants and agrees as follows:

Definitions. In addition to capitalized terms defined elsewhere in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Transportation Board pursuant to and as described in Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" means the Transportation Board, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent. Notwithstanding anything contained in this definition, the dissemination agent shall not be required to have any agency relationship with the Transportation Board for purposes of state law.

"EMMA" means the MSRB's Electronic Municipal Market Access system, the internet address of which is <http://emma.msrb.org/>, and any successor thereto.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

"Fiscal Year" means the twelve-month period, at the end of which the financial position of the Transportation Board and results of its operations for such period are determined. Currently, the Transportation Board's Fiscal Year begins July 1 and continues through June 30 of the next year.

"General Assembly" means the General Assembly of the Commonwealth of Virginia.

"Holder" means, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Statement" means the Transportation Board's Official Statement with respect to the Bonds, dated _____, 2022.

"Project" means any transportation project for which the net proceeds of the Bonds may be used to provide funds pursuant to the Commonwealth Transportation Capital Projects Bond Act of 2007, enactment clause 2 of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia, 2007 Regular Session, as amended; Item 456.H. of Chapter 874 of the Acts of the General Assembly of the Commonwealth of Virginia, 2010 Regular Session, as amended; and Chapter 854 of the Acts of the General Assembly of the Commonwealth of Virginia, 2018 Regular Session, as amended.

"Rule" means Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Transportation Board for the benefit of the Holders and to assist the Participating Underwriters in complying with the Rule. The Transportation Board acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

Provision of Annual Reports: Audited Financial Statements.

By not later than 10 months following the end of each Fiscal Year of the Transportation Board, commencing with the Fiscal Year ending June 30, 2022, the Transportation Board shall submit, or shall cause the Dissemination Agent (if different from the Transportation Board) to submit, to EMMA an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package and (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement;

The Transportation Board does not produce separate financial statements, but its financial activity is included in the audited financial statements of the Commonwealth. Accordingly, the Commonwealth is an obligated person for whom financial or operating data is presented in the Official Statement, and the Commonwealth has separately executed and delivered a continuing disclosure agreement dated the date hereof related to the offering and sale of the Bonds for the benefit of Holders of the Bonds and to assist the Participating Underwriters in complying with the Rule. If, at any time in the future, as a result of a change in law or accounting policy, the Transportation Board should produce a separate audited financial statement, then the Transportation Board will make public such audited financial statements as provided in the Rule; and

If the Transportation Board fails to submit an Annual Report to EMMA by the date required in subsection (a) hereof, the Transportation Board shall or shall cause the Dissemination Agent (if different from the Transportation Board) to send, in a timely manner, an appropriate notice to the MSRB in substantially the form attached hereto as Exhibit A.

Content of Annual Reports. Each Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following information, all with a view toward assisting the Participating Underwriters in complying with the Rule:

if any of the information has changed, updated information regarding the Capital Projects Revenue Bonds Program as set forth in the first two paragraphs under the section bearing such heading in the Official Statement, including bond authorization for the Projects;

updated information contained in the chart titled ["Priority Transportation Fund Revenues"] in the section of the Official Statement titled "Priority Transportation Fund;"

updated information contained in the chart titled ["Commonwealth Transportation Fund"] in the section of the Official Statement titled "Transportation Trust Fund;" and

to the extent other funds are appropriated by the General Assembly with respect to the Bonds, a chart or other updated information detailing the sources of such other funds appropriated by the General Assembly with respect to the Bonds, as of the end of the preceding Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements, documents related to debt issues or other documents of the Transportation Board or the Commonwealth, that have been filed with the MSRB or the Securities and Exchange Commission. If the document

incorporated by reference is a final official statement, it must be available from the MSRB. The Transportation Board shall clearly identify each such other document so incorporated by reference.

Event Notices. The Transportation Board will submit, or cause the Dissemination Agent (if not the Transportation Board) to submit, in a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB, notice of the occurrence of any of the following events (listed in subsection (b)(5)(i)(c) of the Rule) with respect to the Bonds of which the Transportation Board has actual knowledge:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- 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;
- Modifications to rights of Holders of the Bonds, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Transportation Board;
- The consummation of a merger, consolidation, or acquisition involving the Transportation Board or the sale of all or substantially all of the assets of the Transportation Board, 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 actions, other than pursuant to its terms, if material;
- Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Holders of the Bonds, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

The Transportation Board does not undertake to provide the above-described notice in the event of a scheduled mandatory redemption, not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Official Statement for the Bonds, (ii) the only open issue is which Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Holders under the terms of the Indenture and (iv) public notice of the redemption is given pursuant to Release No. 34-23856 of the Securities and Exchange Commission, even if the originally scheduled amounts may be reduced by prior optional redemption or Bond purchases.

Termination of Reporting Obligation. The obligations of the Transportation Board under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Bonds.

Dissemination Agent. The Transportation Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any such successor Dissemination Agent will be deemed to be appointed pursuant to this Disclosure Agreement. It is currently anticipated that such successor Dissemination Agent may include, among others, Digital Assurance Certification LLC, or similar organizations that may exist from time to time. If at any time there is not any other designated Dissemination Agent, the Transportation Board shall be the Dissemination Agent.

Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Transportation Board may amend this Disclosure Agreement if such amendment is supported by a written opinion of independent counsel to the Transportation Board with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Transportation Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice described in Section 5 above, in addition to that which is required by this Disclosure Agreement, including without limitation the Annual Financial Report of the Virginia Department of Transportation. If the Transportation Board chooses to include any information in any Annual Report or notice described in Section 5 above, in addition to that which is specifically required by this Disclosure Agreement, the Transportation Board shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice.

Default. Any person referred to in Section 11 (other than the Transportation Board) may take such action as may be permitted by law against the appropriate public official to secure compliance with the obligation of the Transportation Board to file its Annual Report or to give notice as described in Section 5. In addition, Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Disclosure Agreement or to enforce any other obligation of the Transportation Board hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture or any applicable resolution or other debt authorization of the Transportation Board, and the sole remedy under this Disclosure Agreement in the event of any failure of the Transportation Board to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Transportation Board, the Participating Underwriters, and the Holders and shall create no rights in any other person or entity.

Identifying Information. If the Transportation Board is providing to EMMA the documents required under this Disclosure Agreement, the Transportation Board shall provide such documents with any identifying information prescribed by the MSRB.

IN WITNESS WHEREOF, the undersigned Chairperson of the Commonwealth Transportation Board has executed this Continuing Disclosure Agreement, as of the Closing Date.

COMMONWEALTH TRANSPORTATION BOARD

By: _____
Shannon R. Valentine, Chairperson

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COMMONWEALTH TRANSPORTATION BOARD

in connection with

Commonwealth of Virginia
Transportation Capital Projects Revenue and Refunding Bonds, Series 2022

CUSIP Numbers:
927793 ___ to ___

Dated: _____, 2022

NOTICE IS HEREBY GIVEN that the Commonwealth Transportation Board (the "Transportation Board") has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the issuance of the above-named bonds. The Transportation Board anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____ [or it has been filed as of _____].

Dated: _____

COMMONWEALTH TRANSPORTATION BOARD

By: _____
Its: _____

NOTICE OF SALE

Commonwealth Transportation Board
\$ _____*
Commonwealth of Virginia
Transportation Capital Projects Revenue and Refunding Bonds,
Series 2022

Electronic bids, via *PARITY*® Competitive Bidding System (*PARITY*®) for the purchase of all, and not less than all, of the \$ _____* preliminary aggregate principal amount of Commonwealth of Virginia Transportation Capital Projects Revenue and Refunding Bonds, Series 2022 (the “Bonds”) will be received by the Commonwealth Transportation Board (the “Transportation Board”) until 10:30 a.m. (Eastern) on February 8, 2022 (unless changed as described herein). Capitalized terms not defined herein shall have the meanings defined in the Preliminary Official Statement dated the date hereof.

Description of Bonds; Interest Payment Dates

The Bonds will be dated their date of delivery and will be issued as fully registered bonds in book-entry form only. Interest on the Bonds will be calculated on a 30/360 basis and will be payable semiannually on May 15 and November 15, commencing May 15, 2022.

Principal Amortization

Principal on the Bonds will be paid (subject to prior redemption) through serial maturities and/or term maturities with annual sinking fund redemptions on the following dates and in the following amounts:

May 15	Preliminary Annual Principal Amounts*	May 15	Preliminary Annual Principal Amounts*
2023	\$	2035	\$
2024		2036	
2025		2037	
2026		2038	
2027		2039	
2028		2040	
2029		2041	
2030		2042	
2031		2043	
2032		2044	
2033		2045	
2034		2046	

Optional Redemption

The Bonds maturing on or before May 15, 2032, will not be subject to optional redemption. The Bonds maturing on and after May 15, 2033, will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2032, in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued on the principal amount to be redeemed to the date fixed for redemption.

Serial Bonds, Term Bonds and Mandatory Sinking Fund Redemption

Bidders may provide in the bid form for all of the Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Bonds to be combined into one or more term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on May 15 of the first year which has been

* Preliminary, subject to adjustment both before and after award of the Bonds as described herein under "Adjustments to Principal Amount".

combined to form such term bond and continuing on May 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the appropriate amortization schedule, as adjusted in accordance with the provisions described below under the caption "Adjustments to Principal Amount." The Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Bonds of the maturity being redeemed.

Selection of Bonds for Redemption

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Bonds of any maturity are called for optional or mandatory redemption, the Bonds to be redeemed will be selected by The Depository Trust Company ("DTC") or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee (as defined below) by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Bond for such purpose.

Book-Entry Only

Initially, one bond certificate for each maturity will be issued to DTC or its nominee, which will be designated as the securities depository for the Bonds. So long as DTC is acting as securities depository for the Bonds, a book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal of, redemption premium, if any, and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable in lawful money of the United States of America by the Trustee.

Transfer of principal, premium, if any, and interest payments to Beneficial Owners will be the responsibility of such participants and other nominees of the Beneficial Owners. The Transportation Board will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Transportation Board in its sole discretion determines (1) that Beneficial Owners will be able to obtain certificated bonds or (2) to select a new securities depository, the Transportation Board will discontinue the book-entry system with DTC. If the Transportation Board fails to identify another qualified securities depository to replace DTC, the Transportation Board will cause the execution and delivery of replacement bonds in the form of fully registered certificates.

Authorization and Security

The Bonds are limited obligations of the Commonwealth of Virginia (the "Commonwealth") and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth of Virginia (the "General Assembly"), or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, and do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth or of any of its political subdivisions. The General Assembly is not obligated to make any such appropriation.

The Bonds are not secured by any mortgage or lien on any transportation facilities of the Commonwealth or the Transportation Board. In the event of a failure to make any payment on the Bonds when due, the Trustee and the owners of the Bonds shall have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of any transportation facilities.

The issuance of the Bonds is authorized by the provisions of (i) the Commonwealth Transportation Capital Projects Bond Act of 2007, enactment clause 2 of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia, 2007 Regular Session (the "2007 Act"); (ii) Item 456.H. of Chapter 874 of the Acts of the General Assembly of the Commonwealth of Virginia, 2010 Regular Session, as amended by Chapter 890 of the Acts of the General Assembly of the Commonwealth of Virginia, 2011 Regular Session, and Chapter 732 of the Acts of the General Assembly of the Commonwealth of Virginia, 2016 Regular Session (collectively, the "Appropriation

Acts”); (iii) Chapters 830 and 868 of the Acts of the General Assembly of the Commonwealth of Virginia, 2011 Regular Session (the “2011 Amendments”); (iv) Chapter 854 of the Acts of the General Assembly of the Commonwealth of Virginia, 2018 Regular Session (the “2018 Amendments” and, together with the 2011 Amendments, the 2007 Act and the Appropriations Acts, the “Capital Projects Revenue Bond Act”); (v) the Transportation Development and Revenue Bond Act, §§ 33.2-1700 et seq. of the Virginia Code (the “State Revenue Bond Act”); and (vi) resolutions adopted by the Transportation Board on June 17, 2020 and December 8, 2021 (collectively, the “Resolution”). The Bonds are being issued pursuant to a Master Indenture of Trust dated as of May 1, 2010, as previously supplemented and amended (the “Master Indenture”) and as further supplemented by a Tenth Supplemental Indenture of Trust dated as of February 1, 2022 (the “Tenth Supplemental Indenture” and collectively, with the Master Indenture, the “Indenture”), each between the Transportation Board and Wells Fargo Bank, National Association, Philadelphia, Pennsylvania, as trustee for the Bonds (the “Trustee”).

The Bonds are secured by and payable from revenues, receipts and funds as follows: (i) from the revenues deposited into the Priority Transportation Fund established pursuant to Section 33.2-1527 of the Virginia Code (the “Priority Transportation Fund”), which is a part of the Transportation Trust Fund, established pursuant to § 33.2-1524.1 of the Virginia Code (the “Transportation Trust Fund”), (ii) to the extent required, from revenues legally available from the rest of the Transportation Trust Fund, and (iii) to the extent required, from any other legally available funds. In addition, the Bonds are secured by and payable from moneys held in certain funds established under the Indenture.

Bid Specifications

No bid for other than all of the Bonds will be considered. All bids must be unconditional. Each proposal for the Bonds must specify the amount bid for such Bonds not less than 100% of the par value of the aggregate principal amount of the Bonds based on the Revised Amounts as described below. Bidders are invited to name the rate or rates of interest that the Bonds are to bear, in multiples of 1/8 or 1/20 of one percent. Any number of rates may be named, provided that (a) the difference between the highest interest rate and the lowest interest rate in each series of bonds shall not exceed 400 basis points and (b) no interest rate may exceed 5.00%. Each bidder must specify in its bid a single rate for each maturity of the Bonds. No Bond of any maturity may be reoffered at a price less than 95% of the principal amount of such Bond.

Electronic Bidding and Bidding Procedures

Registration to Bid. All prospective electronic bidders must be contracted customers of *PARITY*®. If you do not have a contract with *PARITY*®, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds a prospective bidder represents and warrants to the Transportation Board that the bidder has an established industry reputation for underwriting new issuances of municipal bonds and that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Notice of Sale shall conflict with earlier information provided by *PARITY*® as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*® at (212) 849-5021.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via *PARITY*®. Each prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Transportation Board nor *PARITY*® shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Transportation Board nor *PARITY*® shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by *PARITY*®. The Transportation Board is using *PARITY*® as a communication mechanism, and not as the Transportation Board's agent, to conduct the electronic bidding for the Bonds. The Transportation Board is not bound by any advice and determination of *PARITY*® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the “Bid Specifications” hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via *PARITY*® are the sole responsibility of the bidders; and the Transportation Board is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or

submitting, modifying or withdrawing a bid for the Bonds, it should telephone *PARITY*® and notify the Chief Financial Officer of the Virginia Department of Transportation by telephone at (804) 786-3096.

Bidding Procedures. Bids submitted electronically for the purchase of the Bonds (all or none) must be by means of the Commonwealth Transportation Board Bid Form (the “Bid Form”) via *PARITY*® by 10:30 a.m. (Eastern) on February 8, 2022, unless changed as described herein (see “Change of Date and Time for Receipt of Bids”). Prior to that time, a prospective bidder may input and save proposed terms of its bid in *PARITY*®. Once the final bid has been saved in *PARITY*®, the bidder may select the final bid button in *PARITY*® to submit the bid to *PARITY*®. Once the bids are communicated electronically via *PARITY*® to the Transportation Board, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on *PARITY*® shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via *PARITY*®. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

A good faith deposit in the amount of \$_____ * (the “Deposit”) is required in connection with the sale and bid for the Bonds. The Deposit shall be provided for by a federal funds wire transfer to be submitted to the Transportation Board by the successful bidder not later than 4:00 p.m. (Eastern) on the date of sale (the “Wire Transfer Deadline”) as set forth below under “Wire Transfers.” The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Transportation Board to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

Wire Transfers. The Transportation Board will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the Transportation Board in its discretion without any financial liability of the Transportation Board to the successful bidder or any limitation whatsoever on the Transportation Board’s right to sell the Bonds to a different purchaser upon such terms and conditions as the Transportation Board shall deem appropriate.

Adjustments to Principal Amount

Changes Prior to Bidding. The preliminary aggregate principal amount of the Bonds and the preliminary annual principal amounts as set forth in this Notice of Sale (the “Preliminary Aggregate Principal Amount” and the “Preliminary Annual Principal Amounts,” respectively; collectively, the “Preliminary Amounts”) may be revised before the opening of sealed bids for the purchase of the Bonds. Any such revisions (the “Revised Aggregate Principal Amount” and the “Revised Annual Principal Amounts,” respectively; collectively, the “Revised Amounts”) WILL BE ANNOUNCED ON THOMSON MUNICIPAL MARKET MONITOR (“TM3”) (www.tm3.com) NOT LATER THAN 9:30 A.M. (EASTERN) ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

Changes to the Winning Bid. After selecting the winning bid, the Transportation Board will determine the final aggregate principal amount of the Bonds and each final annual principal amount (the “Final Aggregate Principal Amount” and the “Final Annual Principal Amounts,” respectively; collectively, the “Final Amounts”). In determining the Final Amounts, the Transportation Board will not reduce or increase the Revised Aggregate Principal Amount by more than 15% of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREIN DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices (as defined below). The interest rate specified by the successful bidder for

each maturity as the Initial Reoffering Prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder by 10:00 a.m. (Eastern) on the business day following the sale.

Basis of Award

ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M. (EASTERN) ON THE DATE OF THE SALE. An award of the Bonds, if made, will be made by the Transportation Board by such time. Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Transportation Board, based on the Revised Amounts described above. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each combined semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price. The true interest cost shall be calculated from the dated date of the Bonds. In case of a tie, the Transportation Board, at its sole discretion, may select the successful bidder. THE TRANSPORTATION BOARD RESERVES THE RIGHT TO WAIVE IRREGULARITIES IN ANY BID AND TO REJECT ANY OR ALL BIDS.

Establishment of Issue Price

The Transportation Board expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The Transportation Board will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid or whether the bid fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the Transportation Board will notify the successful bidder, and such bidder, upon such notice, shall advise the Transportation Board within 30 minutes of the reasonably expected initial offering price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Transportation Board information to establish the initial expected offering price for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the Transportation Board, on or before the date of issuance of the Bonds, substantially in the form set forth in Exhibit A to the Notice of Sale, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Transportation Board will notify the successful bidder, and such bidder, upon such notice, shall advise the Transportation Board within 30 minutes of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Transportation Board information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Exhibit B to the Notice of Sale, with appropriate completions, omissions and attachments. It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the Transportation Board in writing (via electronic transmission) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by electronic transmission or delivery received by the Transportation Board within 24 hours after notification of the award, furnish the following information to the Transportation Board to complete the Final Official Statement in final form (the "Final Official Statement"):

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the Initial Reoffering Prices).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.

- C. Any other material information that the Transportation Board determines is necessary to complete the Final Official Statement.

After the award of the Bonds, the Transportation Board will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Transportation Board will not include in the Final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Transportation Board in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

The Transportation Board expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds, the Municipal Securities Rulemaking Board ("MSRB"). The successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB and such repositories, to acknowledge that the Transportation Board expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

It is the policy of the Commonwealth of Virginia pursuant to Executive Order 35 (2019) to ensure that small businesses and businesses owned by women and minorities receive every opportunity to compete for the Commonwealth's business. Following award of the Bonds, the Transportation Board requires that the winning bidder provide a listing of syndicate members noting any minority, women or disadvantaged business enterprises participating in the syndicate.

Bond Insurance

In the event the successful bidder has on its own obtained a commitment for a municipal bond insurance policy or other credit enhancement, the Transportation Board shall indicate in the Final Official Statement those maturities that the successful bidder has informed the Transportation Board for which credit enhancement is being sought. The Transportation Board will also indicate within the Final Official Statement that further information concerning such potential credit enhancement may be obtained through the successful bidder. The Transportation Board will not include the identity of the potential credit enhancer or other information with respect to the potential credit enhancer in the Final Official Statement. In addition, the Transportation Board will not place a statement of insurance on the Bonds or provide such documentation, or make such covenants or arrangements, as would customarily be provided, made or arranged if the Transportation Board were to obtain a commitment for municipal bond insurance or other credit enhancement on its own.

If the successful bidder obtains a municipal bond insurance policy or other form of credit enhancement, at the same time it provides the initial reoffering prices and yields it shall advise the Transportation Board of the cost of such credit enhancement and whether it will provide to the Transportation Board, at or before the closing of the Bonds, a certificate prepared by McGuireWoods LLP, Richmond, Virginia ("Bond Counsel") to the effect that (i) the present value of the fees paid for such credit enhancement are less than the present value of the interest reasonably expected to be saved as a result of obtaining such credit enhancement, using the yield on the Bonds (determined with regard to the payments for such credit enhancement) as the discount factor for this purpose, and (ii) to the best of its knowledge, such fees were obtained in arm's length negotiations and do not exceed a reasonable charge for the transfer of credit risk. In addition, the successful bidder will cooperate with the Transportation Board and Bond Counsel to obtain the necessary certifications from the credit enhancement provider. Failure of the Bonds to be so insured or of any such policy to be issued shall not in any manner relieve the successful bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Bonds.

Delivery of Bonds; Closing Papers and Certificates

The Bonds are expected to be delivered on or about February 23, 2022 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS ANNOUNCED ON TM3 NOT LATER THAN 4:00 P.M. (EASTERN) ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) (the "Closing Date") through the facilities of DTC against payment of the purchase price therefor (less the amount of the good faith deposit) in Federal Funds.

There will also be furnished the usual closing papers, including, among others, certificates signed by (1) the officials who signed the Bonds stating that no litigation of any kind is now pending or, to their information, knowledge

or belief, threatened to restrain or enjoin the issuance or delivery of the Bonds or in any manner questioning the proceedings and authority under which the Bonds are issued, or affecting the validity of the Bonds, and (2) appropriate Transportation Board or Commonwealth officials, respectively, relating to the Final Official Statement, as described in the Preliminary Official Statement under the section entitled "Certificate Concerning Official Statement".

It shall be a condition of closing that the foregoing items be delivered and that, as described below, Bond Counsel deliver its opinion in substantially the form set forth in an appendix to the Preliminary Official Statement. If the delivery of any such item fails to occur, the successful bidder shall be entitled to the return of its Deposit, the Transportation Board shall not be obligated to deliver the Bonds, and the successful bidder and the Transportation Board shall be relieved of their obligations to each other arising out of this Notice of Sale.

Legal Opinion

The approving opinion of Bond Counsel, in substantially the form set forth in an appendix to the Preliminary Official Statement, will be furnished at no expense to the successful bidder. The Preliminary Official Statement contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the excludability from gross income of interest on the Bonds and a discussion of Bond Counsel's opinion insofar as it concerns such tax status.

CUSIP Numbers

Public Resources Advisory Group, municipal advisor to the Transportation Board, will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. The successful bidder will be responsible for the cost of assignment of such CUSIP numbers. It is anticipated that CUSIP numbers will be printed on the Bonds, but the Transportation Board will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Official Statement

The Preliminary Official Statement dated the date hereof and the information contained therein have been deemed final by the Transportation Board as of its date within the meaning of the Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Final Official Statement.

The Transportation Board, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds, within seven business days of the award of the Bonds, provided that the successful bidder cooperates in a timely manner in providing the information required to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the MSRB, including an obligation, if any, to update the Final Official Statement.

Continuing Disclosure

Rule 15c2-12 prohibits an underwriter from purchasing or selling municipal securities, such as the Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material "obligated persons" (hereinafter referred to as "MOPs") have committed to provide (i) on an annual basis, certain financial and operating data ("Annual Reports") and, if available, audited financial statements, to the MSRB via EMMA, as described in 1934 Act Release No. 59062 and (ii) notice of the events described in Rule 15c2-12 ("Event Notices"), to the MSRB via EMMA.

The Transportation Board will covenant, in a Continuing Disclosure Agreement in substantially the form provided in an appendix to the Preliminary Official Statement, for the benefit of the holders of the Bonds, to provide to the MSRB via EMMA Annual Reports with respect to itself, as issuer. Similarly, the Transportation Board will provide Event Notices to the MSRB via EMMA.

The continuing disclosure undertaking of the Commonwealth, which the Transportation Board has determined to be a MOP for purposes of Rule 15c2-12, will be evidenced by a Continuing Disclosure Agreement in substantially the form set forth in an appendix to the Preliminary Official Statement, for the benefit of the holders of the Bonds, to be executed and delivered prior to the delivery of the Bonds, pursuant to which the Commonwealth also will provide Annual Reports and Event Notices solely with respect to rating changes affecting the Commonwealth's general obligation bonds.

Change of Date and Time for Receipts of Bids

The Transportation Board expects to take bids on the Bonds on February 8, 2022 at 10:30 a.m. (Eastern). However, the Transportation Board reserves the right to change the date and time established for the receipt of bids, and will undertake to notify potential bidders of such changes in the date or time for the receipt of bids. Prospective bidders may request notification by e-mail of any such change by so advising, and furnishing their emails to, Public Resources Advisory Group, Inc. at (212) 566-7800 by Noon, (Eastern), two days prior to the date fixed for the receipt of bids.

A change of the bid date will be announced via TM3 not later than 9:30 a.m. (Eastern), on any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative sale date and time, the Transportation Board will accept bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time of sale and any other changes announced by TM3 at the time the sale date and time are announced. In addition, the Transportation Board reserves the right to make changes to this Notice of Sale. Such changes will be announced on TM3.

Additional Information

For further information relating to the Bonds, reference is made to the Preliminary Official Statement, dated the date hereof, prepared for and authorized by the Transportation Board. The Preliminary Official Statement may be obtained from the undersigned at the Commonwealth Transportation Board, 1401 East Broad Street, Richmond, VA 23219 (telephone (804) 786-3096) or from the financial advisor, Public Resources Advisory Group, Inc., 39 Broadway, Suite 1210, New York, NY 10006 (telephone (212) 566-7800).

Dated: January __, 2022

Commonwealth Transportation Board
By: Shannon Valentine, Chairperson

Exhibit A To Notice of Sale - Series 2022

**Form of Issue Price Certificate
For Qualified Competitive Sale**

**Commonwealth Transportation Board
\$ _____
Commonwealth of Virginia
Transportation Capital Projects Revenue and Refunding Bonds
Series 2022**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Initial Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Initial Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Initial Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Initial Purchaser to purchase the Bonds.

(b) The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Initial Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) “*Issuer*” means the Commonwealth Transportation Board.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) “*Sale Date*” means the date that the Bonds are awarded by the Issuer to the successful bidder. The Sale Date of the Bonds is [DATE].

(e) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described

in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Initial Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[INITIAL PURCHASER]

By: _____
Name: _____

Dated: [ISSUE DATE]

[SCHEDULE A]

[EXPECTED INITIAL OFFERING PRICES OF THE BONDS]

(To Be Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(To Be Attached)

Exhibit B To Notice of Sale - Series 2022

**Form of Issue Price Certificate
For Nonqualified Competitive Sale**

Commonwealth Transportation Board
\$ _____
Commonwealth of Virginia
Transportation Capital Projects Revenue and Refunding Bonds
Series 2022

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Initial Purchaser”) [and other Underwriters, as defined below], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Initial Purchaser to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Initial Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the Initial Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) “*General Rule Maturities*” means those Maturities of the Bonds shown in Schedule A hereto as the “General Rule Maturities.”

(b) “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Initial Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “*Issuer*” means the Commonwealth Transportation Board.

(e) “*Maturity*” means Bonds with the same credit and payment terms and maturity date. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) “*Sale Date*” means the date that the Bonds are awarded by the Issuer to the successful bidder. The Sale Date of the Bonds is [DATE].

(h) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Initial Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[INITIAL PURCHASER]

By: _____

Name: _____

Dated: [ISSUE DATE]

[SCHEDULE A]

[Sale Prices of the General Rule Maturities]

[Initial Offering Prices of the Hold-The Offering-Price Maturities]

(To Be Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(To Be Attached)



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
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Agenda item # 6

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 17, 2020

MOTION

Made By: Ms. Hynes, Seconded By: Mr. Yates
Action: Motion Carried, Unanimously

AUTHORIZING THE ISSUANCE AND SALE OF REVENUE REFUNDING BONDS

WHEREAS, Section 33.2-1727 of the Code of Virginia of 1950, as amended (the "Virginia Code"), authorizes the Commonwealth Transportation Board (the "Board") to issue revenue refunding bonds to refund any revenue bonds issued pursuant to the State Revenue Bond Act, Sections 33.2-1700 et seq. of the Virginia Code (the "Act"); and

WHEREAS, the Board proposes to authorize the issuance of one or more series of revenue refunding bonds (the "Bonds") to refund, redeem and/or defease some or all of the revenue bonds, notes or other obligations previously issued by the Board (the "Outstanding Bonds");

**NOW THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH
TRANSPORTATION BOARD:**

1. Authorization of Bonds. The Board determines that it is in the best interest of the Commonwealth to authorize the issuance of Bonds to refund, redeem and/or defease some or all of the Outstanding Bonds pursuant to the criteria set forth in this Paragraph 1 (the Outstanding Bonds to be refunded, redeemed and/or defeased shall be referred to as the "Refunded Bonds"). The Board authorizes the issuance and sale of the Bonds in one or more series from time to time, pursuant to the following terms and conditions: (a) the minimum debt service savings threshold for any series of Bonds shall be (i) no less than three percent (3%) savings on a present value basis compared to the existing debt service on the Refunded Bonds or (ii) such other threshold as may be approved by the Treasury Board of the Commonwealth (the "Treasury Board"); and (b) the fiscal year in which occurs the final maturity date of the Bonds of any series shall be no later than the fiscal year in which occurs the final maturity date of the respective Refunded Bonds. The

Resolution of the Board
Authorizing the Issuance and Sale of
Revenue Refunding Bonds
June 17, 2020
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year in which occurs the final maturity date of the respective Refunded Bonds. The Chairperson of the Board (the "Chairperson"), in collaboration with the Board's financial advisor (the "Financial Advisor"), is authorized from time to time to (a) review the terms of the Outstanding Bonds, (b) determine which Outstanding Bonds may be refunded under the criteria set forth in this Paragraph 1 and (c) select the Refunded Bonds. For each Refunded Bond so selected, the Chairperson shall prepare a memorandum identifying the Refunded Bonds and setting forth the proposed terms and structure of the Bonds, including details demonstrating that the Bonds are expected to satisfy the criteria set forth in this Paragraph 1. Such memorandum shall be submitted to the Board and to the Treasury Board. The submission of such memorandum plus a copy of this Resolution shall constitute notice to the Treasury Board of the Board's intention to issue such Bonds.

2. Limited Obligations. The Bonds shall be limited obligations of the Board, payable from and secured by such revenues and property as were pledged to the respective Refunded Bonds, plus such funds or accounts as may be established and pledged for such purpose pursuant to the respective indenture, trust agreement or other authorizing document. Nothing in this Resolution or the Bonds shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof.

3. Determination of Details of Bonds. The Board authorizes the Chairperson, subject to the criteria set forth in Paragraph 1, to determine the details of the Bonds, including without limitation the aggregate principal amount, the maturity schedule, the interest rates, the redemption provisions, the sale date, the sale price and the reoffering prices.

4. Sale of Bonds. The Board authorizes the Chairperson to solicit and consider proposals for a negotiated sale of any series of Bonds and to negotiate the terms of such sale. The Chairperson is authorized to execute and deliver a purchase contract or agreement reflecting such proposal; provided that no such purchase contract or agreement may be executed prior to approval of the particular series of Bonds by resolution of the Treasury Board. Alternatively, if determined by the Chairperson to be in the best interest of the Commonwealth, the Chairperson is also authorized to sell any series of Bonds pursuant to a competitive sale and to prepare, publish and distribute a Notice of Sale in connection therewith; provided, however that no Notice of Sale authorized hereunder may be distributed prior to the approval of the particular series of Bonds by resolution of the Treasury Board.

5. Preliminary Official Statement. The Board authorizes the Chairperson, in collaboration with the staff of the Virginia Department of Transportation (the "Department") and the Financial Advisor, to prepare a Preliminary Official Statement (a "POS") in connection with the offering of each series of Bonds authorized hereunder. The Board authorizes the Chairperson to deem the POS to be final for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve the distribution

thereof; provided, however that no POS authorized hereunder may be distributed prior to approval of the particular series of Bonds by resolution of the Treasury Board.

6. Official Statement. The Board authorizes and directs the Chairperson, in collaboration with the Department staff, Bond Counsel and the Financial Advisor, to complete the POS as an official statement in final form (the "Official Statement") to reflect the provisions of the executed purchase contract or the winning bid, as appropriate, for the purchase and sale of each series of the Bonds. The Board authorizes the Chairperson to execute the Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of the Board and that it has been deemed final within the meaning of the Rule. The Board authorizes and directs the Department staff to arrange for delivery to the underwriters or winning bidders, as appropriate, within seven business days after the date thereof, of a sufficient number of copies of the Official Statement, for the underwriters or winning bidders to distribute copies to each potential investor requesting a copy and to each person to whom the underwriters or winning bidders initially sell Bonds. The Board authorizes and approves the distribution by the underwriters or winning bidders of the Official Statement as executed.

7. Financing Documents. The Board authorizes and directs the Chairperson to prepare and execute any supplemental or amendatory indentures or trust agreements, escrow agreements and any other documents necessary or desirable to effect the issuance of the particular series of Bonds and the refunding of the particular Refunded Bonds.

8. Execution and Delivery of Bonds. The Board authorizes and directs the Chairperson and the Secretary of the Board to have the Bonds prepared and to execute the Bonds in accordance with the respective indenture, trust agreement or other authorizing document executed in connection with the Bonds and/or the Refunded Bonds, to deliver them to the trustee for authentication if required and to cause the Bonds so executed and authenticated to be delivered to or for the account of the underwriters or winning bidders upon payment of the purchase price therefore, all in accordance with the executed purchase contract or notice of sale, as appropriate.

9. Continuing Disclosure. The Board covenants to undertake ongoing disclosure and to provide "annual financial information" and "material event notices" for the benefit of holders of Bonds issued hereunder, to assist the underwriters or the winning bidders, as appropriate, in complying with the Rule, including executing and delivering a Continuing Disclosure Agreement in connection with each issuance of Bonds hereunder. The Board authorizes and directs the Chairperson to execute the Continuing Disclosure Agreement in substantially the form previously provided in similar financings, with such completions, omissions, insertions and changes as the Chairperson may approve. The Chief Financial Officer of the Department may be designated as the Dissemination Agent under any Continuing Disclosure Agreement executed hereunder.

10. Authorization of Further Action. The Board authorizes the Department staff (a) to request the Treasury Board to approve the terms and structure of the Bonds

Resolution of the Board
Authorizing the Issuance and Sale of
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June 17, 2020
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authorized hereunder in accordance with Section 2.2-2416(7) of the Virginia Code and the Act, (b) to request the Governor of the Commonwealth to approve issuance of the Bonds authorized hereunder in accordance with the Act, (c) if determined by Department staff to be cost beneficial, to procure and negotiate a commitment for a bond insurer to issue municipal bond insurance with respect of some or all of the Bonds, and to execute such commitment together with any other documents related to such insurance, and (d) to procure and negotiate investments and investment contracts for any of the proceeds of the Bonds or the Refunded Bonds. The Board further authorizes the Chairperson to execute and deliver all documents and certificates and to take all such further action as the Chairperson may consider necessary or desirable in connection with the issuance and sale of the Bonds authorized hereunder, including without limitation (a) the execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bonds and Refunded Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the Treasury Regulations hereunder applicable to "arbitrage bonds" and (b) providing for the rebate of any "arbitrage rebate amounts" earned on investment of proceeds of the Bonds and Refunded Bonds to the United States. The Chairperson is further authorized to make on behalf of the Board such elections under the Tax Code and the applicable Treasury Regulations with respect to any series of the Bonds or any Refunded Bonds as the Chairperson may deem to be in the best interest of the Commonwealth in consultation with bond counsel to the Board and the Financial Advisor.

11. Report of Chairperson. Within sixty days following each date of issuance of Bonds, the Chairperson shall submit a written report to the Board (a) identifying the Refunded Bonds actually refunded, (b) describing the final terms and conditions of such Bonds and (c) demonstrating that each of the criteria set forth in Paragraph 1 above was satisfied with respect to such Bonds.

12. Authorizations and Directions to Certain Officers. Any authorization or direction to the Chairperson or the Secretary under this Resolution shall also be deemed to be an authorization or a direction to the Vice-Chairperson or an Assistant Secretary, respectively, the Commissioner of Highways, and any officer or employee of the Board or the Department designated for such purpose by the Chairperson or Secretary.

13. Effective Date. Termination. This Resolution shall be effective immediately. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2022.

####

CTB Decision Brief

THE ISSUANCE AND SALE OF REVENUE REFUNDING BONDS

Issue: Section 33.2-1727 of the Code of Virginia authorizes the Commonwealth Transportation Board (CTB) to issue revenue refunding bonds to refund any revenue bonds issued pursuant to the State Revenue Bond Act, Sections 33.2-1700 et seq. of the Virginia Code. Section 2.2-2416(7) of the Virginia Code, authorizes the Treasury Board to approve financing arrangements executed by state agencies, boards and authorities where the debt service on such financing arrangements are to be made from appropriations of the Commonwealth. With the CTB business meeting generally scheduled on the third Wednesday of each month, and the Treasury Board's meeting generally scheduled on the third Wednesday of each month, any potential refunding of CTB's bonds approved by the board will have to wait a month before it could be executed. The one month lag between CTB approval and the Treasury Board's approval entails the real possibility the anticipated savings might dissipate between board meetings.

Draft Resolution: The CTB draft resolution addresses this issue by authorizing the issuance and sale of revenue refunding bonds that achieve present value savings as set forth in the Treasury Board Debt Structuring and Issuance Guidelines or such other threshold as may be approved by the Treasury Board (Treasury Guidelines). The final maturity of the refunding bonds shall not exceed the final maturity on the bonds refunded, and the amortization of the bonds shall also be structured in accordance with the Treasury Guidelines. The resolution further authorizes VDOT staff (a) to request the Treasury Board to approve the terms and structure of the bonds in accordance with Section 2.2-2416(7) of the Code, and (b) to request the Governor to approve the issuance of the bonds. The draft resolution replaces the June 20, 2018 adopted resolution which had a sunset date of June 30, 2020. The authority to issue revenue refunding bonds pursuant to this resolution terminates on June 30, 2022.

Recommendation: VDOT recommends the adoption of the resolution Authorizing The Issuance And Sale of Revenue Refunding Bonds.

Action Required by CTB: Action on the resolution authorizing the issuance and sale of revenue refunding bonds.

Result, if Approved: The refunding resolution will allow the CTB to timely take advantage of potential refunding opportunities in the market, thereby lowering its cost of borrowing. The resolution will extend the CTB authorization relating to issuance and sale of revenue refunding bonds to June 30, 2022.

Options: Deferring Board action would hamper the CTB in achieving its stated goal of borrowing at the lowest cost possible.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 12

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation; Action on the Allocation of Funds made available to the Priority Transportation Fund

WHEREAS, the Commonwealth Transportation Board (the “Board”) is required by §§ 33.2-214 (B) and 33.2-221 (C) of the Code of Virginia (Code) to administer and allocate funds in the Transportation Trust Fund; and

WHEREAS, the Board approved the Commonwealth Transportation Fund Budget and the Virginia Department of Transportation Budget for Fiscal Year 2022 on June 23, 2021; and

WHEREAS, the Item 430 of Chapter 56 of the 2020 Acts of Assembly (Special Session 1) affords flexibilities in the allocation of certain funds that serve to mitigate impacts of the revenue reductions resulting from the COVID-19 pandemic and allows for a phased implementation of the additional revenues made available by Chapters 1230 and 1275 of the 2020 Acts of Assembly; and

WHEREAS, Commonwealth Transportation Fund revenue collections for fiscal year 2021 are \$365.8 million above the official forecast; and

WHEREAS, §33.2-1527 of the Code of Virginia establishes the Priority Transportation Fund and directs among other things, that all revenues that exceed the official forecast, pursuant

Resolution of the Board

Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation; Action on the Allocation of Funds made available to the Priority Transportation Fund

December 8, 2021

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to 2.2-1503, for (i) the allocation to the Highway Maintenance and Operating Fund established in §33.2-1530 as set forth in §33.2-1524 and (ii) the allocation to highway and mass transit improvement projects as set forth in §33.2-1524.1, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Aviation Fund under such section, be credited into the Priority Transportation Fund; and

WHEREAS, §33.2-1527 states that the Board shall first use funds in the Priority Transportation Fund for debt service payments on bonds or obligations for which the Fund is expressly required for making debt service payments, to the extent needed and further that Board shall use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth; and

WHEREAS, in the June 23, 2021 resolution of the Board adopting the Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2022 – 2027, the Board expressed its desire that priority in the allocation of any remaining funds in the Priority Transportation Fund, after meeting debt service requirements and then after existing project commitments, be provided to Transforming Rail in Virginia Initiative to expedite the completion of that effort through Phase 4; and

WHEREAS, a proposed plan to utilize \$344.6 million in revenue collections above the official forecast, provided to the Priority Transportation Fund, was presented to the Board on October 19, 2021; and included the following actions:

1. Restore \$39.8 million to the Commonwealth Mass Transit Fund established pursuant to §33.2-1526 to be used for allowable purposes; and
2. Restore \$10.0 million to the Virginia Highway Safety Program established pursuant to §33.2-373 to be used for allowable purposes; and
3. Allocate \$294.8 million to priority projects submitted for consideration in the most recent round of SMART SCALE pursuant to §33.2-214.1 ensuring an equitable distribution of funds throughout the state through approximate use of the Construction District Grant formula pursuant to §33.2-371.

WHEREAS, the Board was presented with proposed allocations to priority projects on October 19, 2021; and

WHEREAS, the Board recommends revisions to the proposed allocations as outlined in Attachment A.

NOW, THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board that, notwithstanding the Board's previously stated desire that remaining funds in the Priority Transportation Fund be provided to the Transforming Rail in Virginia Initiative, the recommended Revised Annual Budgets for the Commonwealth Transportation Fund and for the

Resolution of the Board

Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation; Action on the Allocation of Funds made available to the Priority Transportation Fund

December 8, 2021

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Virginia Department of Transportation reflecting the revenues and allocations related to the available Priority Transportation Fund are approved.

BE IT FURTHER RESOLVED, that the Board finds that the revisions to the proposed allocations to priority projects, including the addition of projects selected in previous rounds of SMART SCALE and other priorities, as outlined in Attachment A are the approach to be used in allocating \$344.6 million in revenue collections above the official forecast.

BE IT FURTHER RESOLVED, that for purposes of addressing budget increases on projects submitted for consideration through round 4 of the SMART SCALE prioritization process and selected for funding using Priority Transportation Fund dollars as outlined in Attachment A, the Board's Policy for Implementation of the SMART SCALE Prioritization Process shall apply.

BE IT FURTHER RESOLVED that the Board hereby approves the allocation of funds as outlined in Attachment A for inclusion in the Final FY 2022-2027 Six-Year Improvement Program.

#####

CTB Decision Brief

Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation; Action on the Allocation of Funds made available to the Priority Transportation Fund

Issue: Approval of the Commonwealth Transportation Board (CTB) is sought for: (i) annual budget amendments reflecting the revenues and allocations related to newly available Priority Transportation Funds attributable to revenues exceeding official forecasts; (ii) proposed allocations to priority projects to be used in allocating \$344.6 million in revenue collections above the official forecast and (iii) related allocations to be added the Final FY 2022-2027 Six-Year Improvement Program.

Facts: Commonwealth Transportation Fund Revenue collections for fiscal year 2021 were \$365.8 million above the official forecast.

Section 33.2-1527 of the Code of Virginia establishes the Priority Transportation Fund and directs, among other things, that all revenues that exceed the official forecast, pursuant to 2.2-1503, for (i) the allocation to the Highway Maintenance and Operating Fund established in §33.2-1530 as set forth in §33.2-1524 and (ii) the allocation to highway and mass transit improvement projects as set forth in §33.2-1524.1, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Aviation Fund under such section, be credited into the Priority Transportation Fund.

Section 33.2-1527 also states that the Board shall first use funds in the Priority Transportation Fund for debt service payments on bonds or obligations for which the Fund is expressly required for making debt service payments, to the extent needed and states further, that Board shall use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. It is noted that, in the June 23, 2021 resolution of the Board adopting the Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2022 – 2027, the Board expressed its desire that priority in the allocation of any remaining funds in the Priority Transportation Fund, after meeting debt service requirements and then after existing project commitments, be provided to the Transforming Rail in Virginia Initiative to expedite the completion of that effort through Phase 4.

On October 19, 2021, a proposed plan to utilize \$344.6 million in revenue collections above the official forecast, credited to the Priority Transportation Fund, was presented to the CTB and included the following proposed actions:

1. Restore \$39.8 million to the Commonwealth Mass Transit Fund established pursuant to §33.2-1526 to be used for allowable purposes; and
2. Restore \$10.0 million to the Virginia Highway Safety Program established pursuant to §33.2-373 to be used for allowable purposes; and
3. Allocate \$294.8 million to priority projects submitted for consideration in the most recent round of SMART SCALE pursuant to §33.2-214.1 ensuring an equitable distribution of funds throughout the state through approximate use of the Construction District Grant formula pursuant to §33.2-371.

The CTB was presented with proposed/recommended allocations to priority projects on October 19, 2021 and recommendations for revisions to the proposed allocations have been made and are reflected in the proposed/recommended allocations set forth in Attachment A.

The CTB approved the Commonwealth Transportation Fund Budget and the Virginia Department of Transportation Budget for Fiscal Year 2022 on June 23, 2021 and amendments are needed to reflect the additional Priority Transportation Funds now available and related allocations.

Recommendations: It is recommended that the CTB approve: (i) annual budget amendments reflecting the revenues and allocations related to the newly available Priority Transportation Funds, notwithstanding that the allocations will be provided to projects other than the Transforming Rail in Virginia Initiative; (ii) proposed allocations to priority projects as outlined in Attachment A to be used in allocating \$344.6 million in revenue collections above the official forecast and (iii) related allocations to be added the Final FY 2022-2027 Six-Year Improvement Program.

It is also recommended that for purposes of addressing budget increases on projects submitted for consideration through round 4 of the SMART SCALE prioritization process and selected for funding using Priority Transportation Funds as outlined in Attachment A, the Board's Policy for Implementation of the SMART SCALE Prioritization Process shall apply.

Action Required by CTB: Adopt a Resolution setting forth the recommended actions/approvals.

Result if Approved: A new budget reflecting the revenues and allocations related to the newly available Priority Transportation Funds will be established with allocations to priority projects outlined in Attachment A being made and added to the Final FY 2022-2027 Six-Year Improvement Program.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: N/A

Attachment A

Bristol

Fund:

- US 23 at Hilton Road Access Modifications in Scott County for \$3.1M
- College Avenue Access Management & Sidewalks in the Town of Bluefield for \$2.6M
- Widen US 11 Eastern Section in the City of Bristol for \$13.4

Culpeper

Fund:

- Route 29 and Lees Mill Road Intersection R-CUT in Fauquier County for \$6.8M
- Route 522 / Route 20 Roundabout in Orange County for \$10.9M

Fredericksburg

Fund:

- US Rte 1 STARS-Rte 3 off-ramp/Spotsylvania Ave improvements in the City of Fredericksburg for \$9.5M
- Onville Road Improvements in Stafford County for \$8.5M
- Rte. 17B and TC Walker Intersection Improvements in Gloucester County for \$2.6M

Hampton Roads

Unfund:

- Route 17 Route 171 Intersection Improvements in York County for \$16.7M
- NB RT 168/RT 17 WB I-64 Ramp Improvement in the City of Chesapeake for \$8.1M

Fund:

- Route 10/32 Diverging Diamond Interchange in the City of Suffolk for \$12.9M
- Main Street (U.S. Route 258) at Route 10 Bypass in Isle of Wight County for \$8.5M
- Route 17 (Bridge Road) Roadway Widening in the City of Suffolk for \$9.8M
- I-64/Denbigh Boulevard Interchange in the City of Newport News in the City of Newport News for \$27.2M to cover additional cost to address FHWA requirement to include Denbigh on-ramp to I-64 WB in SSR4 selected project

Attachment A

Lynchburg

Unfund:

- US 58/Route 751 Intersection in Halifax County for \$2.7M

Fund:

- 643 (High St.) & Oak St. / Griffin Blvd. Roundabout in the Town of Farmville for \$14.8M
- Waterlick Congestion and Safety Improvements in Campbell County for \$1.5M - SSR1 UPC 109555 has had two unsuccessful advertisements (no bids, one high bid). Before cancelling the project, it will be readvertised with a project in Salem. PTF will be used to cover anticipated cost increase based on the previous high bid.
- Route 221 Intersection Improvements in the City of Lynchburg for \$2.8M –SSR3 UPC 113116 to cover a cost increase associated with the at-grade intersection scope of work

Northern Virginia

Fund:

- Sycolin Road-Loudoun Center Place to Crosstrail Boulevard in Loudoun County for \$15.1M
- North Woodbridge Mobility Improvements (Marina Way extended) in Prince William County for \$25.3M
- Braddock Road at Old Lee Road Improvements in Fairfax County for \$16.0M
- Fund Braddock Road Multimodal Improvements Phase I in Fairfax County (UPC 119477) for \$6M to replace \$6M Fairfax committed to fund to a reduced amount as part of the SSR4 consensus scenario
- Route 1 Multimodal Improvements in Arlington County for \$3.9M to fund a portion of the state's commitment to this project related to Amazon

Richmond

Unfund:

- A Gillies Creek Greenway in the City of Richmond for \$3.7M
- F Clay Street Streetscape Improvements in the City of Richmond \$8.3M
- Alverser at Old Buckingham Roundabout in Chesterfield County \$7.8M
- B James River Branch - Rail to Trail Greenway in the City of Richmond \$14.3M
- Matoaca Road at Woodpecker Road – Roundabout in Chesterfield County for \$7.1M

Attachment A

Fund:

- Various Fall Line Trail projects to be identified for \$42.7M

Salem

Unfund:

- Orange Avenue Improvements in the City of Roanoke for \$23.M

Fund:

- Route 460 and Alt. Route 220 Intersection Improvements in Roanoke County for \$19.2M
- Prices Fork/ Peppers Ferry Turn Lane Improvements in Montgomery County for \$8.5M to enable incorporation of pedestrian improvements that were part of companion SSR4 project App ID 7074 that was not selected.

Staunton

Fund:

- Route 42 Corridor Improvements – East in the Town of Woodstock for \$2.7M
- Broad Street Streetscape in the City of Waynesboro for \$7.2M
- Exit 317 NB Ramp Realignment to Redbud Rd Location in Frederick Count for \$6.9M
- Route 11/Old Charles Town Roundabout in Frederick County for \$6.4M

Virginia Highway Safety Program

Fund:

- Systemic countermeasures for rural two lane roads for \$10M

Transit

Fund:

- TRIP for \$1.6M
- Various transit capital projects to be identified by DRPT for \$38.2M

FY22 - MERIT Capital Assistance

December 2021 - FY22 SYIP Additions

Summary Table

Project Type	Number	Total Cost	FTA 5311 Cost	Total State Cost
Minor Enhancements (MIN)	47	\$ 24,625,703	\$ 468,606	\$ 13,727,761
Major Expansions (MAJ)	2	\$ 129,663,000	\$ -	\$ 22,851,000
Transit Ridership Incentive Program (TRIP)	2	\$ 3,019,639	\$ -	\$ 1,628,580
Total	51	\$ 157,308,342	\$ 468,606	\$ 38,207,341

Minor Enhancement (MIN) Projects - Funding Threshold 15 Points

Grantee	Capital Budget Item	MERIT Project Type	MIN Technical Score	Total Cost	State Share	State Cost
Charlottesville Area Transit	Surveillance / Security Equipment - On Board	Admin/Maintenance Facilities - All	20	\$ 136,298	68%	\$ 92,683
Greater Richmond Transit Company	ADP Software - Operations	Technology/Equipment - Operations Support	20	\$ 150,000	68%	\$ 102,000
Hampton Roads Transit	ADP Software - Operations	Technology/Equipment - Operations Support	20	\$ 815,142	68%	\$ 554,297
Hampton Roads Transit	Control / Signals System	Technology/Equipment - Operations Support	20	\$ 4,761,998	16%	\$ 761,920
Hampton Roads Transit	ADP Software - Operations	Technology/Equipment - Operations Support	20	\$ 449,413	68%	\$ 305,601
Hampton Roads Transit	ADP Hardware - Operations	Technology/Equipment - Operations Support	20	\$ 2,431,000	68%	\$ 1,653,080
Hampton Roads Transit	ADP Software - Operations	Technology/Equipment - Operations Support	20	\$ 1,606,523	68%	\$ 1,092,436
NVTC - Fairfax County	Fare Collection Equipment	Technology/Equipment - Operations Support	20	\$ 1,500,000	68%	\$ 1,020,000
RADAR UHSTS	Surveillance / Security Equipment - Facility	Admin/Maintenance Facilities - All	20	\$ 85,000	16%	\$ 13,600
PRTC	Surveillance / Security Equipment - Facility	Admin/Maintenance Facilities - All	19	\$ 95,480	68%	\$ 64,926
RADAR UHSTS	Rehab/Renovation of Maint Facility	Admin/Maintenance Facilities - All	19	\$ 50,000	16%	\$ 8,000
RADAR UHSTS	Rehab/Renovation of Admin Building	Admin/Maintenance Facilities - All	19	\$ 15,000	16%	\$ 2,400
STAR Transit	Rehab/Renovation of Yards & Shops	Admin/Maintenance Facilities - All	19	\$ 30,000	16%	\$ 4,800
STAR Transit	Rehab/Renovation of Yards & Shops	Admin/Maintenance Facilities - All	19	\$ 47,000	16%	\$ 7,520
STAR Transit	Rehab/Renovation of Admin/Maint Facility	Admin/Maintenance Facilities - All	19	\$ 15,000	16%	\$ 2,400
City of Suffolk - Suffolk Transit	Engineering & Design of Admin/Maint Facility	Admin/Maintenance Facilities - All	18	\$ 160,500	16%	\$ 25,680
City of Winchester	Rehab/Renovation of Yards & Shops	Admin/Maintenance Facilities - All	18	\$ 203,250	16%	\$ 32,520
Hampton Roads Transit	EF3600 HRT Paving Program	Admin/Maintenance Facilities - All	18	\$ 590,442	68%	\$ 401,501
Hampton Roads Transit	Rehab/Renovation of Admin/Maint Facility	Admin/Maintenance Facilities - All	18	\$ 844,997	68%	\$ 574,598
Hampton Roads Transit	Surveillance / Security Equipment - Facility	Admin/Maintenance Facilities - All	18	\$ 451,479	68%	\$ 307,006
Hampton Roads Transit	Surveillance / Security Equipment - Facility	Admin/Maintenance Facilities - All	18	\$ 481,440	68%	\$ 327,379
Hampton Roads Transit	Facility Equipment - Electrical Equipment	Admin/Maintenance Facilities - All	18	\$ 211,250	68%	\$ 143,650
NVTC - Arlington County	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	18	\$ 426,000	68%	\$ 289,680
NVTC - Arlington County	Bus Stop ADA Improvements	Customer Facilities - Bus Stop/ Shelter Improvements	18	\$ 669,000	68%	\$ 454,920
PRTC	Rehab/Renovation of Admin/Maint Facility	Admin/Maintenance Facilities - All	18	\$ 61,800	16%	\$ 9,888
RADAR UHSTS	Van/Sedan/Station Wagon/SUV/Pickup - 4 years/100,000 miles	Vehicles - Support Vehicles	18	\$ 80,000	16%	\$ 12,800
Town of Blacksburg	Facility Equipment - Mechanical Equipment	Admin/Maintenance Facilities - All	18	\$ 31,500	68%	\$ 21,420
Town of Blacksburg	Facility Equipment - Mechanical Equipment	Admin/Maintenance Facilities - All	18	\$ 6,500	68%	\$ 4,420
Virginia Regional Transit	Yards & Shops	Admin/Maintenance Facilities - All	18	\$ 14,000	16%	\$ 2,240
Williamsburg Area Transit Authority	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	18	\$ 150,000	68%	\$ 102,000
Williamsburg Area Transit Authority	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	18	\$ 25,000	68%	\$ 17,000
Bay Aging	Rehab/Renovation of Admin/Maint Facility	Admin/Maintenance Facilities - All	17	\$ 100,000	16%	\$ 16,000
Greater Richmond Transit Company	Rehab/Renovation of Maint Facility	Admin/Maintenance Facilities - All	17	\$ 100,000	68%	\$ 68,000
Greater Richmond Transit Company	Rehab/Renovation of Admin/Maint Facility	Admin/Maintenance Facilities - All	17	\$ 55,000	68%	\$ 37,400
Hampton Roads Transit	Rehab/Renovation of Admin Building	Admin/Maintenance Facilities - All	17	\$ 633,748	68%	\$ 430,949
Hampton Roads Transit	Rehab/Renovation of Admin Building	Admin/Maintenance Facilities - All	17	\$ 528,123	68%	\$ 359,124
NVTC - Fairfax County	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	17	\$ 1,200,000	68%	\$ 816,000
Town of Altavista	Purchase Storage Facility	Admin/Maintenance Facilities - All	17	\$ 25,000	16%	\$ 4,000
Town Of Blackstone/ Blackstone Area Bus System	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	17	\$ 75,000	16%	\$ 12,000
Town Of Blackstone/ Blackstone Area Bus System	Route Signage (Bus Stop Signs)	Customer Facilities - Bus Stop/ Shelter Improvements	17	\$ 3,300	16%	\$ 528
City of Suffolk - Suffolk Transit	Force Account Construction	Customer Facilities - Bus Stop/ Shelter Improvements	16	\$ 15,000	16%	\$ 2,400
Danville Transit System	ADA Equipment	Technology/Equipment - Onboard Systems—Safety	16	\$ 46,458	16%	\$ 7,433
Greater Richmond Transit Company	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	16	\$ 506,100	68%	\$ 344,148
NVTC - Fairfax County	Van/Sedan/Station Wagon/SUV/Pickup - 4 years/100,000 miles	Vehicles - Support Vehicles	16	\$ 300,006	68%	\$ 204,004
City of Suffolk - Suffolk Transit	Passenger Shelters and Amenities	Customer Facilities - Bus Stop/ Shelter Improvements	15	\$ 15,000	16%	\$ 2,400
Hampton Roads Transit	Surveillance / Security Equipment - On Board	Technology/Equipment - Onboard Systems—Safety	15	\$ 1,432,956	68%	\$ 974,410
Hampton Roads Transit	Surveillance / Security Equipment - On Board	Technology/Equipment - Onboard Systems—Safety	15	\$ 2,995,000	68%	\$ 2,036,600

Major Expansion (MAJ) Projects - Funding Threshold: 3.4 MERIT Score

Grantee	Project Name	Improvement Type	Project Benefit Score	MERIT Score (Benefit/ Cost in \$10M)	Total Project Cost	State Cost
Virginia Railway Express (VRE)	Lifecycle Overhaul and Upgrade Facility - Maintenance Yard	Admin/ Maintenance Facility	18.2	81.4	\$ 41,400,000	\$ 2,240,000
NVTC - Arlington County	Shirlington Operations Facility	New Operations Facility	6.9	3.4	\$ 88,263,000	\$ 20,611,000

Transit Ridership Incentive Program (TRIP) - Tier II Zero Fare and Low Income Pilot Projects

Grantee	Project Name	Project Type	Total Cost	State Cost
Charlottesville Area Transit (CAT)	CAT - Zero Fare Program	Entirely Zero Fare System	\$ 1,882,272	\$ 1,066,620
Fredericksburg Regional Transit (FRED)	FRED - Zero Fare Program	Entirely Zero Fare System	\$ 1,137,367	\$ 561,960

Revised Fiscal Year 2022

Commonwealth Transportation Fund Budget
December 2021



Virginia Department of Transportation

Budget and Funds Management Division

1221 E. Broad Street, 4th Floor


Richmond, VA 23219

Telephone: (804) 225-3552

Internet Address: <http://www.virginiadot.org/projects/reports-budget.asp>

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During its 2020 session, the Virginia General Assembly enacted the Governor's Omnibus Transportation Bill, Chapter 1230 (House Bill 1414), which revised the composition of and increased available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the Commonwealth Transportation Fund (CTF) serves as the fund to which all transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

Chapter 1230 also amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, and appreciation accrued to the Transportation Trust Fund or the HMO Fund also would be allocated to the Commonwealth Transportation Fund and distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.

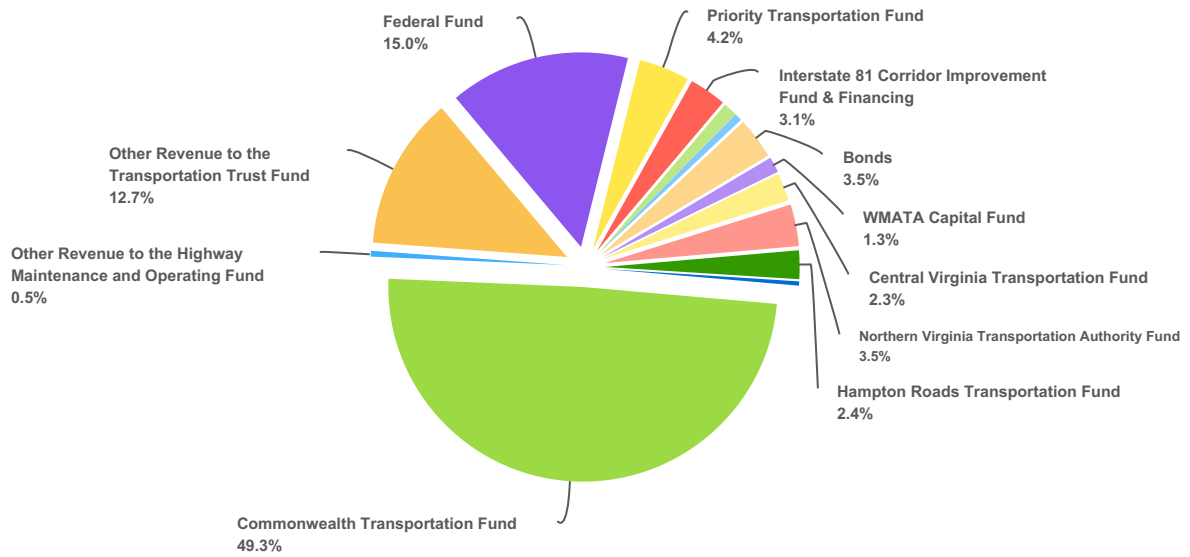
The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles. Enactment Clause 11 of Chapter 1230 also allows the Commonwealth Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

The Revised Fiscal Year 2022 budget for the CTF identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the state revenue forecast from December 2020, an interim update from February 2021, estimated federal funding, and reflects the addition of actual FY 2021 revenues in excess of the official budget pursuant to § 33.2-1527 of the Code of Virginia. The budget also applies the flexibility granted in Enactment Clause 11 to continue expectations across transportation agencies. The percentages for CTF and TTF distribution are effective in Fiscal Year 2024. The Revised FY 2022 CTF Budget for FY 2022 totals \$8,529,753,645, a 4.2% increase over the FY 2022 CTF Budget of \$8,185,145,02, and a 9.1% increase from the FY 2021 Budget of \$7,820,904,839.



The CTF receives revenues from dedicated state and federal sources. The major state revenues are based on Virginia's official revenue forecast developed by the Department of Taxation. The federal revenues from the Federal Highway Administration and the Federal Transit Administration are estimated by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). Revenues provided are also from funds collected for regional transportation improvements in Northern Virginia, Hampton Roads, and Central Virginia. These funds are dedicated to the efforts of the Northern Virginia Transportation Authority, Central Virginia Transportation Authority, and the Hampton Roads Transportation Accountability Commission.

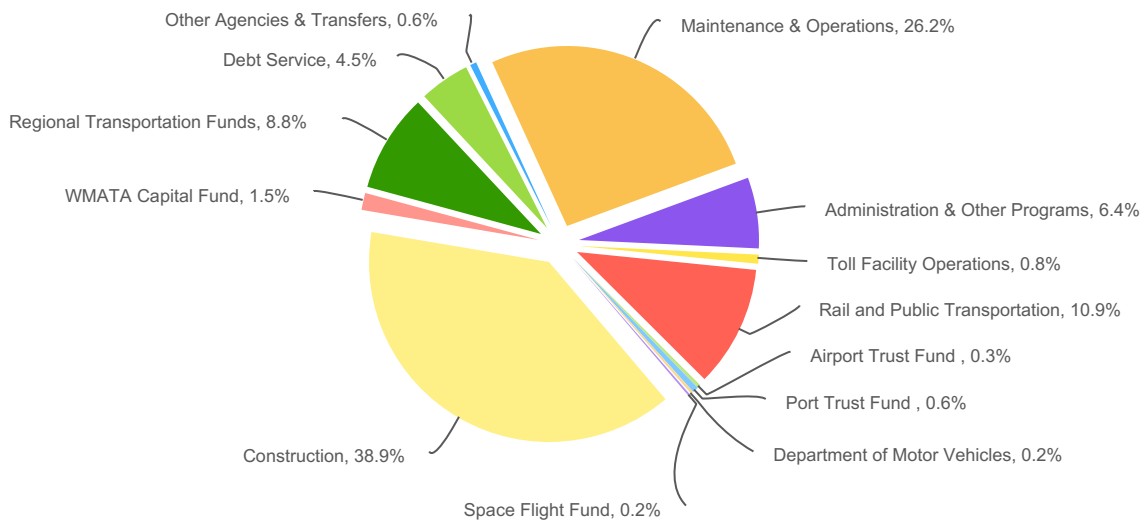
Commonwealth Transportation Fund Total Revenues for FY 2022



Commonwealth Transportation Fund	\$ 4,205,500,000
Other Revenue to the Highway Maintenance and Operating Fund	42,504,565
Other Revenue to the Transportation Trust Fund	1,083,404,050
Federal Fund	1,279,944,556
Priority Transportation Fund	359,020,211
Interstate 81 Corridor Improvement Fund & Financing	264,686,080
Fuel Tax Revenue for Highway Construction District Grant Program	100,100,000
General Fund	55,000,000
Bonds	294,691,183
Total Operating Revenues	7,684,850,645
Pass Through Revenues	
WMATA Capital Fund	112,103,000
Central Virginia Transportation Fund	200,300,000
Northern Virginia Transportation Authority Fund	297,000,000
Hampton Roads Transportation Fund	203,200,000
Hampton Roads Regional Transit Fund	32,300,000
Subtotal	844,903,000
TOTAL	\$ 8,529,753,645

The revenues are dedicated to specific funds within the CTF. After certain distributions required by the Code of Virginia, the remaining funds in the CTF are allocated 51% to the Highway Maintenance and Operating Fund (HMOF) and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles.

The revenues for the HMOF support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. The Commonwealth Transportation Board can also use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. Federal revenues are used for their defined purposes to support construction, maintenance or transit.



Debt Service	\$387,449,459
Other Agencies & Transfers	50,633,130
Maintenance & Operations	2,234,533,271
Administration & Other Programs	543,976,013
Toll Facility Operations	71,104,020
Rail and Public Transportation	929,675,700
Airport Trust Fund	26,713,623
Port Trust Fund	47,840,349
Department of Motor Vehicles	19,748,216
Space Flight Fund	16,571,192
Construction	3,316,605,672
Total Operating Programs	7,644,850,645
Pass Through Programs	
WMATA Capital Fund	132,103,000
Regional Transportation Funds	752,800,000
TOTAL RECOMMENDED DISTRIBUTIONS	\$ 8,529,753,645



STATE REVENUE SOURCES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Commonwealth Transportation Fund	\$ 4,205,500,000	\$ 4,205,500,000	\$ —
Revenue Sharing	—	—	—
Highway Maintenance & Operating Fund (HMOF)	42,504,565	42,504,565	—
General Fund	55,000,000	55,000,000	—
Transportation Trust Fund (TTF) and Other State Revenue			
Interest Earnings	28,515,000	28,515,000	—
Toll Facilities	34,354,020	34,354,020	—
Local Revenue Sources	133,131,383	133,131,383	—
Project Participation - Regional Entities	782,764,066	782,764,066	—
CPR Bonds	—	—	—
GARVEE Bonds	76,300,000	76,300,000	—
Route 58 Bonds	219,304,103	219,304,103	—
I-66 Outside the Beltway Concession Fee Payment/Interest	22,094,013	22,094,013	—
Interstate 81 Corridor Improvement Fund	264,686,080	264,686,080	—
Statewide Interstate Improvement Fund	(39,444,828)	(39,444,828)	—
Special Fund Account for the Highway Construction District Grant Program	100,100,000	100,100,000	—
Other Trust Fund Revenue	121,077,476	121,077,476	—
Total TTF and Other Revenue	1,742,881,313	1,742,881,313	—
Priority Transportation Fund (PTF)			
State Revenue	14,411,589	359,020,211	344,608,622
Total PTF	14,411,589	359,020,211	344,608,622
Pass Through Revenues			
Revenue Dedicated to WMATA Capital Fund	112,103,000	112,103,000	—
State Revenue for Regional Entities	732,800,000	732,800,000	—
Total Pass Through Revenues	844,903,000	844,903,000	—
TOTAL STATE REVENUES	6,905,200,467	7,249,809,089	344,608,622
Federal Funding Sources			
Federal Highway Administration (FHWA)	1,199,822,622	1,199,822,622	—
Federal Transit Administration (FTA)	80,121,934	80,121,934	—
Total Federal Funding	1,279,944,556	1,279,944,556	—
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$ 8,185,145,023	\$ 8,529,753,645	\$ 344,608,622



DISTRIBUTION OF REVENUE SOURCES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Debt Service			
Toll Facilities Debt	\$ —	\$ —	—
Northern Virginia Transportation District	12,604,923	12,604,923	—
Oak Grove Connector	2,128,077	2,128,077	—
Route 28	8,644,519	8,644,519	—
Route 58	29,725,222	29,725,222	—
Interstate 81	6,006,732	6,006,732	—
GARVEE Bonds	134,881,288	134,881,288	—
CPR Bonds	193,458,698	193,458,698	—
Other	—	—	—
Total Debt Service	387,449,459	387,449,459	—
Other Agencies & Transfers			
Trust Fund Management	3,200,876	3,200,876	—
Support to Other State Agencies (excludes DRPT)	42,304,162	42,304,162	—
Indirect Costs	5,128,092	5,128,092	—
Total State Agencies	50,633,130	50,633,130	—
Maintenance & Operations			
Highway System Maintenance	1,756,641,898	1,756,641,898	—
Financial Assist. to Localities for Ground Transportation - Cities	405,955,990	405,955,990	—
Financial Assist. to Localities for Ground Transportation - Counties	71,935,383	71,935,383	—
Total Maintenance & Operations	2,234,533,271	2,234,533,271	—
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	91,149,140	91,149,140	—
Environmental Monitoring & Compliance	43,957,252	43,957,252	—
Administrative and Support Services	302,707,781	302,707,781	—
Program Management and Direction	46,161,840	46,161,840	—
Toll Facilities Operations	34,354,020	34,354,020	—
Toll Facility Revolving Account	36,750,000	36,750,000	—
Capital Outlay	60,000,000	60,000,000	—
Total Tolls, Administration & Other Programs	615,080,033	615,080,033	—

DISTRIBUTION OF REVENUE SOURCES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$ 339,368,434	\$ 339,368,434	\$ —
Transit - Share of administrative costs	(685,308)	(685,308)	—
Other Revenue dedicated to Transit	15,759,375	15,759,375	—
Share of TTF Distribution for Rail	100,516,839	100,516,839	—
Rail - Share of administrative costs	(176,369)	(176,369)	—
Federal Transit Authority (FTA)	49,228,459	49,228,459	—
CMAQ (without State Match)	22,243,685	22,243,685	—
STP Regional (without State Match)	14,913,598	14,913,598	—
Rail Fund (with prior year adjustments)	—	—	—
Interest Earnings	2,640,000	2,640,000	—
HB1414 Off the Top to Commonwealth Mass Transit Fund	82,185,240	82,185,240	—
Metro Matters	—	—	—
HB1414 Off the Top to Commonwealth Rail Fund	44,500,000	44,500,000	—
Mass Transit Fund-Support from Construction	96,789,320	96,789,320	—
Rail Fund - Support from Construction	87,500,000	87,500,000	—
Priority Transportation	59,805,427	99,605,427	39,800,000 ²
Other	62,787,000	62,787,000	—
Subtotal Transit and Rail Funds	977,375,700	1,017,175,700	39,800,000
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	112,103,000	112,103,000	—
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	132,103,000	132,103,000	—
Airports - Share of TTF Distribution	25,785,995	25,785,995	—
Airports - Share of administrative costs	(47,372)	(47,372)	—
Revision from prior year	—	—	—
Airports - Interest Earnings	175,000	175,000	—
Directed CTF Allocation	800,000	800,000	—
Total Airport Trust Fund	26,713,623	26,713,623	—
Ports - Share of TTF Distribution	45,125,492	45,125,492	—
Ports - Share of administrative costs	(85,143)	(85,143)	—
Revision from prior year	—	—	—
Ports - Interest Earnings	300,000	300,000	—
Directed CTF allocation	2,500,000	2,500,000	—
Total Port Trust Fund	47,840,349	47,840,349	—
Department of Motor Vehicles - Share of TTF Distribution	8,963,900	8,963,900	—
DMV - Share of administrative costs	(15,684)	(15,684)	—
Directed CTF allocation	10,800,000	10,800,000	—
Total DMV	19,748,216	19,748,216	—
Virginia Commercial Space Flight Authority - Share of TTF Distribution	15,800,000	15,800,000	—
Space Flight Authority - Share of administrative costs	(28,808)	(28,808)	—
Directed CTF allocation	800,000	800,000	—
Total Space Flight Authority	16,571,192	16,571,192	—



DISTRIBUTION OF REVENUE SOURCES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Authority Fund	\$ 200,300,000	\$ 200,300,000	\$0
Northern Virginia Transportation Authority Fund	329,702,389	329,702,389	—
Hampton Roads Transportation Fund	203,200,000	203,200,000	—
Hampton Roads Regional Transit Fund	32,300,000	32,300,000	—
Total Regional Transportation Programs	765,502,389	765,502,389	—
Construction			
Financial Assistance to Localities for Ground Transportation	14,912,548	14,912,548	—
State of Good Repair Program	249,479,115	249,479,115	—
High Priority Projects Program	249,251,163	249,251,163	—
Construction District Grant Programs	346,881,805	346,881,805	—
Specialized State and Federal Programs	2,078,570,029	2,383,378,652	304,808,623
Total Construction	2,939,094,660	3,243,903,283	304,808,623
Special Structures	60,000,000.00	60,000,000	—
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS			
	\$ 8,272,645,023	\$ 8,617,253,645	\$ 344,608,622
Agency Funding Summary:			
VDOT	\$ 7,228,887,690	\$ 7,573,496,312	\$ 344,608,622
Less Support to DRPT	(176,594,747)	(216,394,747)	(39,800,000)
VDOT (Net)	7,052,292,943	7,357,101,565	304,808,622
DRPT	1,109,478,700	1,149,278,700	39,800,000
Ports	47,840,349	47,840,349	—
Aviation	26,713,623	26,713,623	—
DMV	19,748,216	19,748,216	—
Space Flight Authority	16,571,192	16,571,192	—
Grand Total	\$ 8,272,645,023	\$ 8,617,253,645	\$ 344,608,622

CTF State Revenue Details

STATE REVENUE SOURCES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,238,500,000	\$1,238,500,000	\$—
Road Tax	47,200,000	47,200,000	—
Retail Sales & Use Tax	1,214,700,000	1,214,700,000	—
Motor Vehicle Sales and Use Tax	899,600,000	899,600,000	—
International Registration Plan	73,900,000	73,900,000	—
Motor Vehicle Licenses	202,900,000	202,900,000	—
Miscellaneous Revenues	17,300,000	17,300,000	—
Motor Vehicle Rental Tax	29,700,000	29,700,000	—
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	46,600,000	46,600,000	—
Insurance Premium	171,800,000	171,800,000	—
Recordation Tax	57,000,000	57,000,000	—
Total	\$ 3,541,700,000	\$ 4,001,200,000	\$ —

This is a comparison to the revenue estimate provided in the FY 2022 Budget adopted in December 2022 to the FY 2022 Budget.

Endnotes

Endnote Number	Description
1	Reflects the addition of actual FY 2021 revenues in excess of the official revenue estimate pursuant to § 33.2-1527 of the Code of Virginia
2	Reflects dedication of Priority Transportation Funding pursuant to § 33.2-1572 of the Code of Virginia for transit initiatives
3	Reflects dedication of Priority Transportation Funding pursuant to § 33.2-1572 of the Code of Virginia for safety and construction priority projects



Revised Fiscal Year 2022

VDOT Annual Budget
December 2021

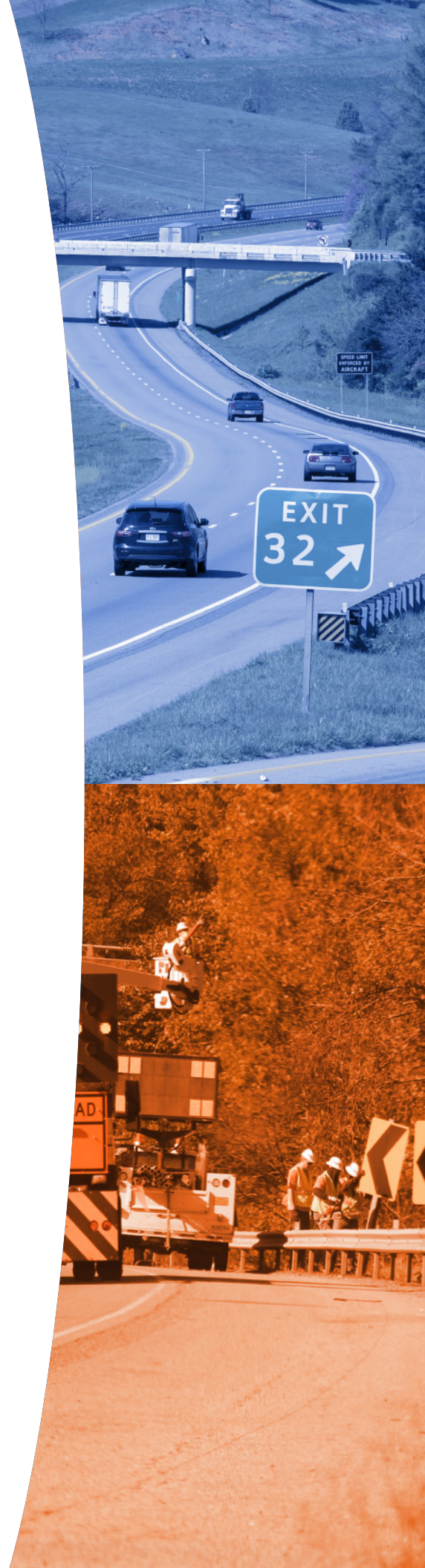


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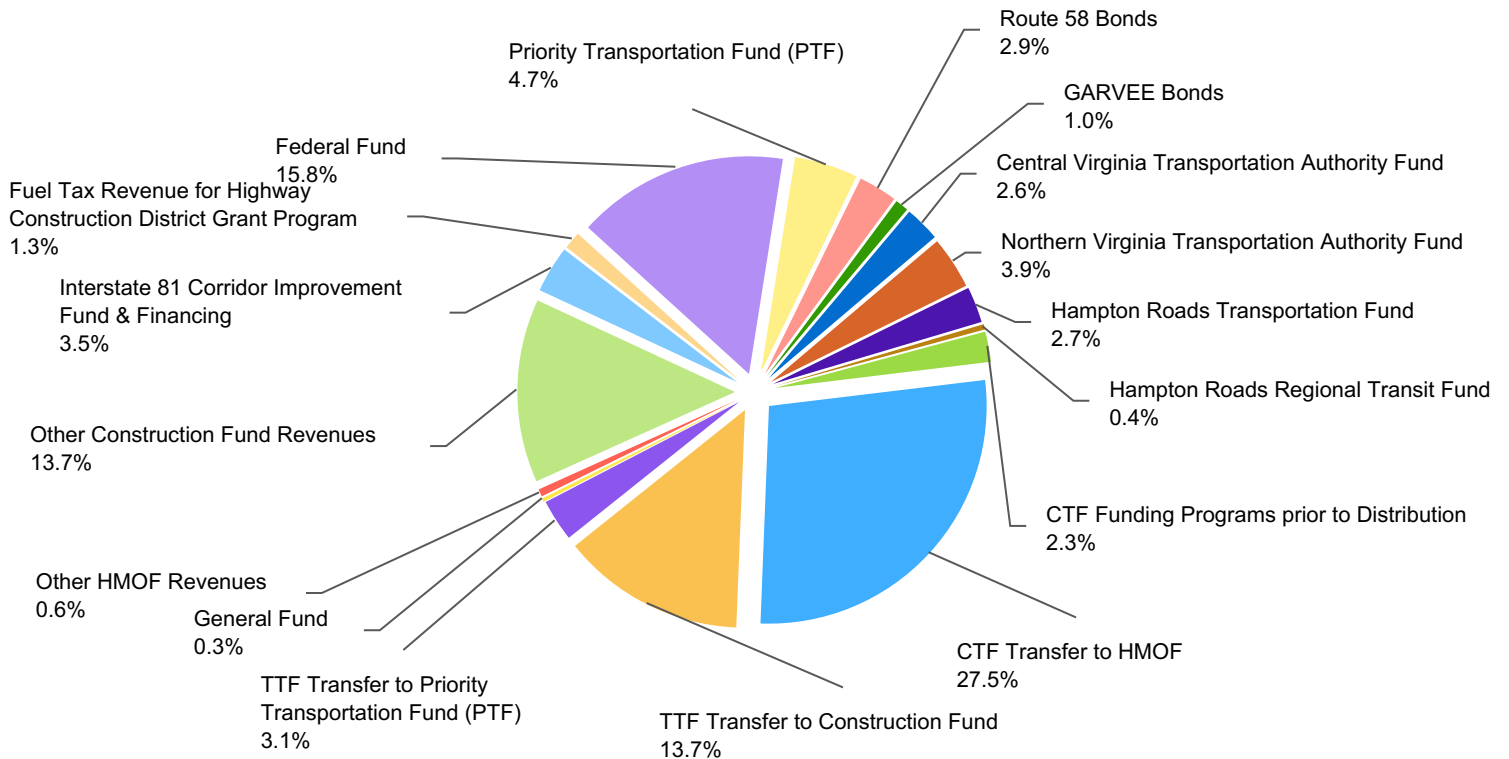
Overview

The Revised Fiscal Year 2022 budget for the Virginia Department of Transportation (VDOT) identifies the estimated revenues and the distribution of the revenues to the related transportation programs. It is based on the interim state revenue forecast from February 2021, estimated federal funding and the addition of actual FY 2021 revenues in excess of the budget pursuant to § 33.2-1527 of the Code of Virginia. The VDOT Budget for FY 2022 totals \$7,573,496,312 a 4.8% increase over the FY 2022 VDOT Budget of \$7,228,887,690 and an 8.3% increase from the FY 2021 Budget of \$6,992,613,613.

Chapter 1230 created the Commonwealth Transportation Fund which serves as the fund to which all statewide transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

VDOT's revenues are provided by dedicated state and federal revenue sources. The major state revenues are estimated by the Department of Taxation and are included in the state's official revenue estimate. VDOT continues to estimate federal revenues based upon information received from Federal Highway Administration (FHWA). The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority, the Hampton Roads Transportation Accountability Commission, and the Central Virginia Transportation Authority.

Source of Transportation Funds



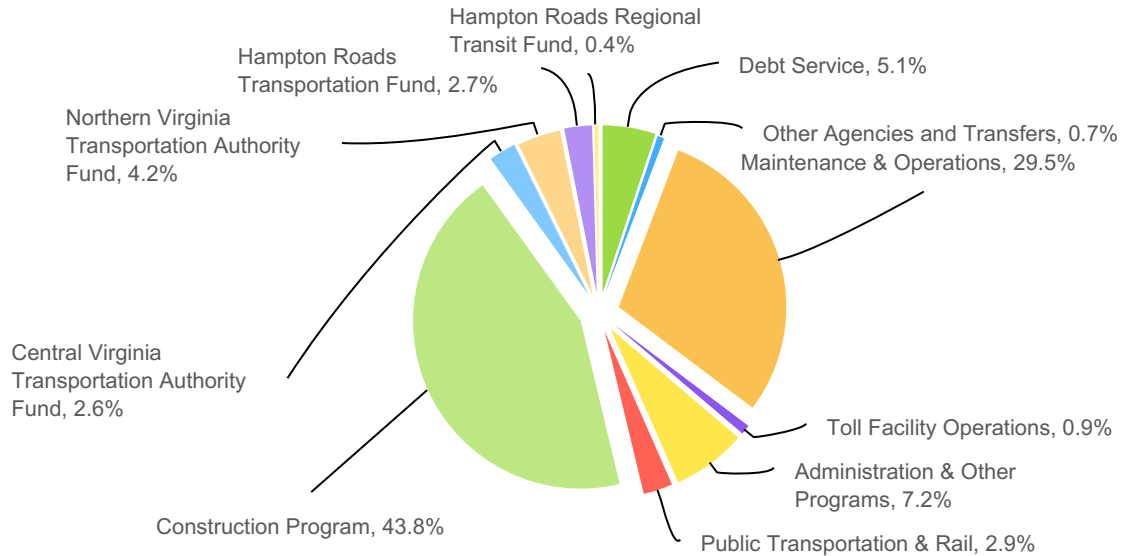
Detailed Sources of Transportation Funds

CTF Funding Programs prior to Distribution	\$ 171,000,000
CTF Transfer to HMOF	2,085,900,000
TTF Transfer to Construction Fund	1,033,919,705
TTF Transfer to Priority Transportation Fund (PTF)	236,500,000
General Fund	22,600,000
Other HMOF Revenues	42,504,565
Other Construction Fund Revenues	1,035,302,834
Interstate 81 Corridor Improvement Fund & Financing	264,686,080
Fuel Tax Revenue for Highway Construction District Grant Program	100,100,000
Federal Fund	1,193,558,814
Priority Transportation Fund (PTF)	359,020,211
Route 58 Bonds	219,304,103
GARVEE Bonds	76,300,000
Subtotal	6,840,696,312
Pass Through Revenues	
Central Virginia Transportation Authority Fund	200,300,000
Northern Virginia Transportation Authority Fund	297,000,000
Hampton Roads Transportation Fund	203,200,000
Hampton Roads Regional Transit Fund	32,300,000
TOTAL	\$ 7,573,496,312

Overview

VDOT's revenues provide funding for debt service, maintenance, administration and construction. This budget reflects the planned use of the revenues available to the agency and also includes the pass through funds to the regions. The following is a summary of the programs by spending category:

Allocations	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Debt Service	\$387,449,459	\$387,449,459	\$0
Other Agencies and Transfers	50,633,130	50,633,130	—
Maintenance & Operations	2,234,533,271	2,234,533,271	—
Toll Facility Operations	71,104,020	71,104,020	—
Administration & Other Programs	543,976,013	543,976,013	—
Public Transportation & Rail	176,594,747	216,394,747	39,800,000
Construction Program	3,011,797,050	3,316,605,672	304,808,622
Subtotal	\$6,476,087,690	\$6,820,696,312	\$344,608,622
Pass Through Revenues			
Central Virginia Transportation Authority Fund	200,300,000	200,300,000	—
Northern Virginia Transportation Authority Fund	317,000,000	317,000,000	—
Hampton Roads Transportation Fund	203,200,000	203,200,000	—
Hampton Roads Regional Transit Fund	32,300,000	32,300,000	—
TOTAL	\$7,228,887,690	\$7,573,496,312	\$344,608,622



Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. The HMOF is intended to provide for the agency's maintenance, operations and administrative needs. Since Fiscal Year 2002, the HMOF has required transfers from the Construction Fund to cover the budgetary needs of the fund. Starting with Fiscal Year 2021, the HMOF is funded by a transfer from the Commonwealth Transportation Fund (CTF) as a result of Chapter 1230. This shift from dedicated revenue sources to a transfer of revenues deposited into the CTF is demonstrated in the chart below.

HMOF Revenue Sources	FY 2022	REVISED FY 2022	Difference
CTF Transfer to HMOF	\$ 2,085,900,000	\$ 2,085,900,000	\$ —
Miscellaneous Revenues	17,300,000	17,300,000	—
Other Revenue	25,204,565	25,204,565	—
Subtotal	\$ 2,128,404,565	\$ 2,128,404,565	\$ —
Transfer from Construction	108,704,104	108,704,104	—
Total	\$ 2,237,108,669	\$ 2,237,108,669	\$ —

Commonwealth Transportation Fund & Transportation Trust Fund

Chapter 1230 amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund (HMOF), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. The following table provides details on distributions for Fiscal Year 2022.

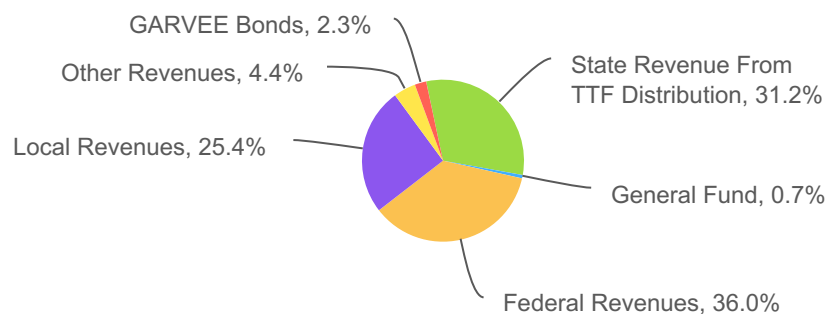
Construction Fund Revenue Sources	FY 2022	REVISED FY 2022	Difference
Distributed to Route 58 Corridor Fund	\$ 40,000,000	\$ 40,000,000	\$ —
Distributed to Northern Virginia Transportation District Fund	40,000,000	40,000,000	—
Distributed to Oak Grove Fund	1,000,000	1,000,000	—
Distributed to TTF for Support	1,034,395	1,034,395	—
Distributed for Omnibus Programs	90,000,000	90,000,000	—
Total	\$ 172,034,395	\$ 172,034,395	\$ —

The Transportation Trust Fund was created by the 1986 Special Session. Through Fiscal Year 2020 VDOT managed the 78.7% of the TTF funds dedicated by the Code of Virginia for highway construction.

Starting with Fiscal Year 2021, the share provided for highway construction is transferred from the CTF to the TTF. The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	FY 2022	REVISED FY 2022	Difference
State Revenue From TTF Distribution	\$ 1,033,919,705	\$ 1,033,919,705	\$ —
General Fund	22,600,000	22,600,000	—
Federal Revenues	1,193,558,814	1,193,558,814	—
Local Revenues	842,853,270	842,853,270	—
Other Revenues	147,130,693	147,130,693	—
GARVEE Bonds	76,300,000	76,300,000	—
Total	\$ 3,316,362,482	\$ 3,316,362,482	\$ —

Construction Fund Revenue by Source, FY 2022



Other Fund Revenues

VDOT manages a number of special funds. Each special fund receives dedicated revenues to be used to support the mission of the program.

Other Fund Revenues	FY 2022	REVISED FY 2022	Difference
Regional Transportation Funds	\$ 732,800,000	\$ 732,800,000	\$ —
Interstate 81 Corridor Improvement Fund	264,686,080	264,686,080	—
Fuel Tax Revenue for the Special Fund Account for the Highway Construction District Grant Program	100,100,000	100,100,000	—
Powhite Parkway Extension Toll Revenue	11,000,000	11,000,000	—
Coleman Bridge Toll Revenue	6,000,000	6,000,000	—
I-66 Inside the Beltway Toll Revenue	15,216,600	15,216,600	—
I-64 Express Lanes Toll Revenue	2,137,420	2,137,420	—
Northern VA Transportation District (NVTD)	7,020,640	7,020,640	—
Oak Grove	1,128,077	1,128,077	—
Priority Transportation Fund (PTF)	236,500,000	581,108,622	344,608,622 ³
Transportation Partnership Opportunity Fund	10,066,667	10,066,667	—
Route 58	219,304,103	219,304,103	—
Route 28	8,644,519	8,644,519	—
Other	18,197,231	18,197,231	—
Total	\$ 1,632,801,337	\$ 1,977,409,959	\$ 344,608,622

Total Construction Major Sources (page 7)	3,316,362,482	3,316,362,482	—
Transfer to HMOF	(108,704,104)	(108,704,104)	—
Total Construction Fund	\$ 4,840,459,715	\$ 5,185,068,337	\$ 344,608,622

VDOT Program Descriptions and Allocations

Summary of Allocations by Program

The following table summarizes VDOT's budget by the major budgetary programs.

	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$ 43,957,252	\$ 43,957,252	\$ —
Ground Transportation Planning and Research (602)	91,149,140	91,149,140	—
Highway Construction Programs (603)	2,970,343,953	3,275,152,575	304,808,622
Highway System Maintenance (604)	1,756,641,898	1,756,641,898	—
Commonwealth Toll Facilities (606)	71,104,020	71,104,020	—
Financial Assistance to Localities (607)	1,258,306,310	1,258,306,310	—
Non-Toll Supported Transportation Debt Service (612)	387,449,459	387,449,459	—
Special Structures (614)	60,000,000	60,000,000	—
Administrative and Support Services (699)	302,707,781	302,707,781	—
VDOT Capital Outlay (998)	60,000,000	60,000,000	—
Support to Other State Agencies	50,633,130	50,633,130	—
Support to DRPT Programs	176,594,747	216,394,747	39,800,000
Total	\$ 7,228,887,690	\$ 7,573,496,312	\$ 344,608,622

Environmental Monitoring and Evaluation (514)

The Environmental Program consists of the following service areas:

Environmental Monitoring and Compliance for Highway Projects (514008) - To provide efforts to evaluate, monitor and maintain the quality of the state's natural resources as part of a balanced consideration of environmental and transportation needs. VDOT's wetland mitigation program is funded in this service area.

Environmental Monitoring Program Management and Direction (514009) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

Municipal Separate Storm Sewer System Compliance Activities (514010) - To provide efforts to address storm water discharges, including the related operational and maintenance activities, to meet Total Maximum Daily Load reduction targets. VDOT's current Municipal Separate Storm Sewer System (MS4) permit requires VDOT to reduce its pollutant load allocation to the Chesapeake Bay.

ENVIRONMENTAL MONITORING & EVALUATION (514)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$10,873,613	\$10,873,613	\$ —
Environmental Monitoring Program Management (514009)	3,595,685	3,595,685	—
Municipal Separate Storm Sewer System Compliance Activities (514010)	29,487,954	29,487,954	—
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$ 43,957,252	\$ 43,957,252	\$ —
TTF	43,957,252	43,957,252	—

Ground Transportation Planning & Research (602)

Ground Transportation Planning and Research is comprised of:

Ground Transportation System Planning (602001) - To provide efforts to lead and plan a comprehensive system of ground transportation, including the planning of particular ground transportation projects through surveying, mapping and studies. These studies are the basis for decisions on proposed highway plans, programs and projects, as well as other travel modes and routes throughout Virginia.

Ground Transportation System Research (602002) - To provide efforts devoted to the planning and delivery of a comprehensive ground transportation research, development, consulting and technology transfer program covering the areas of transportation system operations, maintenance, structural design and construction, materials and specifications, safety, environmental stewardship, finance and policy.

Ground Transportation Program Management and Direction (602004) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

PLANNING & RESEARCH (602)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Ground Transportation System Planning (602001) \$	73,335,252	\$ 73,335,252	\$ —
Ground Transportation System Research (602002)	13,471,811	13,471,811	—
Ground Transportation Program Management (602004)	4,342,077	4,342,077	—
TOTAL PLANNING & RESEARCH	\$ 91,149,140	\$ 91,149,140	\$ —
HMOF	16,990,331	16,990,331	—
CONSTRUCTION	53,832,904	53,832,904	—
FEDERAL	20,325,905	20,325,905	—

Highway Construction Programs (603)

For Fiscal Year 2022, the funding made available for distribution is distributed via the formula outlined in the Code of Virginia, § 33.2-358. With the enactment of Chapter 1230, funds are distributed to the following programs: State of Good Repair Program, High Priority Projects Program, Construction District Grant Program, Interstate Operations and Enhancement Program, and Virginia Highway Safety Improvement Program. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. The following table provides details on distributions for Fiscal Year 2022.

The budget also contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.

CONSTRUCTION (603)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
State of Good Repair Program (603020)	\$ 249,479,115	\$ 249,479,115	\$ —
High Priority Projects Program(603021)	249,251,163	249,251,163	—
Construction District Grant Programs (603022)	346,881,805	346,881,805	—
Specialized State and Federal Programs (603023)	2,078,570,030	2,383,378,652	304,808,622
Construction Management (603015)	46,161,840	46,161,840	—
TOTAL CONSTRUCTION	\$2,970,343,953	\$3,275,152,575	\$ 304,808,622
CONSTRUCTION	1,604,658,692	1,604,658,692	—
FEDERAL	668,848,360	668,848,360	—
I-81 CORRIDOR IMPROVEMENT FUND	258,679,348	258,679,348	—
STATEWIDE INTERSTATE IMPROVEMENT FUND - PRIOR YEAR ADJUSTMENT	(39,444,828)	(39,444,828)	—
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	100,100,000	100,100,000	—
PTF	2,800,000	307,608,622	304,808,622
TPOF	10,046,154	10,046,154	—
BONDS	—	—	—
VTIB	15,333,333	15,333,333	—
GARVEE BONDS	76,300,000	76,300,000	—
CONCESSION FEE FUND	844,013	844,013	—
GENERAL FUND	22,600,000	22,600,000	—
ROUTE 58	229,366,183	229,366,183	—

Highway Construction Programs (603)

STATE OF GOOD REPAIR PROGRAM (603020)

The purpose of the State of Good Repair Program service area is to allocate funds to state of good repair purposes for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions. (Code of Virginia §33.2-369)

STATE OF GOOD REPAIR PROGRAM (603020)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
TOTAL STATE OF GOOD REPAIR	\$ 249,479,115	\$ 249,479,115	\$ —
CONSTRUCTION	133,820,047	133,820,047	—
FEDERAL	115,659,068	115,659,068	—

HIGH PRIORITY PROJECTS PROGRAM (603021)

The purpose of the High Priority Projects Program service area is to allocate funds to the established program for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to Code of Virginia §33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually. (Code of Virginia §33.2-370)

HIGH PRIORITY PROJECTS PROGRAM (603021)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
TOTAL HIGH PRIORITY PROJECTS	\$ 249,251,163	\$ 249,251,163	\$ —
CONSTRUCTION	101,353,566	101,353,566	—
FEDERAL	81,998,290	81,998,290	—
GARVEE	65,899,307	65,899,307	—

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)

The purpose of the Construction District Grant Programs service area is to allocate funds to the established grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to Code of Virginia §33.2-353. In accordance with §33.2-359, the Commonwealth Transportation Board shall allocate funds to improve nonsurface treated secondary highways that carry 50 or more vehicles per day. This allocation shall not exceed \$25 million annually (Code of Virginia, §33.2-371).

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
TOTAL CONSTRUCTION DISTRICT GRANT	\$ 346,881,805	\$ 346,881,805	\$ —
CONSTRUCTION	129,655,711	129,655,711	—
SPECIAL FUND ACCOUNT FOR CONSTRUCTION	100,100,000	100,100,000	—
FEDERAL	106,725,401	106,725,401	—
GARVEE	10,400,693	10,400,693	—

* The amounts provided for High Priority Projects Program and the Construction District Grant Program are reduced to transfer funding to the Maintenance Program, representing 45% of the funds released from the Route 460 Improvements Project. These transfers are planned through FY 2021.

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)

The purpose of the Specialized State and Federal Programs service area is to allocate funds to State and Federal Construction Programs that are not components of the other funding distributions. The Federal programs that are exempt from the distribution process are outlined in § 33.2-214.1 of the Code of Virginia (Statewide prioritization process for project selection). These include Congestion Mitigation and Air Quality (CMAQ) funding, Regional Surface Transportation Program funding, and Safety funding. The service area will also allocate bond programs and the state and local components of Revenue Sharing. Anticipated funding from regional entities for projects is also allocated in this service area.

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
CMAQ & State Match	\$ 40,804,913	\$ 40,804,913	\$ —
Open Container	20,919,874	20,919,874	—
Participating Project Costs	60,000,000	60,000,000	—
Project Participation from HRTAC	—	—	—
HRTAC Participation for Hampton Roads Bridge-Tunnel Expansion Project	584,212,963	584,212,963	—
Project Participation from NVTAC	138,551,103	138,551,103	—
Route 58 Bonds	218,391,183	218,391,183	—
Revenue Sharing	220,210,334	220,210,334	—
Safety & Soft Match	66,318,635	66,318,635	—
STP Set-aside	23,246,788	23,246,788	—
STP Regional & State Match	83,917,886	83,917,886	—
Tele Fees	9,483,037	9,483,037	—
I-66 Outside the Beltway Concession Fee/Interest Earnings	844,013	844,013	—
Interstate 81 Corridor Improvements	258,679,348	258,679,348	—
Statewide Interstate Improvements	99,071,694	99,071,694	—
Highway Improvement Program - CRSSA	37,995,585	37,995,585	—
Improvements to I-64 HRELN	93,100,000	93,100,000	—
PTF for Safety	—	10,000,000	10,000,000
PTF for Construction Projects	2,800,000	297,608,622	294,808,622
Other	120,022,673	120,022,673	—
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	\$ 2,078,570,029	\$ 2,383,378,651	\$ 304,808,622
CONSTRUCTION	1,193,667,528	1,193,667,528	—
FEDERAL	364,465,601	364,465,601	—
I-81 CORRIDOR IMPROVEMENT FUND	258,679,348	258,679,348	—
STATEWIDE INTERSTATE IMPROVEMENT FUND - PRIOR YEAR ADJUSTMENT	(39,444,829)	(39,444,829)	—
GENERAL FUND	22,600,000	22,600,000	—
PTF	2,800,000	307,608,622	304,808,622
CONCESSION FEE FUND	844,013	844,013	—
OTHER BOND PROGRAMS/FUNDS	249,578,881	249,578,881	—
VTIB	15,333,333	15,333,333	—
TPOF	10,046,154	10,046,154	—

Highway Construction Programs (603)

CONSTRUCTION MANAGEMENT (603015)

The purpose of the construction management program is to provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

CONSTRUCTION MANAGEMENT (603015)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$46,161,840	\$46,161,840	\$ —
	TTF 46,161,840	46,161,840	—

Highway System Maintenance (604)

The maintenance program consists of:

Interstate Maintenance (604001) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Primary Maintenance (604002) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Secondary Maintenance (604003) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Transportation Operations Services (604004) - To improve mobility, safety, travel time reliability and security on the transportation system through the deployment of a variety of operational strategies including regional smart traffic centers, emergency services, traveler services, congestion management and traffic signalization optimization.

Highway Maintenance Program Management and Direction (604005) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

HIGHWAY SYSTEM MAINTENANCE (604)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$ 336,098,854	\$ 336,098,854	\$ —
Primary Maintenance (604002)	504,798,771	504,798,771	—
Secondary Maintenance (604003)	560,697,117	560,697,117	—
Transportation Operations Services (604004)	272,035,360	272,035,360	—
Highway Maintenance Program Management & Direction (604005)	83,008,796	83,008,796	—
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$1,756,641,898	\$1,756,641,898	\$ —
HMOF	1,394,259,930	1,394,259,930	—
FEDERAL	362,381,968	362,381,968	—

* The amounts recommended for FY 2020 include transfers from the funds allocated to the High Priority Projects Program and the Construction District Grant Program, representing a share of 45% of the allocations released from the Route 460 Improvements Project. These transfers are planned through FY 2021.

Commonwealth Toll Facilities

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Of these facilities, four are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County, George P. Coleman Bridge in Gloucester County, I-66 Inside the Beltway and I-64 Express Lanes.

Toll Facility Acquisition and Construction (606001) -To provide for efforts to acquire and construct ground transportation toll facilities.

Toll Facility Debt Service (606002) -To provide for the debt service requirements of the debt-financed toll facilities. The bond indentures for the toll facilities require the Commonwealth Transportation Board (CTB) to set toll rates for all classes of vehicles which will provide sufficient net revenues to meet the facility's obligations. Toll roads are typically constructed with debt financing and the subsequent toll collection revenues are used for debt service payments. The remaining state-owned facility collecting tolls to pay debt service on outstanding bonds is the George P. Coleman Bridge located between Gloucester and York counties. The bonds issued to finance the Powhite Parkway Extension have been retired, but the toll revenues are needed to repay the outstanding debts of the facility owed to VDOT and Chesterfield County.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the four toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road, I-66 Inside the Beltway facility and I-64 Express Lanes. All operating costs associated with that facility are to be paid out of the revenues generated by that facility. Customer service and toll collection are toll facilities' main operations.

Toll Facilities Revolving Fund (606004) - To provide a method to finance and/or refinance existing and potential toll facilities. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding and are expected to be repaid to the Toll Facilities Revolving Account.

COMMONWEALTH TOLL FACILITIES (606)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Acquisition & Construction (606001)	\$ —	\$ —	\$ —
Debt Service (606002)	—	—	—
Maintenance & Operations (606003)	34,354,020	34,354,020	—
Toll Facilities Revolving (606004)	36,750,000	36,750,000	—
TOTAL TOLL FACILITIES	\$ 71,104,020	\$ 71,104,020	\$ —
POWHITE	11,000,000	11,000,000	—
COLEMAN	6,000,000	6,000,000	—
I-66 INSIDE THE BELTWAY	15,216,600	15,216,600	—
I-64 EXPRESS LANES	2,137,420	2,137,420	—
TOLL FACILITIES REVOLVING	36,750,000	36,750,000	—

Financial Assistance to Localities (607)

Financial Assistance to Localities consists of:

Financial Assistance for City Road Maintenance (607001) - To provide monetary support to localities for capital improvements and/or maintenance of roads and/or transportation facilities. Direct financial assistance is provided to 84 cities and towns to maintain, operate, and improve their arterial and collector roads and local streets. The level of assistance to the respective local governments for maintenance expenditures is based on the number of qualifying lane-miles in each locality and available funding.

Financial Assistance for County Road Maintenance (607002) - Provide monetary support in lieu of maintenance services to localities for road maintenance and upkeep where such localities have elected to maintain their own highway systems. Currently, Henrico and Arlington maintain their own roads.

Financial Assistance for Planning, Access Roads, and Special Projects (607004) - To manage and distribute funding for recreational and industrial access programs and the Metropolitan Planning federal grant program. The Recreational Access Program provides funding for roads and bikeways to new or expanding non-federal, non-commercial public parks and historic sites. Access roads for qualifying airports and industrial sites, and access tracks for qualified rail users are provided through VDOT's Industrial, Airport, and Rail Access Fund. The Metropolitan Planning Grants are federal funds available to support activities undertaken by Metropolitan Planning Organizations (MPOs) to develop long-range transportation plans and transportation improvement programs.

Distribution of Northern Virginia Transportation Authority Fund Revenues (607006) - To transfer state regional tax revenues to the Northern Virginia Transportation Authority to fund local and regional transportation projects.

Distribution of Hampton Roads Transportation Fund Revenues (607007) - To transfer state regional tax revenues to the Hampton Roads Transportation Accountability Commission to fund local and regional transportation projects.

Distribution of Central Virginia Transportation Authority Fund Revenues (607010) - To transfer state regional tax revenues to the Central Virginia Transportation Authority to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Financial Assistance for City Road Maintenance (607001)	\$ 405,955,990	\$ 405,955,990	\$ —
Financial Assistance for County Road Maintenance (607002)	71,935,383	71,935,383	—
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	14,912,548	14,912,548	—
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	329,702,389	329,702,389	—
Distribution of Hampton Roads Transportation Fund Revenues (607007)	235,500,000	235,500,000	—
Distribution of Central Virginia Transportation Authority Fund Revenues (607010)	200,300,000	200,300,000	—
TOTAL FINANCIAL ASSISTANCE TO LOCALITIES	\$1,258,306,310	\$1,258,306,310	\$ —
HMOF	477,891,373	477,891,373	—
CONSTRUCTION	20,493,644	20,493,644	—
FEDERAL	7,121,293	7,121,293	—
CENTRAL VIRGINIA TRANSPORTATION FUND	200,300,000	200,300,000	—
NORTHERN VIRGINIA TRANSPORTATION FUND	317,000,000	317,000,000	—
HAMPTON ROADS TRANSPORTATION FUND	203,200,000	203,200,000	—
HAMPTON ROADS REGIONAL TRANSIT FUND	32,300,000	32,300,000	—

Non-Toll Supported Transportation Debt Service (612)

Non-Toll Supported Transportation Debt Service consists of:

Highway Transportation Improvement District Debt Service (612001) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special tax districts. There is currently only one such district, the State Route 28 Highway Transportation Improvement District in Fairfax and Loudoun counties.

Designated Highway Corridor Debt Service (612002) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special designated highway corridors. The Commonwealth Transportation Board has issued transportation revenue bonds for the U.S. Route 58 Corridor Development Program, the City of Chesapeake Oak Grove Connector Project, and the Northern Virginia Transportation District (NVTD) Program.

Commonwealth Transportation Capital Projects Bond Act Debt Service (612004) - To provide for the debt service requirements of the bonds sold to finance transportation improvements under the Commonwealth Transportation Capital Projects Bond Act.

Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005) - To provide for the debt service requirements of the bonds sold as Federal Transportation Grant Anticipation Revenue bonds (GARVEEs).

I-81 Debt Service (612006) - To provide for the debt service requirements of the bonds sold to finance transportation improvements on the Interstate 81 Corridor.

Non-Toll Supported Transportation Debt Service (612)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$ 8,644,519	\$ 8,644,519	—
Designated Highway Corridor Debt Service (612002)	44,458,222	44,458,222	—
Commonwealth Transportation Capital Projects Bond Act Debt Service (612004)	193,458,698	193,458,698	—
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	134,881,288	134,881,288	—
I-81 Debt Service (612006)	6,006,732	6,006,732	—
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$ 387,449,459	\$ 387,449,459	\$ —
NVTD	12,604,923	12,604,923	—
OAK GROVE	2,128,077	2,128,077	—
ROUTE 28	8,644,519	8,644,519	—
CPR BONDS	193,458,698	193,458,698	—
ROUTE 58	29,725,222	29,725,222	—
FEDERAL	134,881,288	134,881,288	—

Special Structures (614)

Statewide Special Structures (614000) - Special Structures are very large, indispensable and unique bridges and tunnels identified by the Commissioner of Highways and approved by the Commonwealth Transportation Board. The General Assembly declares it to be in the public interest that the maintenance, rehabilitation, and replacement of special structures in the Commonwealth occur timely as to provide and protect a safe and efficient highway system. The Board is establishing a program for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth. With the assistance of the Department of Transportation, the Board developed and will maintain a plan for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth.

VDOT SPECIAL STRUCTURES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
TOTAL VDOT SPECIAL STRUCTURES	\$ 60,000,000	\$ 60,000,000	\$ —
SPECIAL STRUCTURES	60,000,000	60,000,000	—

Administrative and Support Services (699)

Administrative and Support Services is comprised of:

General Management and Direction (699001) - To provide for the general administrative management, direction and support activities of VDOT. This includes, but is not limited to, accounting services, human resources, succession planning, health and safety services, procurement, facilities management, management studies, policy analysis, process improvements, performance management, internal auditing, innovative financing, financial planning services and oversight of compensation programs for all VDOT employees.

Information Technology Services (699002) - To provide for administrative management, direction and infrastructure support for tasks including, but not limited to, automated data processing services for citizens and visitors to the Commonwealth, Virginia's legislative bodies, other state and local government agencies as well as its own Department of Transportation employees.

Facilities and Grounds Management Services (699015) - To provide physical plant maintenance needs to VDOT facilities. This maintenance work is considered ordinary or routine nature and includes the cost of labor, equipment and materials to make minor repairs to utilities such as plumbing, heating, and electrical; and the maintenance of driveways, parking lots, and yards. The service area also funds small renovation/alteration projects that cost no more than \$10,000.

Employee Training and Development (699024) - To provide Employee Training and Development services to VDOT. This includes traditional classroom training and related development activities and tuition reimbursement.

ADMINISTRATIVE & SUPPORT SERVICES (699)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
General Management & Direction (699001)	\$ 163,937,254	\$ 163,937,254	\$ —
Information Technology Services (699002)	105,791,557	105,791,557	—
Facilities and Grounds Management Services (699015)	20,540,895	20,540,895	—
Employee Training & Development (699024)	12,438,075	12,438,075	—
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$ 302,707,781	\$ 302,707,781	\$ —
HMOF	301,673,386	301,673,386	—
CONSTRUCTION	1,034,395	1,034,395	—

VDOT Capital Outlay (998)

Capital Outlay funding is provided to support the agency's building and renovation needs as well as Maintenance Reserve needs. This funding may be used for acquisition of real property (including buildings or plant) or machinery or equipment, new construction, and improvements related to state-owned real property, buildings, plant, machinery or equipment (including plans therefore), as defined in the Code of Virginia. All capital outlay projects must be approved by the Governor and General Assembly via the Six-Year Capital Improvement Plan and the Biennial Budget. VDOT receives direction from the Department of Planning and Budget and the Department of General Services on the development and execution of the Capital Outlay Program.

VDOT CAPITAL OUTLAY (998)	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$ 60,000,000	\$ 60,000,000	\$ —
CONSTRUCTION	60,000,000	60,000,000	—

Program Allocations by Fund

VDOT provides funding to other agencies to cover support activities and services related to the transportation programs.

SUPPORT TO OTHER STATE AGENCIES	FY 2022	REVISED FY 2022	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$ 279,612	\$ 279,612	\$ —
Marine Resources Commission	313,768	313,768	—
Secretary of Transportation	953,895	953,895	—
Department of State Police	9,083,587	9,083,587	—
Department of Minority Business Enterprise	1,640,575	1,640,575	—
Department of Historic Resources	115,642	115,642	—
Department of Emergency Management	1,295,713	1,295,713	—
Department of Motor Vehicles	14,387,417	14,387,417	—
Department of Treasury	185,187	185,187	—
Virginia Liaison Office	164,267	164,267	—
Office of the State Inspector General	2,083,846	2,083,846	—
SUBTOTAL	30,503,509	30,503,509	—
Transfers to the General Fund			
Department of General Services	388,254	388,254	—
Department of Agriculture & Conservation Services	97,586	97,586	—
Chesapeake Bay Initiatives	10,000,000	10,000,000	—
Indirect Costs	5,128,092	5,128,092	—
Department of Taxation	3,015,689	3,015,689	—
SUBTOTAL	18,629,621	18,629,621	—
Transfers to Other Agencies			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	—
SUBTOTAL	1,500,000	1,500,000	—
TOTAL SUPPORT TO OTHER STATE AGENCIES	\$ 50,633,130	\$ 50,633,130	\$ —
HMOF	46,293,649	46,293,649	—
CONSTRUCTION	2,874,094	2,874,094	—
TPOF	20,513	20,513	—
DMV	15,684	15,684	—
RAIL	176,369	176,369	—
PTF	406,190	406,190	—
PORTS	85,143	85,143	—
AIRPORTS	47,372	47,372	—
DRPT	685,308	685,308	—
SPACE	28,808	28,808	—

Program Allocations by Fund

The following table summarizes VDOT's budget by major program and major fund.

Program	HMOF	Construction	Federal	Bonds	Other*	Total
Environmental Monitoring and Evaluation (514)	\$ —	\$ 43,957,252	\$ —	\$ —	\$ —	\$ 43,957,252
Ground Transportation Planning & Research (602)	16,990,331	53,832,904	20,325,905	—	—	91,149,140
Highway Construction Programs (603)	—	1,604,658,692	668,848,360	76,300,000	925,345,523	3,275,152,575
Highway System Maintenance (604)	1,394,259,930	—	362,381,968	—	—	1,756,641,898
Commonwealth Toll Facilities (606)	—	—	—	—	71,104,020	71,104,020
Financial Assistance to Localities (607)	477,891,373	7,791,255	7,121,293	—	765,502,389	1,258,306,310
Non-Toll Supported Transportation Debt Service (612)	—	—	134,881,288	—	252,568,171	387,449,459
Special Structures (614)	—	60,000,000	—	—	—	60,000,000
Administrative and Support Services (699)	301,673,386	—	—	—	1,034,395	302,707,781
VDOT Capital Outlay (998)	—	60,000,000	—	—	—	60,000,000
Support to Other State Agencies	46,293,649	2,874,094	—	—	1,465,387	50,633,130
Support to DRPT Programs	—	96,789,320	—	—	119,605,427	216,394,747
TOTAL	\$2,237,108,669	\$ 1,929,903,517	\$ 1,193,558,814	\$ 76,300,000	\$2,136,625,312	\$7,573,496,312

* - Other includes I-81 Corridor Improvement Fund, Statewide Interstate Improvement Fund, Tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, Concession Fund Interest and Regional Transportation Funds.

Budget Comparison Schedule for FY 2022

Revenues

Revenue provided by the General Fund of the Commonwealth	\$ 22,600,000
Taxes	893,900,000
Rights and privileges	20,546,755
Sale of property and commodities	—
Interest, dividends, and rents	39,914,823
Fines, forfeitures, court fees	—
Penalties and escheats	6,000,000
Receipts from localities and private sector	903,855,752
Federal grants and contracts	1,193,558,814
Toll revenues	64,354,020
Other	356,993,534
Total Revenues	<u>3,501,723,698</u>

Other Financing Sources

Other financing sources	264,466,829
Bond proceeds	279,986,080
Note proceeds	—
Transfers from other state agencies and General Fund	—
Transfers in	3,527,319,705
Total Other Financing Sources	<u>4,071,772,614</u>

Total Revenues and Other Sources \$7,573,496,312

Budget Comparison Schedule for FY 2022

Revenues

Administrative and support services	\$302,707,781
Ground transportation system planning and research	91,149,140
Highway system acquisition and construction	3,275,152,575
Highway system maintenance	1,756,641,898
Financial assistance to localities	1,258,306,310
Environmental monitoring and compliance	43,957,252
Toll facility operations and construction	71,104,020
Special Structures	60,000,000
Capital outlay	60,000,000
Debt Service	387,449,459
Total Expenditures	<u>7,306,468,435</u>

Other Financing Uses

Other financing uses	—
Transfers to other state agencies and General Fund	267,027,877
Transfers out	—
Total Other Financing Uses	<u>267,027,877</u>

Total Expenditures and Other Uses **\$7,573,496,312**

Revenues and Other Sources Over (Under) Expenditures and **\$ —**

Appendix I - Powhite Parkway Extension (0436) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	\$ 11,000,000
TOTAL ESTIMATED REVENUES	\$ 11,000,000

Toll Facility Revolving Account Loan Repayment	2,681,653
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 8,318,347

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	5,716,267
Maintenance Replacement Fund	1,500,000
Estimated Interest Payment to Chesterfield County	1,102,080
TOTAL ESTIMATED EXPENDITURES	\$ 8,318,347

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	\$ 1,512,075	\$ 1,550,721	\$ 38,646
Contractual Services	1,389,655	1,374,600	(15,055)
Supplies and Materials	62,300	59,000	(3,300)
Transfer Payments	2,182,862	2,235,446	52,584
Continuous Charges	109,100	116,500	7,400
Property and Improvements	—	—	—
Equipment	1,876,500	380,000	(1,496,500)
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 7,132,492	\$ 5,716,267	\$ (1,416,225)

Appendix I - Coleman Bridge (0782) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	6,000,000
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 6,000,000

Toll Facility Revolving Account Loan Repayment	2,774,828
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 3,225,172

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	2,412,879
Maintenance Replacement Fund	812,293
TOTAL ESTIMATED EXPENDITURES	\$ 3,225,172

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	\$ 498,198	\$ 522,269	\$ 24,071
Contractual Services	1,452,300	1,065,660	(386,640)
Supplies and Materials	83,550	76,750	(6,800)
Transfer Payments	375,000	400,000	25,000
Continuous Charges	81,000	48,700	(32,300)
Property and Improvements	—	—	—
Equipment	243,190	299,500	56,310
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 2,733,238	\$ 2,412,879	\$ (320,359)

Appendix I - I-66 Inside the Beltway (0446) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	\$ 15,216,600
TOTAL ESTIMATED REVENUES	\$ 15,216,600

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	13,716,600
Maintenance Replacement Fund	1,500,000
TOTAL ESTIMATED EXPENDITURES	\$ 15,216,600

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	596,651	506,369	(90,282)
Contractual Services	8,272,545	7,560,531	(712,014)
Supplies and Materials	—	7,800	7,800
Transfer Payments	794,684	5,641,600	4,846,916
Continuous Charges	—	300	300
Property and Improvements	—	—	—
Equipment	—	—	—
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 9,663,880	\$ 13,716,600	\$ 4,052,720

Appendix I - I-64 Express Lanes (0447) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	\$ 1,891,614
TOTAL ESTIMATED REVENUES	\$ 1,891,614
 <i>Cash Balance from Prior Year</i>	 245,806
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 2,137,420

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	2,137,420
TOTAL ESTIMATED EXPENDITURES	\$ 2,137,420

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	\$250,000	255,870	\$5,870
Contractual Services	2,187,000	1,581,375	(605,625)
Supplies and Materials	5,000	175	(4,825)
Transfer Payments	642,000	300,000	(342,000)
Continuous Charges	—	—	—
Property and Improvements	—	—	—
Equipment	—	—	—
Obligations	—	—	—
TOTAL - Operating Expenditures	\$3,084,000	\$2,137,420	(\$946,580)

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CPR	Capital Projects Revenue Bonds
CTF	Commonwealth Transportation Fund
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
MWAA	Metropolitan Washington Airports Authority
NHPP	National Highway Performance Program
NVTD	Northern Virginia Transportation District
Oak Grove	City of Chesapeake Oak Grove Connector Project Bonds
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the non-federal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects. It permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.
STP	Surface Transportation Program
STP Regional	Federal allocation that is to be used in urbanized areas with population greater than 200,000 – This portion is to be divided among those areas based on their relative share of population
STP Statewide	Surface Transportation Program sub-allocation that may be used in any area of the State
STP Under 200,000	Federal allocation that is to be used in areas with population greater than 5,000 but no more than 200,000
STP Under 5,000	Federal allocation that is to be used in areas with population of 5,000 or less
TAP	Transportation Alternatives Program
Tele Fees	Allocation of revenue from Public Rights-of-Way Use Fee to a provider of telecommunications service
Toll Facilities Revolving	Toll Facilities Revolving Account
TPOF	Transportation Partnership Opportunity Fund
TTF	Transportation Trust Fund

Endnotes

Endnote Number	Description
1	Reflects dedication of Priority Transportation Funding pursuant to § 33.2-1572 of the Code of Virginia for transit initiatives
2	Reflects dedication of Priority Transportation Funding pursuant to § 33.2-1572 of the Code of Virginia for safety and construction priority projects
3	Reflects the addition of actual FY 2021 revenues in excess of the official revenue estimate pursuant to § 33.2-1527 of the Code of Virginia



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: _____ **Seconded By:** _____

Action: _____

Title: Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2022-2027

WHEREAS, Section 33.2-214 (B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (Program) of anticipated projects and programs and that the Program shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, after due consideration the Board adopted a Final Fiscal Years 2022-2027 Program on June 23, 2021; and

WHEREAS, § 33.2-214(B) of the Code of Virginia provides that the Board is to coordinate the planning for financing of transportation needs, including needs for highways, railways, seaports, airports, and public transportation and is to allocate funds for these needs pursuant to §§ 33.2-358 and 58.1-638 of the Code of Virginia, by adopting a Program; and

WHEREAS, § 58.1-638 authorizes allocations to local governing bodies, transportation district commissions, or public service corporations for, among other things, capital project costs for public transportation and ridesharing equipment, facilities, and associated costs; and

WHEREAS, §33.2-1526.3 established the Transit Ridership Incentive Program (TRIP) to promote improved regional transit service in urbanized areas of the Commonwealth (with an urban population in excess of 100,000) and to reduce barriers to transit use for low-income individuals; and

Resolution of the Board

December 8, 2021

Addition of Projects to the Six-Year Improvement Program for
Fiscal Years 2022-2027

Page 2 of 2

WHEREAS, the Department of Rail and Public Transportation has solicited and prioritized TRIP applications for multiyear funding in accordance with the policy adopted by this Board on July 21, 2021 and are reflected in Appendix A; and

WHEREAS, the projects shown in Appendix A were not included in the Fiscal Years 2022-2027 Program adopted by the Board on June 23, 2021; and

WHEREAS, the Board recognizes that the projects are appropriate for the efficient movement of people and freight and, therefore, for the common good of the Commonwealth.

NOW, THEREFORE, BE IT RESOLVED, by the Board, that the projects shown in Appendix A are added to the Six-Year Improvement Program for Fiscal Years 2022 through 2027 and are approved.

####

CTB Decision Brief

Six-Year Improvement Program Additions for Fiscal Years 2022 - 2027

Issue: Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program) and allocations in accordance with policy or statutory formula. At the time the SYIP was adopted, the Department of Rail and Public Transportation was finalizing development of the Transit Ridership Incentive Program (TRIP) working with stakeholders on the development of the program policy and guidance. The CTB approved the TRIP Policy on July 21, 2021, and DRPT subsequently solicited mid-cycle applications for funding. DRPT has completed the prioritization of applications for TRIP funding, in accordance with the CTB policy, and briefed the CTB on their funding recommendations on October 19, 2021. These projects are now recommended for addition to the FY2022-2027 SYIP.

Facts: The CTB must adopt a Six-Year Improvement Program of anticipated projects and programs by July 1st of each year in accordance with Section 33.2-214 (B). The CTB adopted the FY 2022-2027 SYIP on June 23, 2021. The TRIP projects in the Department of Rail and Public Transportation (DRPT) Appendix A were not in the final FY 2022-2027 SYIP adopted by the CTB.

Recommendations: DRPT recommends addition of the projects in DRPT Appendix A to the Program for FY 2022-2027.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to add the projects listed in DRPT Appendix A to the Program for FY 2022-2027.

Results, if Approved: If the resolution is approved, the projects listed in DRPT Appendix A will be added to the Program for FY 2022-2027

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None.

DRPT SYIP Project Additions for FY2022-FY2027 SYIP

Row	Recipient District	Recipient Description	Project Description	Fund Source	State Funding		Comments
					Amount		
1	Richmond	Greater Richmond Transit Company (GRTC)	GRTC- Zero Fare Project	TRIP Funds	\$ 8,000,000		State funding will be allocated from FY 22 through FY 25 (3 year state commitment)
2	Northern Virginia	City of Alexandria	DASH- Zero Fare Project	TRIP Funds	\$ 7,236,171		State funding will be allocated from FY 22 through FY 25 (3 year state commitment)
3	Bristol	Mountain Empire Older Citizens, INC.	MEOC- Zero Fare Project	TRIP Funds	\$ 102,000		State funding will be allocated from FY 22 through FY 25 (3 year state commitment)
4	Northern Virginia	Fairfax County	Fairfax County- Subsidized SmarTrip Cards	TRIP Funds	\$ 5,494,740		State funding will be allocated from FY 22 through FY 25 (3 year state commitment)
5	Lynchburg	Greater Lynchburg Transit Company (GLTC)	Route 4 Regional Connectivity Improvement	TRIP Funds	\$ 1,630,400		State funding will be allocated from FY 22- FY 27 (5 year state commitment)
6	Richmond	Petersburg Area Transit	Petersburg Area Transit Southern Express	TRIP Funds	\$ 1,134,090		State funding will be allocated from FY 22- FY 27 (5 year state commitment)
7	Hampton Roads	Hampton Roads Transit	Naval Station Norfolk Internal Circulator	TRIP Funds	\$ 2,388,198		State funding will be allocated from FY 22- FY 27 (5 year state commitment)



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item # 14

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 8, 2021

MOTION

Made By: Seconded By:

Action:

Title: Adoption of Updated Policy for Implementation of the SMART SCALE Project Prioritization Process

WHEREAS, Section 33.2-214.1 of the *Code of Virginia*, provides that the Commonwealth Transportation Board (Board) shall develop a statewide prioritization process for certain projects funded by the Board, including those projects allocated funds pursuant to sections 33.2-358, 33.2-370 and 33.2-371 of the *Code of Virginia*, and

WHEREAS, it is the responsibility of the Office of Intermodal Planning and Investment (OIP), in coordination with the Virginia Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT), to implement the statewide prioritization process developed by the Board pursuant to Section 2.2-229; and

WHEREAS, Section 33.2-358 sets forth requirements relating to the allocations and establishment of a High Priority Projects Program established pursuant to section 33.2-370 and a Highway Construction District Grant Program established pursuant to section 33.2-371; and

WHEREAS, Chapter 726 of the 2014 Acts of Assembly, required the Board to select projects for funding utilizing the project prioritization process established pursuant to section 33.2-214.1; and

WHEREAS, Section 33.2-214.1 (B) requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process; and

WHEREAS, Section 33.2-214.2 requires OIPI to make public, in an accessible format, a recommended list of projects and strategies for inclusion in the Six-Year Improvement Program based on results of the evaluation of submitted projects and the results of screening and evaluation of such projects no later than 150 days prior to the Board’s vote to adopt the Six-Year Improvement Plan.

WHEREAS since adoption of the most recent SMART SCALE Prioritization Policy on February 19, 2020, modifications to improve and strengthen the policy have been identified and recommended to the Board by OIPI.

NOW THEREFORE BE IT RESOLVED, the Commonwealth Transportation Board hereby updates the SMART SCALE Prioritization Policy adopted on February 19, 2020 to address the issues noted herein and adopts the following policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1 (SMART SCALE Prioritization Process):

1. Application for funding through the SMART SCALE Prioritization Process must be made by qualifying entities based on project type and as follows:

Eligibility to Submit Projects

Project Type	Regional Entity (MPOs, PDCs)	Locality* (Counties, Cities, and Towns)	Public Transit Agencies
Corridor of Statewide Significance	Yes	Yes, with a resolution of support from relevant regional entity	Yes, with resolution of support from relevant regional entity
Regional Network	Yes	Yes, with a resolution of support from the MPO*	Yes, with resolution of support from relevant entity
Urban Development Area	No	Yes, with a resolution of support from the relevant MPO*	No
Safety	No	Yes, with a resolution of support from the relevant MPO*	No

Note*: Projects within established MPO study areas that are identified in or consistent with the regionally adopted Constrained Long Range Plan (CLRP) do not require a resolution of support from the respective MPO Policy Board. For projects outside MPO areas only a local resolution of support is required.

2. Application for funding through the SMART SCALE Prioritization Process must be made for a qualifying need and, pursuant to Section 33.2-214.1 (B)(2) and 33.2-358, for the High Priority Projects Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for all corridors of statewide significance and regional networks, and for the construction District Grant Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for corridors of statewide significance, and regional networks, improvements to promote urban development areas established pursuant to Section 15.2-2223.1, and identified safety needs.
3. Applications for funding through either the High Priority Projects Program or the Construction District Grant Programs must relate to projects located, in part or wholly, within the boundaries of the qualifying entity. In the case of an application that crosses the submitting entity's boundaries, the submitting entity must provide resolution(s) of support from the affected jurisdiction(s) or regional planning organization(s).
4. A resolution of support from the relevant governing body or policy board, approved in a public forum with adequate public notice, is required at the time of application.
5. By majority vote of the Board, the Board may choose to submit up to two projects to be evaluated for funding in each biennial application cycle.
6. In the event the CTB elects to submit up to two projects to be evaluated and considered for funding, the projects will be considered for funding in the Construction District Grant Program with the endorsement of the applicable local government(s) and/or the High Priority Projects Program.
7. The factors specified in Section 33.2-214.1 will be measured and weighted according to the following metrics:

ID	Measure Name	Measure Weight
Safety Factor		
S.1	Number of Fatal and Injury Crashes*	70%
S.2	Rate of Fatal and Injury Crashes	30%
Congestion Mitigation Factor		
C.1	Person Throughput	50%
C.2	Person Hours of Delay	50%
Accessibility Factor		
A.1	Access to Jobs	60%
A.2	Access to Jobs for Disadvantaged Populations	20%

ID	Measure Name	Measure Weight
A.3	Access to Multimodal Choices	20%
Environmental Quality Factor		
E.1	Air Quality and Energy Environmental Effect	100%
E.2	Impact to Natural and Cultural Resources	**
Economic Development Factor		
ED.1	Project Support for Economic Development	60%
ED.2	Intermodal Access and Efficiency	20%
ED.3	Travel Time Reliability	20%
Land Use Factor		
L.1	Transportation Efficient Land Use	50%
L.2	Increase in Transportation Efficient Land Use	50%

Note*: 100% for Transit and Transportation Demand Management Projects

Note**: E2 will serve as a subtractive measure (subtracting up to 5 benefit points) based on the acreage of sensitive areas potentially impacted.

8. The factors will be evaluated according to the following typology categories and weighting frameworks within the state’s highway construction districts:

Region in which the Project is Located	Typology	Construction District
Accomack-Northampton PDC	Category D	Hampton Roads
Bristol MPO	Category D	Bristol
Central Shenandoah PDC	Category D	Staunton
Central Virginia MPO	Category C	Lynchburg/Salem
Charlottesville-Albemarle MPO	Category B	Culpeper
Commonwealth RC	Category D	Lynchburg/Richmond
Crater PDC	Category D	Richmond/Hampton Roads
Cumberland Plateau PDC	Category D	Bristol
Danville MPO	Category D	Lynchburg
Fredericksburg Area MPO (FAMPO)	Category B	Fredericksburg
George Washington RC	Category D	Fredericksburg
Hampton Roads PDC ⁱ	Category D	Hampton Roads
Hampton Roads TPO (HRTPO) ^{i,ii}	Category A	Hampton Roads/Fredericksburg

Region in which the Project is Located	Typology	Construction District
Harrisonburg-Rockingham MPO	Category C	Staunton
Kingsport MPO	Category D	Bristol
Lenowisco PDC	Category D	Bristol
Middle Peninsula PDC ⁱⁱ	Category D	Fredericksburg
Mount Rogers PDC	Category D	Bristol/Salem
New River Valley MPO	Category C	Salem
New River Valley PDC	Category D	Salem
Northern Neck PDC	Category D	Fredericksburg
Northern Shenandoah Valley RC	Category D	Staunton
Northern Virginia RC	Category A	Northern Virginia
Northern Virginia Transportation Authority (NVTA) / Transportation Planning Board (TPB) ⁱⁱⁱ	Category A	Northern Virginia/Culpeper
Rappahannock-Rapidan RC ⁱⁱⁱ	Category D	Culpeper
Region 2000 LGC	Category D	Salem/Lynchburg
Richmond Regional PDC	Category D	Richmond
Richmond Regional TPO (RRTPO)	Category B	Richmond
Roanoke Valley TPO (RVTPO)	Category B	Salem
Roanoke Valley-Alleghany PDC	Category D	Salem/Staunton
Southside PDC	Category D	Lynchburg/Richmond
Staunton-Augusta-Waynesboro MPO	Category C	Staunton
Thomas Jefferson PDC	Category C	Culpeper/Lynchburg
Tri-Cities MPO	Category C	Richmond
West Piedmont PDC	Category D	Salem/Lynchburg
WinFred MPO	Category C	Staunton

Note*: PDC is defined as the remainder of the region outside the MPO boundary. In many cases, these regions include partial counties (e.g. Goochland County is partially within RRTPO and the Richmond Regional PDC). If a project is within the MPO boundary in a partial county, the project shall use the weighting associated with the MPO with the following exceptions:

- i. The portion of Southampton County and the City of Franklin within the Hampton Roads TPO boundary shall use the weighting associated with the Hampton Roads PDC.
- ii. The portion of Gloucester County within the Hampton Roads TPO boundary shall use the weighting associated with the Middle Peninsula PDC.

- iii. The portion of Fauquier County within the Transportation Planning Board Boundary shall use the weighting associated with the Rappahannock-Rapidan Regional Commission.

Note** For projects that cross multiple typology boundaries, the project shall use the weighting associated with the typology for which the majority of the project is located.

Weighting Frameworks

Factor	Congestion Mitigation	Economic Development	Accessibility	Safety	Environmental Quality	Land Use
Category A	45% **	5%	15%	5%	10%	20%*
Category B	15%	20%	20%	20%	10%	15%*
Category C	15%	25%	15%	25%	10%	10%
Category D	10%	30%	10%	30%	10%	10%

Note* - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain metropolitan planning areas with a population over 200,000, the prioritization process shall also include a factor related to Land Use.

Note** - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain highway construction districts congestion mitigation must be weighted highest among the factors.

- 9. Qualifying entities are limited in the number of pre-applications and full applications they may submit. The limits are based on population thresholds as defined in the table below. A Board member may allow one additional application from one county within their district if (i) the project is located within a town that is ineligible to submit projects and (ii) the county in which the town is located submitted the maximum number of applications allowed. Only one such additional application is allowed per district.

Application Limits

Tier	Localities*	MPOs/PDCs/ Transit Agencies*	Max # of Pre-Applications	Max # of Full Applications
1	< 200K	< 500K	5	4
2	>= 200K	>= 500K	12	10

Note* - The source of population data for localities, MPOs and PDCs is the last preceding United States census (2010). Application limits for transit agencies were determined based on service area population in the 2010 National Transit Database (NTD). If service area population

was not available in NTD, Census 2010 population was used to determine population in jurisdictions served by transit agency.

10. Candidate projects will be scored based on the factors and weights identified above relative to other projects submitted for evaluation, the cost of the project and based on information included in the project application.
11. The final project score is determined by calculating the anticipated benefits relative to the amount of funding requested pursuant to section 33.2-358 of the *Code of Virginia*.
12. A project that has been selected for funding must be re-scored and the funding decision re-evaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed.
 - a. If an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:
 - i. Total Cost Estimate <\$5 million: 20% increase in funding requested
 - ii. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested
 - iii. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested.
 - b. If the project scope is reduced or modified such that the revised score is less than the lowest ranked funded project in the district for that cohort of projects, Board action is required to approve the change in scope.
 - c. If the project scope is increased then the applicant is responsible for the additional cost attributable to the increase in scope regardless of budget impact. The scope of a project may not be substantially modified in such a manner that the proposed improvements do not accomplish the same benefits as the original scope.
13. A project that has been selected for funding must be initiated and at least a portion of the programmed funds expended within one year of the budgeted year of allocation or funding may be subject to reprogramming to other projects selected through the prioritization process. In the event the Project is not advanced to the next phase of construction when requested by the Commonwealth Transportation Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the *Code of Virginia*, to reimburse the Department for all state and federal funds expended on the project.
14. A project that has been selected for funding cannot be resubmitted to address cost increases or loss of other sources of funding.

15. Once a project is selected for funding, an entity must wait for two rounds of SMART SCALE following the end date of construction before submitting a new project application for the same location that meets the same need as the project that was selected for funding.
16. Once a project is selected for funding, an entity may not resubmit the project with a revised scope in a subsequent round unless the previously selected project has been cancelled.
17. A project that has been selected for funding may be cancelled only by action of the Board. In the event that a project is not advanced to the next phase of construction when requested by the Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the Code of Virginia, to reimburse the Department for all state and federal funds expended on the project.
18. In the cases where a project has been selected for funding which identified other sources of funding, the qualifying entity is committed to pay the difference if other sources of funding are not provided. An applicant may only identify State of Good Repair, Transportation Alternatives Set-Aside, Highway Safety Improvement Program and Revenue Sharing funds as committed funds if the funding has already been approved by the Board. Applicants must have an approved or pending application for other sources of committed funds, such as local/regional or other federal funds, at the time of the SMART SCALE application submission.
19. Pursuant to 33.2-214 E, any project added to the SYIP funded wholly or in part with funding from the High Priority Projects Program or Construction District Grants Program shall be fully funded within the six-year horizon of the SYIP.
20. Applications for funding through the SMART SCALE Prioritization Process may not request funding to replace other committed funding sources identified in a local capital improvement program or a transportation improvement program, or required to be paid by a developer as a result of a local zoning process.
 - a. The CTB may waive this requirement for projects that:
 - i. have an anticipated total cost in excess of \$1 billion; and
 - ii. were not eligible for submission in the previous round of SMART SCALE due to readiness considerations, but initiated procurement prior to award of the current round of SMART SCALE.
 - b. If a fully funded project is submitted with additional features that are not yet funded, the benefits associated with the fully funded or committed project element(s) will be excluded from consideration in evaluating and rating the project benefits for SMART SCALE.
21. The Board may adjust the timing of funds programmed to projects selected in previous SMART SCALE cycles to meet the cash flow needs of the individual projects, but will not (1) reduce the total amount of state and federal funding committed to an individual project unless it is no longer needed for the delivery of the project or the project sponsor is unable to secure permits and environmental clearances for the project or (2) increase the total amount of state and federal funding committed to an individual project beyond the thresholds established in item 10.

Projects from a subsequent round will not be advanced or accelerated by delaying projects selected in a previous SMART SCALE cycle.

22. In cases where programmed funds are no longer needed for delivery of a project due to estimate decreases, contract award savings, schedule changes, etc., the unexpended surplus funds are SMART SCALE unless superseded by the terms of a signed project agreement.

- a. Surplus Construction District Grant Program funds no longer needed for delivery of a project will remain within the applicable Construction District Grant Program and may not be used in other districts.
- b. Surplus High Priority Projects Program funds will remain within the High Priority Projects Program.
- c. Such surplus funds will be reserved to address budget adjustments on existing SMART SCALE projects or reserved for allocation in the next solicitation cycle for SMART SCALE.

BE IT FURTHER RESOLVED, the methodology outlined in the SMART SCALE Technical Guide shall direct the screening, scoring and selection of projects for funding and may continue to evolve and improve based upon advances in technology, data collection and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth herein, they shall be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, the SMART SCALE Project Change Guide shall direct the evaluation of changes to the scope and/or budget of projects selected for funding through SMART SCALE.

BE IT FURTHER RESOLVED, the development and management of the SMART SCALE portion of the SYIP shall be conducted in accordance with the Board's current Six-Year Improvement Program Development Policy.

BE IT FURTHER RESOLVED, the Board hereby directs OIPI, in coordination with VDOT and DRPT, to take all actions necessary to implement and administer this policy and process as corrected, including but not limited to update of technical and policy documents consistent with the SMART SCALE Prioritization Policy adopted herein.

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CTB Decision Brief

Title: Adoption of Corrected Policy and Approval of Guides for Implementation of the SMART SCALE Project Prioritization Process

Issue: On February 19, 2020, the Board approved and adopted an updated prioritization policy incorporating improvements to both the policy and the evaluation process for implementation to enhance the SMART SCALE prioritization process for subsequent rounds. This proposed policy resolution seeks to make additional changes to the Board's SMART SCALE policy related to the weighting criteria used in the evaluation and scoring process. In addition, changes also focus on methodology updates that will be reflected in the Round 5 SMART SCALE Technical Guide.

Facts: Section 33.2-214.1 of the *Code of Virginia* requires the Board to develop a prioritization process for certain projects funded by the Board. Section 33.2-214.1 (B) of the Code of Virginia requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process. In June 2015, the Board adopted an initial statewide prioritization policy and process and directed VDOT, DRPT, and OIPI to implement and administer the policy and process. The proposed policy resolution seeks to update the previously adopted prioritization policy and incorporate feedback and observation from the previously completed cycle of SMART SCALE. The following modifications to the Board's prioritization policy adopted February 19, 2020 are as follows:

- Adjustments to Area Type weighting
 - Area Type B – Add 5% to Land Use measure and remove 5% from Accessibility measure
 - Area Type C – Add 10% to Land Use measure and remove 10% from Accessibility measure
 - Area Type D – Add 10% to Land Use and remove 5% from Accessibility and 5% from Economic Development measure

A resolution reflecting the above referenced recommendations has been prepared for consideration by the Board. The SMART SCALE Technical Guide will be revised to include the corrections identified in this resolution.

Proposed SMART SCALE methodology improvements that do not impact SMART SCALE Policy are as follows:

- Adjustments to E.1 measure by refining existing qualitative component and adding a quantitative component
- Adjustments to E.2 measure to right-size impact buffer to disturbance anticipated based on project feature
- Adjustments to L.1 and L.1 measure to reduce walk buffer from 3 miles to 1 mile

The SMART SCALE Technical Guide will be revised to include the methodology improvements.

Recommendation: VDOT, DRPT, and OIPI recommend that the Board approve the project prioritization policy and process adopted in February 2020 to govern screening, scoring and selecting projects for funding with such modifications to be implemented for the fifth round of the SMART SCALE prioritization process, which begins March 1, 2022. VDOT and DRPT further recommend that the Board direct updates to the current SMART SCALE Technical Guide to reflect any modifications made to the project prioritization policy and process pursuant to this action.

Action Required by the CTB: The Board will be presented with a resolution for a formal vote to adopt the updated SMART SCALE Prioritization Process and to update the current SMART SCALE Technical Guide in implementation of the updated prioritization policy and process. Approval by majority vote of the resolution is required.

Result, if Approved: VDOT, DRPT, and OIPI will implement the SMART SCALE Prioritization Process in accord with the updated SMART SCALE Technical Guide.

Options: Approve, Deny or Defer

Public Comments/Reactions:

- VDOT District staff requested OIPI to test Area Type D refinement of adding to the Safety Measure and removing from Economic Development Measure.
 - OIPI Response – To be included in full review before Round 6.
- Comment from Henrico County opposed to the proposed Land Use measure changes in Area Type B to increasing from 10% to 15%.
 - OIPI Response – Concerns were discussed with applicant, and basis for decision to keep at 15% was communicated.

December 2021 CTB Meeting

D42

0223-057-595, B608

Mathews County

The purpose of this project is to rehabilitate the mechanical elements for the movable swing span bridge, associated electrical elements required for bridge operation, and their associated structural supporting elements on Rte. 223 over Milford haven, Gwynn's Island Bridge in Mathews County. The project will include machinery, electrical controls, structural steel, tender house modification, generator replacement, and required maintenance of traffic to complete the work.

This project is part of the Special Structure Program and is federally eligible with exception. This project has been reviewed by the Environmental Division to determine applicable permits required. All work will be performed within existing right of way and no utility relocations are required. This work has been coordinated with the US Coast Guard with no permit required for the included maintenance tasks.

Fixed Completion Date: April 5, 2023

F06

0046-012-722, C501, B623

Nottoway & Brunswick County

The purpose of this project is to rehabilitate the Route 46 bridge over the Nottoway River spillway near Fort Pickett and Blackstone, VA. The work includes a full superstructure replacement, replacement of the top 11' of the piers and constructing new abutments for this structure that is attached to the dam constructed by the USACOE in the mid-1940's.

The top 11' of the pier will be replaced with prefabricated, corrosion resistant steel (50CR) elements to speed construction and minimize detours/road closure times. These elements are sized to allow crane placement from the shorelines to protect the riverine environment and Blackstone's drinking water source. The 50CR material was selected due to the frequent flooding at the location.

This project allows the maximum use of jointless details and provides a structure that will both meet the fifty year life expectancy of the dam and require the least maintenance. The proposed bridge will have a total deck clear width of 29 feet (11'-6" lanes with 3' shoulders). The project will also provide safer access to the pump house via a new cantilevered "cat walk" on the north-most span.

Fixed Completion Date: June 29, 2023

December 2021 CTB Meeting

F31

0639-016-623, C501, P101, R201

Caroline County

Route 639 (Ladysmith Road) is a two-lane Rural Major Collector with a posted speed limit of 45 mph, and an ADT volume of 20,042 vehicles per day in the vicinity of the site. This project is to widen Route 639 from two (2) lanes to four (4) thru travel lanes in addition to dedicated left turn lanes to accommodate increased traffic volumes and improve safety. The improvement also includes bike and pedestrian accommodations, 10' shared use path on south side and 5' sidewalk on north side of the corridor.

Fixed Completion Date: May 28, 2024.

AWARD

PRIMARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.	EE Range
D42	116216	FROM: 1.76 MI. TO RTE. 198	ARCHER WESTERN CONSTRUCTION, LLC	5	\$8,311,260.14	\$8,198,654.55	Within
	0223-057-595, B608	TO: 2.0 MI TO RTE. 633	HERNDON				
		MATHEWS	VA				
	Maintenance Funds	FREDERICKSBURG DISTRICT					
		SWING SPAN REHAB. OVER MILFORD HAVEN INLET					

1 Recommended for AWARD \$8,311,260.14

AWARD

PRIMARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.	EE Range
F06	93093	FROM: 1.326 MI N OF RTE 615 (CEDAR CREEK RD)	W. C. ENGLISH, INCORPORATED	6	\$7,632,069.84	\$6,987,305.16	Within
	0046-012-722,C501,B623	TO: 0.266 MI S OF RTE 645 (JONESBORO RD)	LYNCHBURG				
	BR-012-4(052)	BRUNSWICK, NOTTOWAY	VA				
	Construction Funds	RICHMOND DISTRICT					
		BRIDGE REHABILITATION OVER NOTTOWAY RIVER					

1 Recommended for AWARD \$7,632,069.84

AWARD

SECONDARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.	EE Range
F31	106670	FROM: 0.152 MI. W OF RTE. 1 N INT.	J. L. KENT & SONS, INC.	5	\$10,692,078.42	\$12,895,684.65	Within
	0639-016-623,C501	TO: 0.835 MI. E OF RTE. 1 N INT.	SPOTSYLVANIA				
	STP-016-6(063)	CAROLINE	VA				
	Construction Funds	FREDERICKSBURG DISTRICT					
		SMART SCALE - ROADWAY WIDENING					

1 Recommended for AWARD \$10,692,078.42

AWARD

INTERSTATE

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Cost.	EE Range
	156803-CF	<p>Northern Virginia I-66 Bundled Interstate Maintenance Services (BIMS)</p> <p>Interstate I-66 in the county of Arlington from the Washington D.C Line (MM) 75.1 to the Fairfax County Line at (MM) 68.3</p> <p>Interstate I-66 in the county of Fairfax from the Fairfax County Line (MM) 68.3 to the Prince William County Line (MM) 49.2</p> <p>Interstate I-66 in the county of Prince William from the Prince William county Line (MM) 49.2 to the Fauquier County Line (MM) 36.7</p> <p>State Route (SR) # 267 in the county of Fairfax from the intersection of I-66 (MM) 00 to the Toll Plaza (MM) 4.7</p>	<p>Ferrovial Services Infrastructure, Inc.</p> <p>Austin, TX</p>	#2	\$23,595,117.25	\$26,000,000.00	WITHIN
	MAINTENANCE FUNDS	<p>Arlington, Fairfax, Prince William</p> <p>NORTHERN VIRGINIA DISTRICT</p> <p>Northern Virginia Bundled Interstate Maintenance Services (BIMS). The BIMS will be performed within the right of way limits on I-66 and SR267 in the NOVA District to include all on and off ramps. The BIMS consists of approximately <u>43.15</u> center line miles and <u>318.4</u> lane miles including all ramps up to the intersection of non- BIMS route(s) pavement edge.</p>					

1 Recommended for AWARD \$23,595,117.25

December 2021 CTB Meeting

156803-CF

Arlington, Fairfax, Prince William

The purpose of the Northern Virginia I-66 BIMS (Bundled Interstate Maintenance Services) project is to provide all maintenance activities within the right-of-way limits of I-66, SR-267 within the Northern Virginia District, twenty-four (24) hours a day seven (7) days a week. The BIMS consists of 43.15 center lane miles and 318.4 lane miles including all ramps up to the intersection of non-BIMS route(s) pavement edge. Contractor performance will be assessed by contractual performance measures and timeliness requirements. Maintenance activities to be performed under this contract will be divided into two categories, Performance based and Requirements based.

Performance based services include all activities associated with highway, drainage, structures, roadside, vegetation, traffic services, specialty items, emergency response, incident management, and severe weather activities. These services include providing all personnel, engineering, equipment, and services necessary to adhere to all contract requirements and comply with all regulatory authorizations, conditions, and requirements. These activities will be performed on assets at a frequency that ensures uniform consistent and timely compliance at all times with the performance measures and requirements. The Contractor shall perform maintenance (including preventive maintenance), repair, and replacement of all contract assets due to deterioration, incident, or damage.

Requirements based services include Mowing with Litter Pickup, Additional Litter Pickup, Long Arm Mowing, Herbicide Spraying, Mechanical Tree Removal, Roadway Sweeping, Incidental Asphalt/ Concrete Patching, Bridge Deck Patching, Bridge Expansion Joint Reconstruction, Pipe Cleaning and Electrical Line Installation.

Contract period: Five (5) Years from Contract Start Date with two (2) successive two (2) year renewal options

Contract to commence July 1, 2021.