



## COMMONWEALTH of VIRGINIA

### *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

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

### **AGENDA**

### **MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD**

The Boar's Head Inn  
The Ball Room  
200 Ednam Drive  
Charlottesville, VA 22903

April 19, 2017

9:00 a.m. or upon adjournment of the April 18, 2017 Workshop Meeting.

#### **Public Comments:**

#### **Approval of Minutes March 15, 2017**

#### **MAINTENANCE DIVISION:**

***Presenting: Branco Vlacich***  
***Division Administrator***

1. Action on Commemorative Naming of the Bridge on State Route 91, Veterans Road, over Laurel Creek, Tazewell County Located in the Bristol District as the "David Curtis Johnson Bridge".
2. Action on Commemorative Naming of the Bridge on Route 643, Wagon Trail Road, over Horsley Creek, Amherst County Located in the Lynchburg District as the "Roger Lee Floyd Memorial Bridge".

#### **RIGHT OF WAY AND UTILITIES DIVISION:**

***Presenting: Lori Snider***  
***Division Administrator***

3. Action on Approval of Locality Land Conveyance, Specifically, Old Pouncey Tract Road (Route 271), County of Henrico, Located in the Richmond District.

**LOCATION AND DESIGN DIVISION:**

***Presenting: Lori Snider***

4. Action on Limited Access Control Changes Route 28 and Route 234 Interchange City of Manassas, Located in the Northern Virginia District.

**INFRASTRUCTURE INVESTMENT DIVISION:**

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

5. Action on Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2017-2022.
6. Action on FY17-22 Six-Year Improvement Program Transfers For February 18, 2017 through March 22, 2017.

**AGREEMENTS:**

***Presenting: John Lawson*  
*Chief Financial Officer***

7. Action on Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of the Interstate 64 HOT (Express) Lanes in the Hampton Roads District.
8. Action on Authorization for the Commissioner of Highways to Enter into a MOU with the Hampton Roads Transportation Accountability Commission and the Hampton Roads Transportation Planning Organization Concerning the Study of Components not Included in the Selected Hampton Roads Crossing Study SEIS Alternative and to Execute a Standard Project Agreement with HRTAC Relating to the Bowers Hill Study Located in the Hampton Roads District.
9. Action on Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of the I-66 HOT Lanes, Outside the Beltway in the Northern Virginia District.
10. Action on Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of Interstate 66, Inside the Beltway Located in the Northern Virginia District.

**FINANCIAL PLANNING DIVISION:**

***Presenting: John Lawson***  
***Chief Financial Officer***

11. Action on Authorizing the Issuance and Sale of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2017.

**OFFICE OF THE SECRETARY OF TRANSPORTATION:**

***Presenting: Nick Donohue***  
***Deputy Secretary of Transportation***

12. Action on Approval of up to a \$45,000,000 Loan with Capitalized Interest from the Virginia Transportation Infrastructure Bank to 95 Express Lanes, LLC for the I-395 Express Lanes Northern Extension

**SCHEDULING AND CONTRACT:**

***Presenting: Don Silies***  
***Director of Contracts***

13. Bids.

Threshold  
**NEW BUSINESS:**

**ADJOURNMENT:**

###



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Chairman

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*Agenda item #1*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

**Title: “David Curtis Johnson Bridge”**  
**Commemorative Naming of the bridge on State Route 91, Veterans Road, over Laurel Creek, Tazewell County**

**WHEREAS**, the Tazewell County Board of Supervisors wants to memorialize the life, service and sacrifice of PFC David Curtis Johnson; and

**WHEREAS**, in accordance with § 33.2-213 of the *Code of Virginia*, the Tazewell County Board of Supervisors has requested, by resolution, that the Commonwealth Transportation Board, to memorialize the life and sacrifice of PFC David Curtis Johnson, name the bridge on State Route 91, Veterans Road, over Laurel Creek, Tazewell County as the “David Curtis Johnson Bridge”; and

**WHEREAS**, the Board of Supervisors of Tazewell County has agreed to reimburse the costs associated with providing and installing the necessary signs.

**NOW, THEREFORE, BE IT RESOLVED**, pursuant to § 33.2-213 of the *Code of Virginia*, the Commonwealth Transportation Board hereby names the bridge on State Route 91, Veterans Road, over Laurel Creek, Tazewell County as the “David Curtis Johnson Bridge”; and

**BE IT FURTHER RESOLVED**, the Department of Transportation is hereby directed to fabricate and erect appropriate signs and to invoice Tazewell County for the costs related to this commemorative naming.

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## CTB Decision Brief

### Bridge Naming: “David Curtis Johnson Bridge”

**Issue:** Commemorative naming of the bridge on State Route 91, Veterans Road, over Laurel Creek, Tazewell County.

**Facts:** Private First Class David Curtis Johnson, A Company, 4<sup>th</sup> Battalion, 9<sup>th</sup> Infantry, 25<sup>th</sup> Infantry Division, United States Army was killed in the line of duty on September 19, 1968 in Vietnam during the Vietnam War. He gave his life in the service and defense of the United States, the Commonwealth of Virginia, and Tazewell County.

On October 4, 2016, the Tazewell County Board of Supervisors, wishing to memorialize the life and ultimate sacrifice of PFC David Curtis Johnson, passed a resolution requesting the bridge located on State Route 91, Veterans Road, over Laurel Creek, be named the “David Curtis Johnson Bridge”.

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

**Action Required by CTB:** The *Code of Virginia* requires a majority of the CTB members to approve a resolution naming the bridge. A resolution will be provided for the Board’s consideration.

**Result if Approved:** The bridge located on State Route 91, Veterans Road, over Laurel Creek, will be known and signed as the “David Curtis Johnson Bridge”.

In accordance with law, the County will reimburse the costs associated with providing and installing the necessary signs and VDOT will invoice accordingly.

**Options:** Approve, Deny, or Defer.

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

# ***Tazewell County Attorney's Office***

**C. Eric Young, County Attorney**

108 East Main Street, Tazewell, Virginia 24651

[eyoung@tazewellcounty.org](mailto:eyoung@tazewellcounty.org)

(276) 385-1208



November 3, 2016

Lebanon VDOT Residency  
ATTN: John R. Watson  
Route 71, Building 938  
Lebanon, VA 24266

**RE: Tazewell County Board of Supervisors Bridge Naming Resolution  
David Curtis Johnson Bridge**

Dear Mr. Watson:

In accordance with the Virginia Department of Transportation's procedure to request the Commonwealth Transportation Board to name bridges and roadways, please find enclosed a resolution from the October 4, 2016 meeting of the Tazewell County Board of Supervisors requesting that the bridge on Route 91 in the Tannersville area of Tazewell County, Virginia be named the "David Curtis Johnson Bridge". The resolution indicates that Tazewell County will pay for all costs for the signs denoting the name, including fabrication and installation.

If you need more information, please do not hesitate to contact my office. I look forward to receiving correspondence from the Virginia Department of Transportation soon.

Sincerely,

Chase D. Collins, Esq.

CC: C. Eric Young, Esq. – Tazewell County Attorney  
M.E. Hall, Jr. – Delegate James W. Morefield's Office

VIRGINIA: AT A REGULARLY HELD MEETING OF THE BOARD OF SUPERVISORS OF TAZEWELL COUNTY, VIRGINIA HELD AT THE TAZEWELL COUNTY ADMINISTRATION BUILDING AT 108 EAST MAIN STREET AT 6:00 PM, ON THE 4th DAY OF OCTOBER, 2016, FOLLOWING A MOTION AND SECOND:

Date: October 4th, 2016

Resolution #: 10-04-16

**RESOLUTION TO REQUEST THE COMMONWEALTH TRANSPORTATION BOARD TO DEDICATE DAVID CURTIS JOHNSON BRIDGE**

**WHEREAS**, David Curtis Johnson, Private First Class, A Co., 4<sup>th</sup> Bn., 9<sup>th</sup> Infantry, 25<sup>th</sup> Infantry Div., United States Army was killed in the line of duty on September 19, 1968 in Vietnam during the Vietnam War;

**WHEREAS**, David Curtis Johnson gave his life in the service and defense of the United States, the Commonwealth of Virginia, and Tazewell County; and

**WHEREAS**, the Board of Supervisors of Tazewell County wishes to memorialize the life and ultimate sacrifice of David Curtis Johnson;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Tazewell County, Virginia:

- (1) That the Board of Supervisors of Tazewell County, Virginia does hereby request that the Commonwealth Transportation Board name the bridge on Route 91 in the Tannersville area of Tazewell County, Virginia as the "David Curtis Johnson Bridge" in memorial of David Curtis Johnson; and
- (2) That Tazewell County, Virginia will assume the costs for the fabrication and installation of signs for this naming.

**IN WITNESS WHEREOF**, the Board of Supervisors has caused this Resolution to be duly executed on its behalf by its Chairman and attested by its Clerk.

**IT IS SO RESOLVED** this the 4th day of October, 2016.

Present: Stacy, Asbury, Hymes, Absher, Hackworth  
Absent: None  
Ayes: Five (5)  
Nays: None  
Abstentions: None



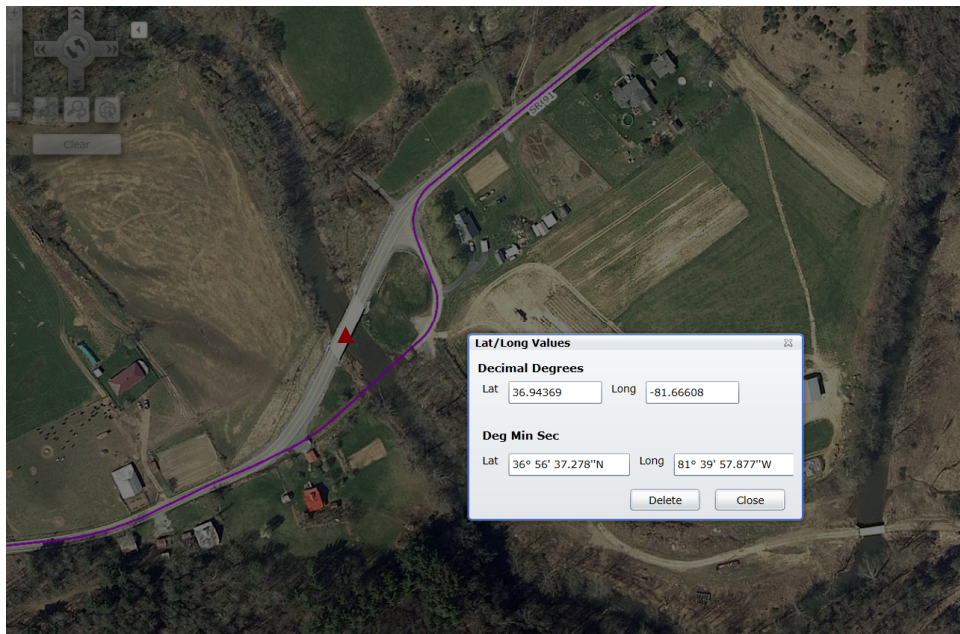
D. Michael Hymes, Chairman,  
Tazewell County Board of Supervisors

ATTEST:



Patricia K. Green, County Administrator

David Curtis Johnson Bridge Naming Proposal – Route 19 Tazewell County  
Location: Approximately 1.5 miles north of Route 91 / Route 42 Intersection





Tazewell County

Proposed Bridge Naming  
"David Curtis Johnson  
Memorial Bridge"



Tazewell County  
Proposed Bridge Naming:  
**"David Curtis Johnson  
Memorial Bridge"**



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

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Chairman

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*Agenda item #2*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

**Title: “Roger Lee Floyd Memorial Bridge”**  
**Commemorative Naming of the bridge on Route 643, Wagon Trail Road, over Horsley Creek, Amherst County**

**WHEREAS**, the Amherst County Board of Supervisors wants to memorialize the life, service and sacrifice of PFC Roger Lee Floyd; and

**WHEREAS**, in accordance with § 33.2-213 of the *Code of Virginia*, the Amherst County Board of Supervisors has requested, by resolution, that the Commonwealth Transportation Board, to memorialize the life and sacrifice of PFC Roger Lee Floyd, name the bridge on Route 643, Wagon Trail Road, over Horsley Creek, Amherst County as the “Roger Lee Floyd Memorial Bridge”; and

**WHEREAS**, the Board of Supervisors of Amherst County has agreed to reimburse the costs associated with providing and installing the necessary signs.

**NOW, THEREFORE, BE IT RESOLVED**, pursuant to § 33.2-213 of the *Code of Virginia*, the Commonwealth Transportation Board hereby names the bridge on Route 643, Wagon Trail Road, over Horsley Creek, Amherst County as the “Roger Lee Floyd Memorial Bridge”; and

**BE IT FURTHER RESOLVED**, the Department of Transportation is hereby directed to fabricate and erect appropriate signs and to invoice Amherst County for the costs related to this commemorative naming.

#####

## CTB Decision Brief

### Bridge Naming: “Roger Lee Floyd Memorial Bridge”

**Issue:** Commemorative naming of the bridge on Route 643, Wagon Trail Road, over Horsley Creek, Amherst County.

**Facts:** Roger Lee Floyd was born and raised on his family farm in Amherst County. While serving our country in the United States Army, Private First Class Roger Lee Floyd, First Infantry Division, fell in battle in Vietnam on November 12, 1965. For his demonstrated heroism in ground combat on that day, PFC Floyd was awarded the Purple Heart and a Bronze Star Medal. The First Infantry Division Cantigny War Memorial Museum of the First Division and the Society of the First Division awarded the Certificate of Recognition to PFC Floyd to commemorate his display of courage, valor and devotion to duty in combat service, without regard for the sacrifices and hardships endured. He was also awarded a Certificate of Honorable Service as a mark of this country’s deep and respectful estimation of his faithful service to the United States of America.

On January 17, 2017, the Amherst County Board of Supervisors, wishing to honor its native son with an enduring symbol of their deep affection for him and their abiding regard for his service, passed a resolution requesting the bridge located on Route 643, Wagon Trail Road, over Horsley Creek, be named the “Roger Lee Floyd Memorial Bridge”.

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

**Action Required by CTB:** The *Code of Virginia* requires a majority of the CTB members to approve a resolution naming the bridge. A resolution will be provided for the Board’s consideration.

**Result if Approved:** The bridge located on Route 643, Wagon Trail Road, over Horsley Creek, will be known and signed as the “Roger Lee Floyd Memorial Bridge”.

In accordance with law, the County will reimburse the costs associated with providing and installing the necessary signs and VDOT will invoice accordingly.

**Options:** Approve, Deny, or Defer.

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





Amherst County Board of Supervisors  
County Resolution No. 2017-0002-R

For consideration on January 17, 2017

**A RESOLUTION, NO. 2017-0002-R**

A resolution, requesting that the Commonwealth Transportation Board name a certain bridge near Pedlar Mills in Amherst County "The Roger Lee Floyd Bridge", in honor of a fallen son of Amherst County.

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Approved as to form by the County Attorney

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

**I. That the Board of Supervisors of Amherst County hereby requests, pursuant to Virginia Code § 33.2-213, that the Commonwealth Transportation Board name the bridge that connects Buffalo Springs and Wagon Trail Roads, near Pedlar Mills in Amherst County, "The Roger Lee Floyd Bridge", as follows:**

**WHEREAS**, Roger Lee Floyd is a true son of Amherst County, having been born and raised on his family farm at the upper end of Ashby Woods Road in the foothills of the Blue Ridge Mountains; and

**WHEREAS**, Private First Class Roger Lee Floyd, First Infantry Division, fell in battle in Vietnam on November 12, 1965, while in the service of our Country as a member of the United States Army; and

**WHEREAS**, for his demonstrated heroism in ground combat on that day, PFC Floyd was awarded the Purple Heart and a Bronze Star Medal; and

**WHEREAS**, the First Infantry Division Cantigny War Memorial Museum of the First Division and the Society of the First Division awarded the Certificate of Recognition to PFC Floyd to commemorate his display of courage, valor, and devotion to duty in combat service, without regard for the sacrifices and hardships endured; and

**WHEREAS**, PFC Floyd also was awarded a certificate of Honorable Service as a mark of this Country's deep and respectful estimation of his faithful service to the United States of America; and

**WHEREAS**, Roger Lee Floyd was brought home, and is buried at Saint Luke's Episcopal Church at Pedlar Mills; and

**WHEREAS**, Roger Lee Floyd's name is emblazoned upon the Vietnam Memorial in the Town of Amherst, along with ten of his compatriots; and

**WHEREAS**, Amherst County seeks to honor its native son with an enduring symbol of our deep affection for him, and our abiding regard for his service; and

**WHEREAS**, Amherst County accordingly requests, pursuant to Virginia Code § 33.2-213, that the Commonwealth Transportation Board name the bridge that connects Buffalo Springs and Wagon Trail Roads, near Pedlar Mills, "The Roger Lee Floyd Bridge"; and

**WHEREAS**, Amherst County stands ready and willing to support the costs of producing, placing, and maintaining the sign bearing Roger Lee Floyd's name, and to take any other needed action in support of this petition to the Commonwealth; and

**WHEREAS**, Amherst County now is deemed a Purple Heart Community, and the Military Order of the Purple Heart, Chapter No. 1607, therefore has committed to supplying a sign for the bridge that signifies that Amherst County is a Purple Heart Community.

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

That the Board of Supervisors of Amherst County hereby requests, pursuant to Virginia Code § 3.2-213, that the Commonwealth Transportation Board name the bridge that connects Buffalo Springs and Wagon Trail Roads, near Pedlar Mills, "The Roger Lee Floyd Bridge".

**BE IT FURTHER RESOLVED:**

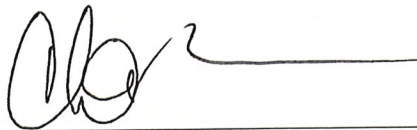
That the Board of Supervisors hereby expresses its commitment to supporting the costs of producing, placing, and maintaining the sign bearing Roger Lee Floyd's name, and to taking any other needed action in support of this petition to the Commonwealth.

**BE IT FURTHER RESOLVED:**

That the Clerk of the Board of Supervisors is directed to forward a copy of this resolution to the Commonwealth Transportation Board under cover of a letter requesting guidance as to next steps.

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

Adopted this 17<sup>th</sup> day of January, 2017.



Claudia D. Tucker, Chair  
Amherst County Board of Supervisors

**ATTEST:**



Dean C. Rodgers, Clerk  
Amherst County Board of Supervisors

Ayes 5

Nays 0

Abstentions 0

**ADOPTED**

1 / 17 / 17



Amherst County

643

Proposed Bridge Naming  
"The Roger Lee Floyd  
Memorial Bridge"

635

Horsley Creek

651

Sturm Farm Ln

Buffalo Springs Turnpike

Wagon Trail Rd

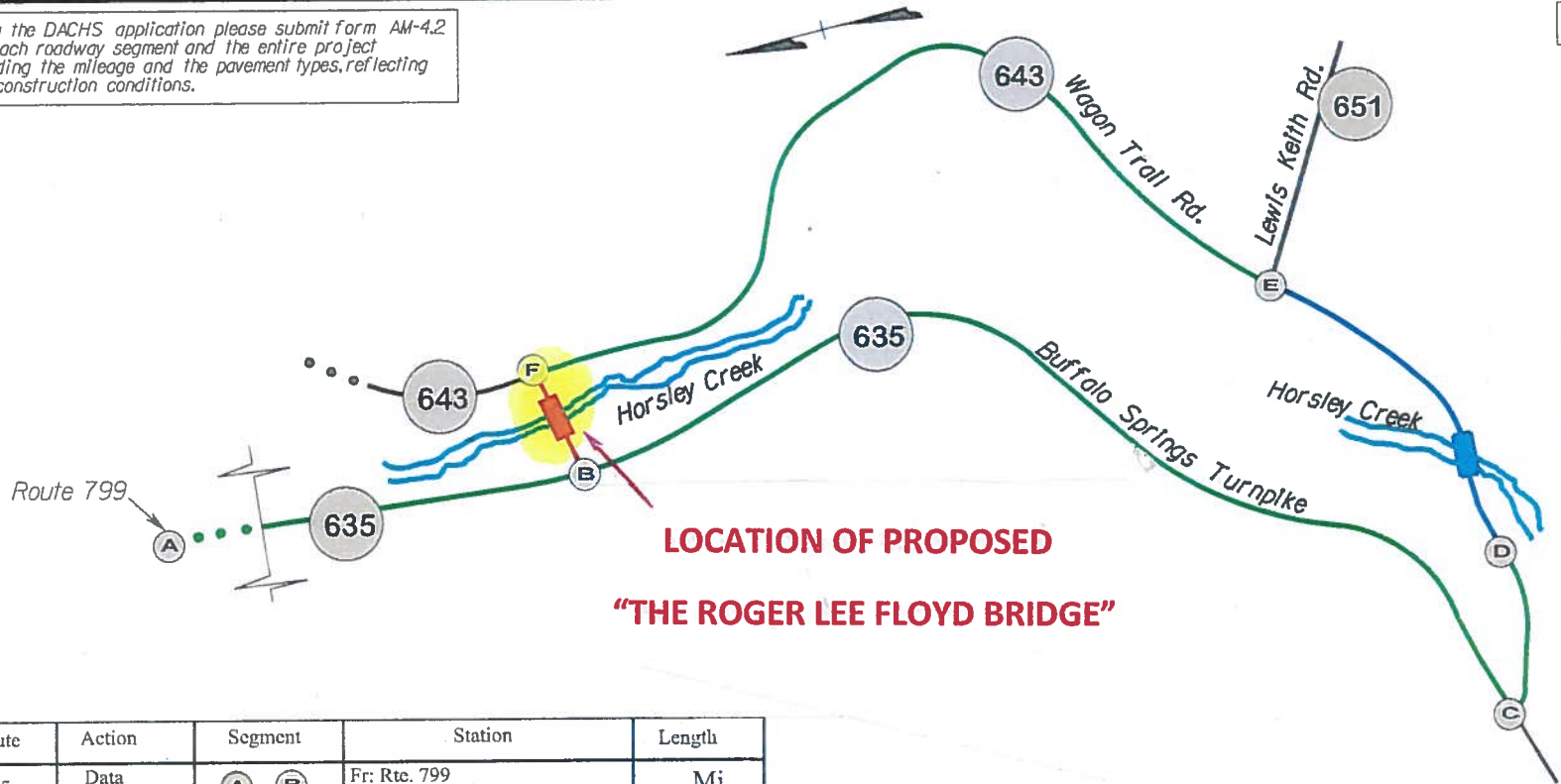
635



Virginia Department of Transportation  
Maintenance Division  
CTB MEETING: April 19, 2017

Amherst County  
Proposed Bridge Naming:  
**"The Roger Lee Floyd  
Memorial Bridge"**

Using the DACHS application please submit form AM-4.2 for each roadway segment and the entire project including the mileage and the pavement types, reflecting post-construction conditions.

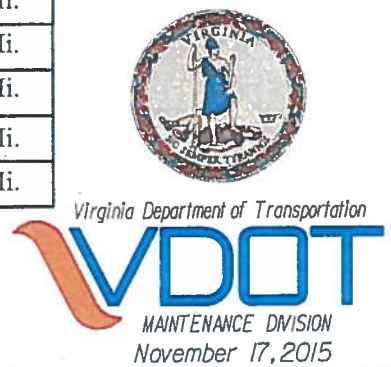


**LOCATION OF PROPOSED  
"THE ROGER LEE FLOYD BRIDGE"**

UPC -- 51353

Lynchburg District  
Appomattox Residency

Route	Action	Segment	Station	Length
635	Data Correction	(A) -- (B)	Fr: Rte. 799 To: Sta. 209+67	_. _ Mi.
???	Addition	(B) -- (F)	Fr: Rte. 635 To: Rte. 643	_. _ Mi.
635	Data Correction	(B) -- (C)	Fr: Sta. 209+67 To: Rte. 643	_. _ Mi.
643	Data Correction	(C) -- (D)	Fr: Int. Rte. 635 & 643 To: End ??????	_. _ Mi.
643	Abandonment	(D) -- (E)	Fr: ??? To: Route 651	_. _ Mi.
643	Data Correction	(E) -- (F)	Fr: Rte. 651 To: (New) Rte. ???	_. _ Mi.



Legend

**AMHERST COUNTY**

Changes in the Secondary Systems  
due to relocation and construction on

**Project: 0643-005-171, M-501**

- █ Segment(s) of new location to be added to the Secondary System.
- █ Segment(s) of Secondary Road location to be abandoned.
- █ Data Correction - Adjustment to correct RIMS records also applies to Route Re-Numbering, an Administrative change.

Not To Scale



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*Agenda item # 3*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

#### **MOTION**

**Made By: Mr. Brown, Seconded By:**  
**Action: Motion Carried, Unanimously**

**Title: Locality Land Conveyance, Old Pouncey Tract Road (Route 271),  
County of Henrico**

**WHEREAS**, Section 33.2-907 of the *Code of Virginia* allows the Commonwealth Transportation Board to transfer (convey) to the locality, upon petition of the locality's governing body, real estate acquired incidental to the construction, reconstruction, alteration, maintenance or repair of the Primary State Highway System, which constitutes a section of public road, and upon such transfer, such section of road shall cease being a part of the Primary State Highway System; and

**WHEREAS**, the 0.13 mile segment of right-of-way shown shaded on Exhibit A was formerly a portion of Pouncey Tract Road (Route 271) maintained by the Virginia Department of Transportation (VDOT) as part of the Primary State Highway System; and,

**WHEREAS**, this road segment is currently maintained by VDOT, but became known as Old Pouncey Tract Road with the realignment of Pouncey Tract Road with the Nuckols Road project; and,

**WHEREAS**, the County of Henrico has requested by resolution dated January 24, 2017 the transfer of this portion of Old Pouncey Tract Road in order to add the right-of-way to the County road system.

Resolution of the Board  
Locality Land Conveyance  
Old Pouncey Tract Road (Route 271),  
County of Henrico  
April 19, 2017  
Page Two

**NOW, THEREFORE, BE IT RESOLVED**, that in accordance with the provisions of Section 33.2-907 of the *Code of Virginia*, conveyance of said real estate is approved as set forth and upon conveyance, the road shall no longer be a part of the Primary State Highway System, and the Commissioner of Highways is hereby authorized to execute, in the name of the Commonwealth, a deed or deeds conveying the real estate subject to such restrictions as may be deemed appropriate.

####

**CTB Decision Brief**  
**Locality Land Conveyance**  
**Old Pouncey Tract (Route 271)**  
**County of Henrico**

**Issue:** Pursuant to Section 33.2-907 of the *Code of Virginia*, Henrico County has requested the transfer/conveyance of the right of way for a 0.13 mile portion of Old Pouncey Tract Road (Route 271). Approval of the Commonwealth Transportation Board for said transfer/conveyance is required.

**Facts:** Section 33.2-907 of the *Code of Virginia* allows the Commonwealth Transportation Board to transfer (convey) to the locality, upon petition of the locality's governing body, real estate acquired incidental to the construction, reconstruction, alteration, maintenance or repair of the Primary State Highway System, which constitutes a section of public road, and upon such transfer, such section of road shall cease being a part of the Primary State Highway System;

The County of Henrico has petitioned by resolution for the transfer and conveyance of the right of way for a 0.13 mile portion of Old Pouncey Tract Road (Route 271) to add this portion of right-of-way to the County road system for maintenance because it serves four property owners and functions as a subdivision street. This road segment was formerly a portion of Pouncey Tract Road maintained by the Virginia Department of Transportation (VDOT) as part of the primary highway system and is currently maintained by VDOT. It became known as Old Pouncey Tract Road with the realignment of Pouncey Tract Road with the Nuckols Road project

This proposed conveyance has been reviewed and approved by the Director of Right of Way and Utilities.

**Recommendations:** VDOT recommends that the land be conveyed to the County of Henrico for public street purposes.

**Action Required by CTB:** The *Code of Virginia* requires a majority vote of the Commonwealth Transportation Board (CTB) to approve the transfer/conveyance and to authorize the Commissioner of Highways to execute the deed to effectuate the conveyance. The CTB will be presented with a resolution for a formal vote.

**Result, if Approved:** If the resolution is approved, the transfer will be authorized and the Commissioner of Highways will be authorized to execute a deed to convey the property.

**Options:** Approve, Deny, or Defer

**Public Comments/Reactions:** None





## COMMONWEALTH of VIRGINIA

### *Commonwealth Transportation Board*

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Chairman

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*Agenda item # 4*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

**April 19, 2017**

#### MOTION

**Made By:            Seconded By:**

**Action:**

**Title: Limited Access Control Changes (LACCs)**  
**Route 28 and Route 234 Interchange**  
**City of Manassas**

**WHEREAS**, on April 17, 1980, the State Highway Commission (Commission), predecessor to the Commonwealth Transportation Board (CTB), designated Route 234 (Manassas Bypass) between Route 619 at Limstrong and Routes 29/211 to be a Limited Access Highway in accordance with what is now §33.2-401 of the *Code of Virginia*; and

**WHEREAS**, the CTB approved the major design features of Route 234 (Manassas Bypass), State Highway Project 6234-076-112, C-501, C502, C-503, C-504, including the design of the Route 234/Route 28 interchange, the plans for which include the boundaries of the limited access control area, and also specifically prohibited, among other potential uses, pedestrian and bicycle use of Route 234 with their resolution of June 20, 1991; and

**WHEREAS**, the design of the Route 234/Route 28 Interchange was further considered in a Resolution of the CTB dated November 15, 1993 that required that the design of the interchange meet then current design criteria; and

**WHEREAS**, the City of Manassas held a Design Public Hearing at the Department of Public Works at 8500 Public Work Drive, Manassas, Virginia 20110 on July 27, 2016,



between 6:00 pm and 8:00 pm for the purpose of considering the proposed Route 28 Widening, State Highway Project 0028-155-270, P101, R-201, C-501 (“Project”); and

**WHEREAS**, the proposed Project provides for the widening of Route 28 from four to six lanes from 0.145 mile south of Pennsylvania Avenue to 0.163 mile north of Godwin Drive to include curb and gutter, intersection improvements, and construction of a shared use path along Route 28; and

**WHEREAS**, the expansion of Route 28 requires a minor outward shift of the limited access line from Station 13+78.73 to Station 14+46.73 and from Station 14+82.22 to Station 16+76.72 on the westbound side and an adjustment in the limited access end points to Station 11+52.36 and Station 46+09.91 on the eastbound side of Route 28; and

**WHEREAS**, the construction of a shared use path allowing pedestrian and bicycle access is inconsistent with the action of the CTB in 1991 and requires the CTB to authorize the construction and maintenance of the shared use path inside the area designated as limited access and to authorize pedestrian and bicycle access on the shared use path within and through the area designated as limited access; and

**WHEREAS**, a Notice of Willingness for Public Comment for the LACC was posted on March 27, 2017, with the comment period closing on April 5, 2017, and no requests for a hearing or other comments were received; and

**WHEREAS**, the Northern Virginia District has reviewed and approved the traffic analysis report completed December 2016 and found that it adequately addresses the impacts from the Project and the proposed change to the limited access controls; and

**WHEREAS**, the Project is in a non-attainment area for ozone, an Interagency Consultation for Conformity was conducted, and the project will not have an adverse impact on air quality; and

**WHEREAS**, the Chief Engineer has determined that the proposed change will not adversely affect the safety or operation of the highways; and

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

**WHEREAS**, the proposed Project is in compliance with National Environmental Policy Act (NEPA) requirements and a Categorical Exclusion (CE) has been developed in cooperation with the Federal Highway Administration and in accordance with federal guidelines; and

Resolution of the Board  
Limited Access Control Changes  
Route 28 and Route 234 Interchange  
City of Manassas  
April 19, 2017  
Page Three

**WHEREAS**, the proposed Project has been in the City of Manassas Capital Improvement Program since 2004 and is supported by City Council by resolution dated February 27, 2017; and

**WHEREAS**, the Department has reviewed the requested change and determined that all requirements of 24 VAC 30-401-20 have been met.

**NOW, THEREFORE, BE IT RESOLVED**, in accordance with §33.2-401 of the *Code of Virginia* and Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*, that the CTB hereby finds and concurs in the determinations and recommendations of VDOT made herein, and directs that the Route 28 and Route 234 interchange continue to be designated as a limited access control area, with the boundaries of limited access control being modified from the current locations as follows:

Along the eastbound side of Route 28 near Pennsylvania Avenue the new end of Limited Access Control will be at Station 11+52.36 and 83.67' right of the baseline for Route 28; and along the eastbound side of Route 28 near Godwin Drive the new end of Limited Access Control will be at Station 46+09.91 and 80.00' right of the baseline for Route 28; and along the westbound side of Route 28 the new end of Limited Access Control will be at Station 13+78.73 and 76.00' left of the baseline for Route 28 with an adjustment to Station 16+76.72 and 87.92' left of the baseline for Route 28.

**BE IT FURTHER RESOLVED**, the location of the shared use path within the area designated as limited access and its construction and maintenance is approved as proposed and presented in the plans for the Project as presented to the public by the City of Manassas, as the same may be modified during ongoing design review.

**BE IT FURTHER RESOLVED**, that pedestrians and bicyclists are authorized to use the proposed shared use path along Route 28, within and through the areas designated as limited access.

**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)**  
**Route 28 and Route 234 Interchange**  
**Project 0028-155-270, P101, R201, C501;**  
**UPC 96721**  
**City of Manassas**

**Issues:** The area designated as limited access previously approved for the Route 28 and Route 234 interchange (Interchange) needs to be modified to accommodate the widening of Route 28 and to provide pedestrian and bicyclist access through the area as a result of a new shared use path that will be placed in the limited access area and through the existing limited access control line. These changes require the approval of the Commonwealth Transportation Board (“CTB”).

**Facts:**

State Highway Project 0028-155-270, P101, R201, C501 (“Project”) provides for the widening of Route 28 from four (4) to six (6) lanes and the construction of a new shared use path from Godwin Drive to Pennsylvania Avenue that will ultimately complete the connection between pedestrian facilities in the City of Manassas and future facilities planned along Route 28 in Prince William County. The expansion of Route 28 requires a minor outward shift of the limited access line from Station 13+78.73 to Station 14+46.73 and from Station 14+82.22 to Station 16+76.72 on the westbound side and an adjustment in the limited access end points to Station 11+52.36 and Station 46+09.91 on the eastbound side of Route 28. The construction of pedestrian and bicycle facilities is inconsistent with specific prior actions of the CTB and requires the CTB to authorize the construction and maintenance of the shared use path inside the area designated as limited access and to authorize pedestrian and bicyclist access on the shared use path within and through the area designated as limited access.

- Limited Access Control for Route 234 at the Interchange was previously established by the State Highway Commission, predecessor to the CTB, on April 17, 1980 in conjunction with Location Approval for the Route 234 Manassas Bypass.
- The design of the Interchange was approved in a Resolution of the CTB dated June 20, 1991, the plans for which include the boundaries of the area designated as limited access. This Resolution also specifically prohibited pedestrian and bicycle use of Route 234.
- The design of the Interchange was further considered in a Resolution of the CTB dated November 15, 1993 that required that the design of the Interchange meet then current design criteria.
- The widening of Route 28 from four (4) to six (6) lanes will require a change in the end points of the area designated as limited access. Along the eastbound side of Route 28 near Pennsylvania Avenue, the new end of Limited Access Control will be at Station 11+52.36 and 83.67’ right of the baseline for Route 28. Also along the eastbound side of Route 28 near Godwin Drive, the new end of Limited Access Control will be at Station 46+09.91 and 80.00’ right of the baseline for Route 28. Along the westbound side of Route 28 the new end of Limited Access Control will be at Station 13+78.73 and 76.00’ left of the baseline for Route 28, with an adjustment to Station 16+76.72 and 87.92’ left of the baseline for Route 28.

- The Northern Virginia District has reviewed and approved the traffic analysis report completed December 2016 and found that it adequately addresses the impacts from the development and the proposed change to the limited access controls.
- This project is in a non-attainment area for ozone. An Interagency Consultation for Conformity was conducted and the project will not have an adverse impact on air quality.
- The Chief Engineer has determined that the proposed change will not adversely affect the safety or operation of the highways.
- A Notice of Willingness for Public Comment regarding the LACC was posted on March 27, 2017 with the comment period closing April 5, 2017 and no requests for a hearing or other comments were received.
- The economic, social, and environmental effects of the proposed Project have been duly examined and given proper consideration, and this evidence, along with all other has been carefully reviewed.
- The Project is in compliance with National Environmental Policy Act (NEPA) requirements and a Categorical Exclusion (CE) has been developed in cooperation with the Federal Highway Administration and in accordance with federal guidelines.
- The proposed Project has been in the City of Manassas Capital Improvement Program since 2004 and is supported by the City Council by resolution dated February 27, 2017.
- The proposed LACC is in compliance with the policies and requirements of the CTB contained in Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*.

**Recommendations:** It is recommended that, pursuant to §33.2-401 of the *Code of Virginia* and Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*, that the CTB (i) find and concur in the determinations and recommendations of VDOT made herein; (ii) direct that the Route 28 and Route 234 interchange continue to be designated as a Limited Access Highway as described in the resolution and approve the boundaries of the area designated as limited access as modified by the LACC to accommodate the expansion of Route 28; (iii) further authorize the location of the shared use path within the area designated as limited access and its construction and maintenance as proposed and presented in the plans for the Project as presented to the public by the City of Manassas, as the same may be modified during ongoing design review, relevant excerpts of which are shown in Exhibits A and B to this Decision Brief; and (iv) authorize pedestrian and bicyclist access on the shared use path within and through the area designated as limited access.

**Action Required by CTB:** The Code of Virginia requires a majority vote of the CTB to approve the recommended LACC. The CTB will be presented with a resolution for a formal vote to approve the change in limited access control for the proposed Project and to provide the Commissioner of Highways the requisite authority to take all actions and execute all documents necessary to implement the LACC.

**Result, if approved:** The Commissioner of Highways will be authorized to take all actions and execute any and all documents needed to comply with the resolution, and the improvements in

CTB Decision Brief  
Proposed Limited Access Control Changes  
Route 28 and Route 234 Interchange  
City of Manassas  
April 19, 2017  
Page Three

State Highway Project 0028-155-270, P101, R201, C501 will move forward.

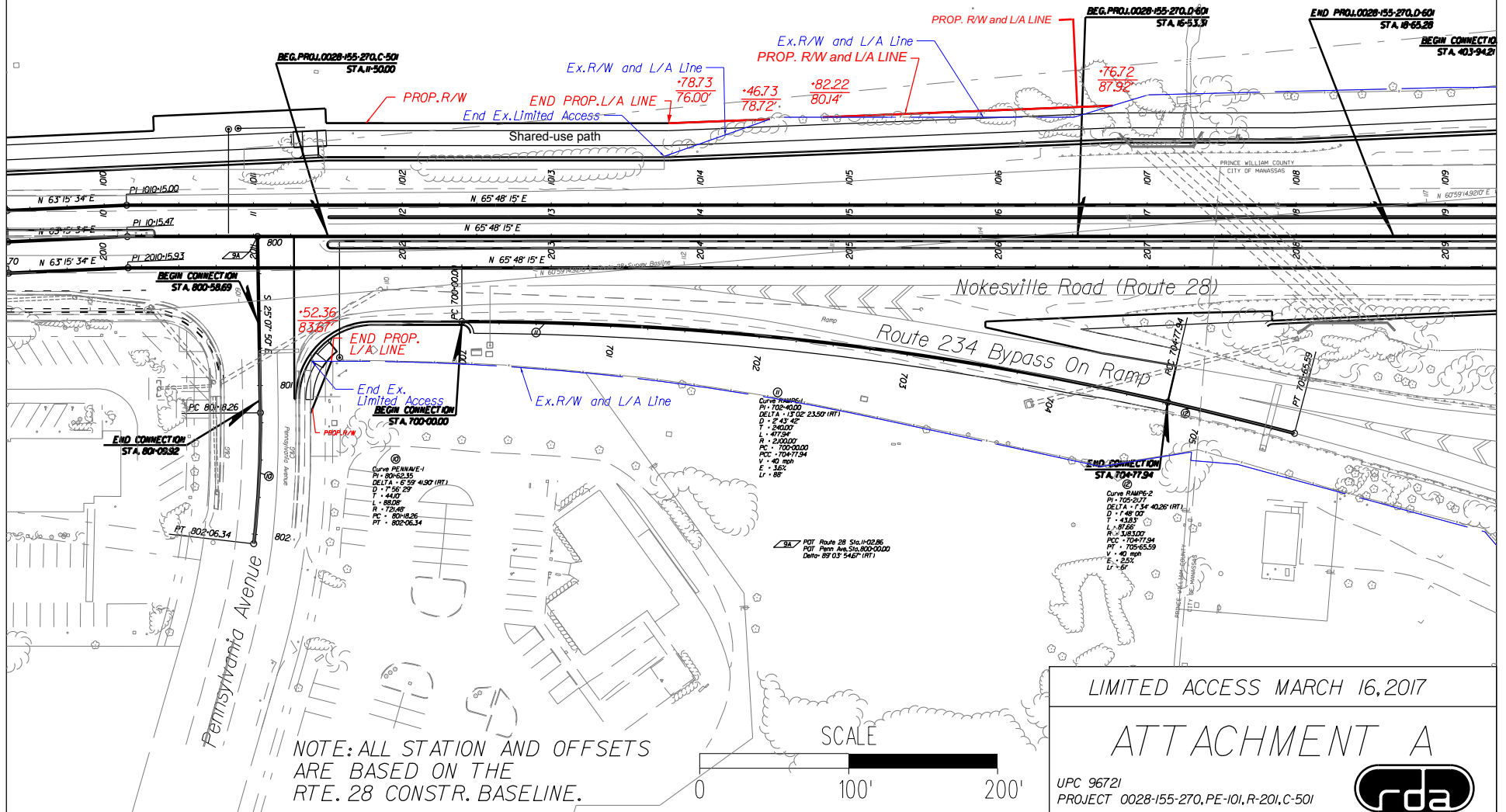
**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** There were no public comments received regarding the modifications to the area designated as limited access in response to the Notice of Willingness for Public Comment.

**LEGEND**

- EXISTING LIMITED ACCESS
- PROPOSED LIMITED ACCESS

THESE PLANS ARE UNFINISHED AND UNAPPROVED AND ARE NOT TO BE USED FOR ANY TYPE OF CONSTRUCTION OR THE ACQUISITION OF RIGHT OF WAY



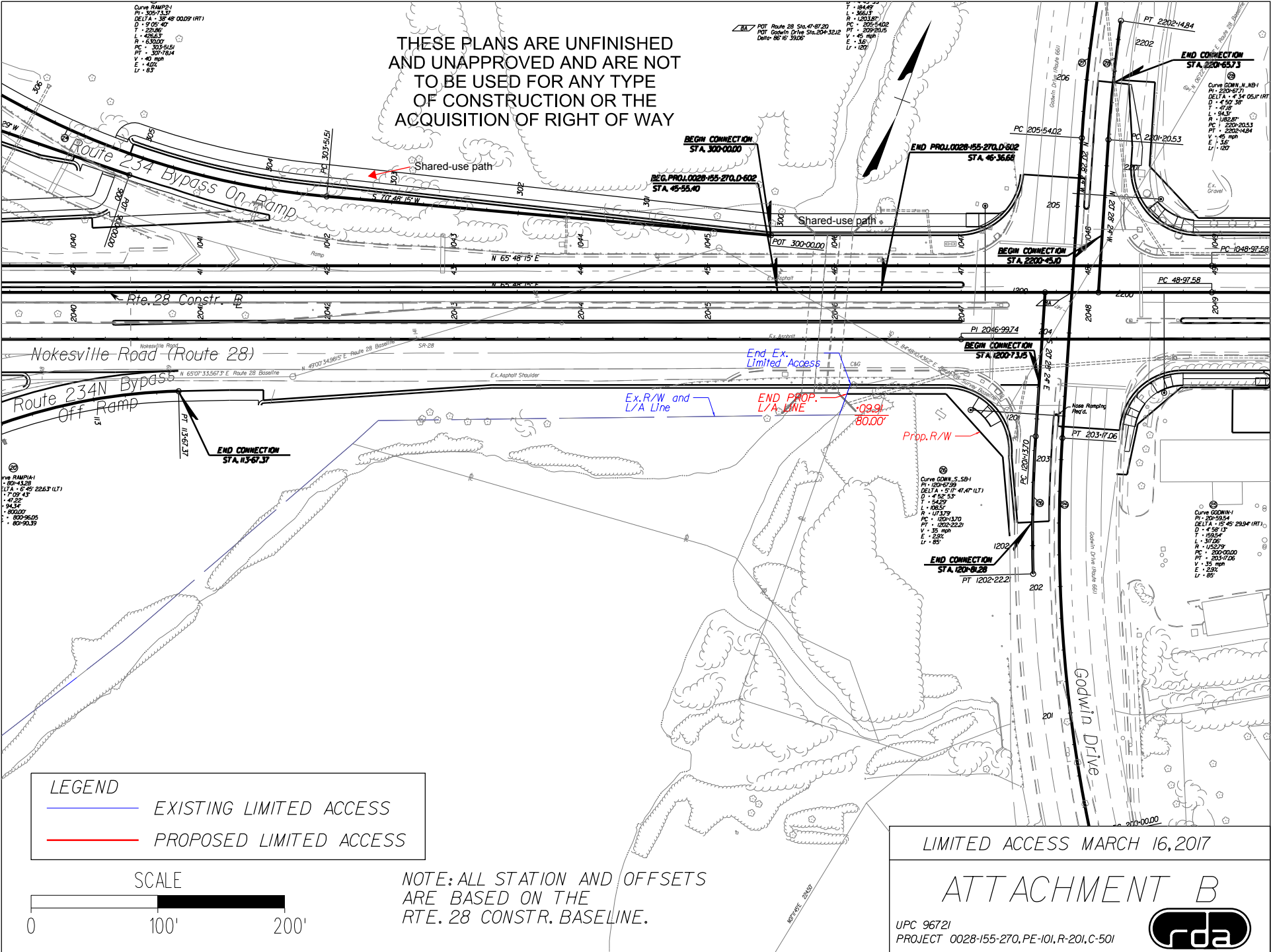
LIMITED ACCESS MARCH 16, 2017

**ATTACHMENT A**

UPC 96721  
PROJECT 0028-155-270, PE-101, R-201, C-501



THESE PLANS ARE UNFINISHED  
AND UNAPPROVED AND ARE NOT  
TO BE USED FOR ANY TYPE  
OF CONSTRUCTION OR THE  
ACQUISITION OF RIGHT OF WAY



Curve RAMP:J  
PI - 30713.37  
DELTA - 36° 48' 00.09" (RT)  
D - 9' 05' 40"  
T - 22.96  
L - 426.63  
R - 630.07  
PC - 303-91.51  
PT - 307-78.44  
V - 40 mph  
E - 4.82  
Lr - 83

BA -> POT Route 28 Sta 47+87.20  
POT Godwin Drive Sta. 204+32.82  
Delta: 86° 16' 39.06"

Curve G2W:W  
PI - 361.9  
R - 1201.87  
DELTA - 15° 45' 29.94" (RT)  
D - 4' 50' 38"  
T - 47.3  
L - 84.37  
R - 118.89  
PC - 220-20.53  
PT - 220-148.4  
V - 45 mph  
E - 3.6  
Lr - 127

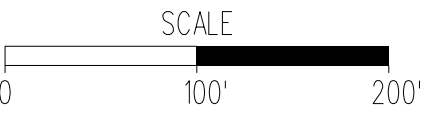
Curve G2W:W  
PI - 220+67.71  
DELTA - 4° 54' 05.11" (RT)  
D - 4' 50' 38"  
T - 47.3  
L - 84.37  
R - 118.89  
PC - 220-20.53  
PT - 220-148.4  
V - 45 mph  
E - 3.6  
Lr - 127

Curve RAMP:K  
PI - 80+13.28  
DELTA - 12° 45' 22.63" (LT)  
D - 7' 09' 43"  
T - 41.22  
L - 94.32  
R - 80.00  
PC - 80+26.05  
PT - 80+90.39

Curve G2W:W S.B.H  
PI - 120+92.29  
DELTA - 51° 47' 41" (LT)  
D - 4' 50' 38"  
T - 47.3  
L - 84.37  
R - 118.89  
PC - 120+13.70  
PT - 120+22.2  
V - 35 mph  
E - 2.92  
Lr - 85

Curve G2W:W  
PI - 203+18.04  
DELTA - 15° 45' 29.94" (RT)  
D - 4' 50' 38"  
T - 47.3  
L - 84.37  
R - 118.89  
PC - 203+00.00  
PT - 203+17.06  
V - 35 mph  
E - 2.92  
Lr - 85

**LEGEND**  
— EXISTING LIMITED ACCESS  
— PROPOSED LIMITED ACCESS



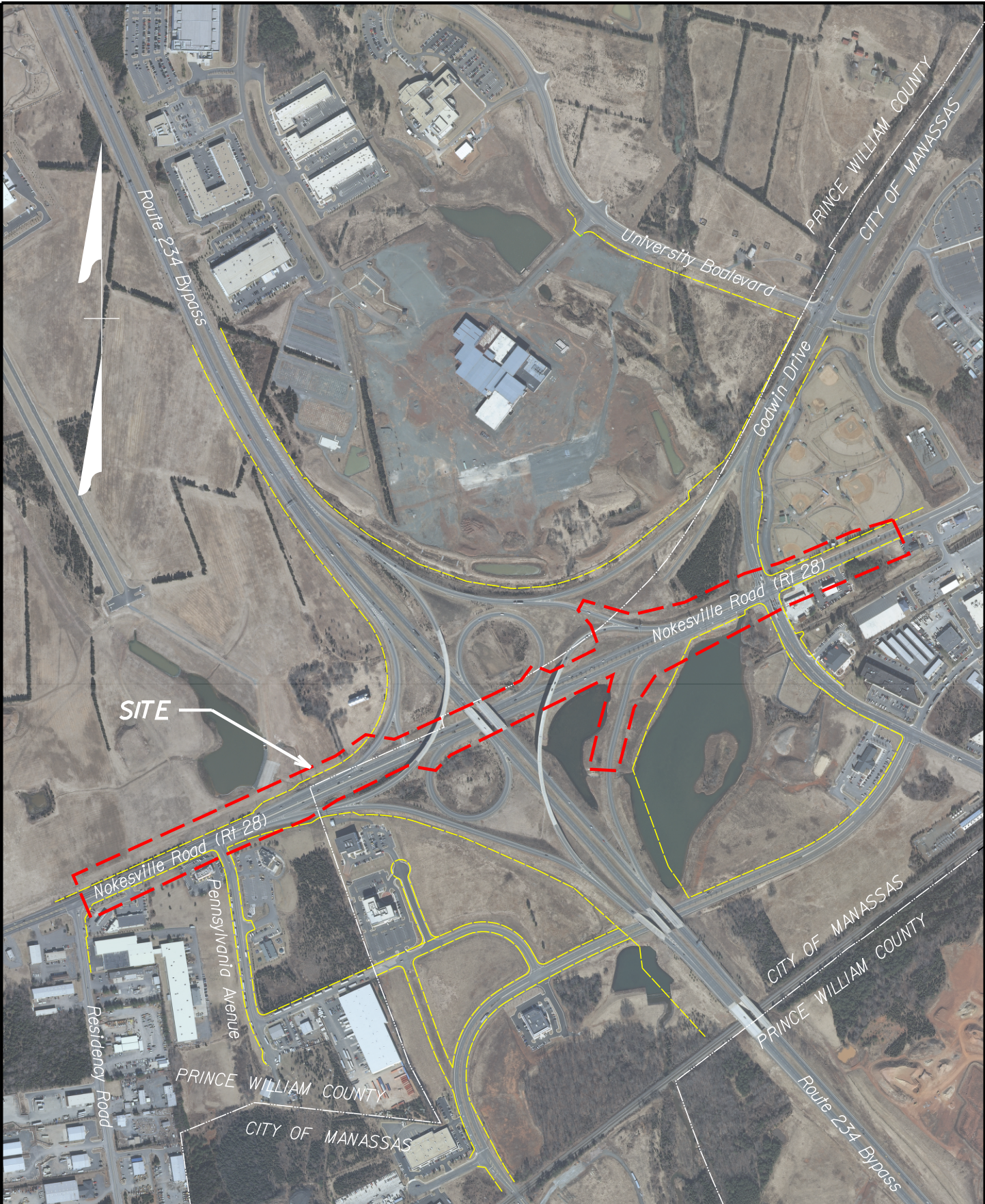
NOTE: ALL STATION AND OFFSETS  
ARE BASED ON THE  
RTE. 28 CONSTR. BASELINE.

LIMITED ACCESS MARCH 16, 2017

# ATTACHMENT B

UPC 96721  
PROJECT 0028-155-270, PE-101, R-201, C-501





SITE

SCALE



VICINITY MAP

**ROUTE 28 (NOKESVILLE RD.)  
WIDENING**

CITY OF MANASSAS/ PRINCE WILLIAM COUNTY, VIRGINIA





6/20/91

Moved by Mr. Hoeffler, seconded by Mr. Warner,  
that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Design Public Hearing was held in the Stonewall Jackson High School on October 30, 1990, at 7:30 p.m. for the purpose of considering the proposed design of Route 234 (Manassas Bypass) from 0.23 mile north of Interstate Route 66 to 3.91 miles east of Route 28 (Dumfries Road) in Prince William County, State Project 6234-076-112, C-501, C-502, C-503, C-504; Federal Project F-109-1(101); and

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

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

NOW, THEREFORE, BE IT RESOLVED that the major design features of this project be approved in accordance with the plan as proposed and presented at the said Design Public Hearing by the Department's Engineers with the following modifications:

- o Permit design and construction of the alternate proposal for the Route 28 interchange and addition of a half cloverleaf approximately one mile north of Route 28 provided all additional costs are borne by others.
- o Approval of Alternative B-IX design for the Clover Hill Road Interchange.
- o Shift alignment of Sudley Manor Drive Interchange to avoid a cemetery and reduce utility and right of way impacts.
- o Revision of Brentsville Road Interchange design to minimize right of way requirements.

6/20/91

- o Construct project in phases. Initially, acquire all right of way, build four-lane roadway along the bypass with interchanges at I-66 and Route 28 and at-grade intersections at the remaining interchange sites. The ultimate completion of the interchanges would be subject to development and availability of funding; and

BE IT FURTHER RESOLVED, that this 9.8 mile project be added to the Primary System of Highways; and

BE IT FURTHER RESOLVED, that in the interest of public safety, pedestrian, persons riding bicycles or mopeds, horsedrawn vehicles, self-propelled machinery or equipment, and animals led, ridden, or driven on the hoof be prohibited from using this highway.

Motion carried.

Moved by Mr. Candler, seconded by Mrs. Kincheloe, that

WHEREAS, in accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Combined Location and Design Public Hearing was held in the Glen Forest Elementary School, Fairfax, Virginia, on October 23, 1990, at 7:30 p.m. for the purpose of considering the proposed location and major design features of Route 7 (Leasburg Pike) from 0.11 mile west of Route 244 to 0.63 mile east of Route 50 in Fairfax, Virginia, State Project 0007-029-117, C-501; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the location and major design features of this project be approved in accordance with the plan as proposed and presented at the said Location and Design Public Hearing by the

4/17/80

that Moved by Mr. Wrench, seconded by Mr. Mohr,

WHEREAS, in accordance with the provisions of Section 128 of Title 23 - Highways, United States Code, and FHPM 7-7-5, a location public hearing was held in the Stonewall Jackson High School, south of Route 234, in Prince William County on September 18, 1979, at 7:30 p.m., for the purpose of considering the location for the proposed Manassas Bypass (Route 234) from the intersection of Route 619 at Independent Hill to the intersection of Route 15 at Woolsey in Prince William County, State Project 0234-076-107, PE-101; Federal Project F-109-1(101); and

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

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

NOW, THEREFORE, BE IT RESOLVED, that the location of this project be approved in accordance with the plan utilizing a combination of Alternative A-1 and Alternative B-2 as proposed and presented at the said location public hearing by the Department's engineers; and

BE IT FURTHER RESOLVED, that Route 234 be designated as a limited access highway between Route 619 at Linstrong and Routes 29/211 in accordance with Article 4, Chapter 1, Title 33.1 of the 1950 Code of Virginia, as amended, and in accordance with State Highway and Transportation Commission Policy.

MOTION CARRIED

that Moved by Mr. Anderson, seconded by Mr. Mohr,

WHEREAS, in accordance with the provisions of Section 128 of Title 23 - Highways, United States Code, and FHPM 7-7-5, a design public hearing was held in the Appomattox Elementary School auditorium in Appomattox, Virginia, on August 15, 1979, at 7:30 p.m., for the purpose of considering the proposed design features of Route 460 (Appomattox Bypass) from 0.832 mile west of the west corporate limits of Appomattox to 0.900 mile east of the east corporate limits of Appomattox in Appomattox County, State Project 7460-006-101, G-301, P-401; and



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219 2000

**Charles A. Kilpatrick, P.E.**  
Commissioner

April 19, 2017

The Honorable Aubrey L. Layne, Jr.  
The Honorable Charles A. Kilpatrick, P. E.  
The Honorable Jennifer Mitchell  
The Honorable Jerry L. Stinson II  
The Honorable Henry "Hap" Conners, Jr.  
The Honorable Mary Hughes Hynes  
The Honorable Alison DeTuncq  
The Honorable Shannon Valentine  
The Honorable F. Gary Garczynski  
The Honorable Carlos M. Brown  
The Honorable William H. Fralin, Jr.  
The Honorable F. Dixon Whitworth, Jr.  
The Honorable E. Scott Kasprowicz  
The Honorable Court G. Rosen  
The Honorable Marty Williams  
The Honorable John Malbon  
The Honorable Greg Yates

Subject: Approval of Limited Access Control Change (LACC) for Route 28 and Route 234 Interchange, City of Manassas.

Dear Commonwealth Transportation Board Members:

The Department has initiated the above request for a limited access control change (LACC) for your consideration. The proposed limited access control changes on State Highway Projects 0028-155-270, 311-080-874, P101, R201, C501 have been determined as a necessary design feature and recommended for approval by the Department's staff. The proposed project includes the widening of Route 28 to six lanes from 0.145 miles south of Pennsylvania Avenue to 0.163 miles north of Godwin Drive to include curb and gutter, intersection improvements, and a shared use path along Route 28.

I have reviewed the staff's recommendations and determined that approving these limited access control changes 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,

A handwritten signature in blue ink that reads "Garrett W. Moore".

Garrett W. Moore, P.E.  
Chief Engineer

VirginiaDOT.org  
WE KEEP VIRGINIA MOVING

**MOTION: BASS**

**February 27, 2017**

**Regular Meeting**

**SECOND: AVENI**

**Res. No. R-2017-31**

**RE: RESOLUTION OF SUPPORT FOR NOKESVILLE ROAD (ROUTE 28), LIMITED ACCESS BREAK AND CONTROL CHANGES UPC 96721 – State Project # 0028- 155-270**


**WHEREAS**, Route 28 is a critical component of the Northern Virginia transportation network and was designated by the predecessor to the Commonwealth Transportation Board as a limited access facility in the 1960's; and

**WHEREAS**, the City of Manassas and Prince William County have been jointly working to design the widening of Nokesville Road (Route 28) from four lanes to six lanes from approximately 920 feet north of Godwin Drive to approximately 75 feet south of Pennsylvania Avenue with improvement to the connections to the Prince William Parkway (Route 234), Godwin Avenue, and Pennsylvania Avenue; and,

**WHEREAS**, the proposed improvements will include the construction of a shared use path along the length of the project to promote multi-modal traffic conveyance through this corridor; and

**WHEREAS**, 24VAC30-151-760 requires *"The installation of pedestrian or bicycle facilities within limited access right-of-way shall be considered a change in limited access control and requires approval of the Commonwealth Transportation Board prior to permit issuance."*;

**NOW, THEREFORE, BE IT RESOLVED** that the Manassas City Council does hereby endorse and support consideration by the Commonwealth Transportation Board to approve the installation of a shared use path as part of the proposed improvements to Nokesville Road (Route 28), a limited access facility.

  
\_\_\_\_\_  
Harry J. Parrish II      Mayor  
On behalf of the City Council  
of Manassas, Virginia

**February 27, 2017  
Regular Meeting  
Res. No. R-2017-31**

ATTEST:

A handwritten signature in cursive script that reads "Andrea P. Madden". The signature is written in black ink and is positioned above the printed name and title.

Andrea P. Madden      City Clerk

**Votes:**

**Ayes: Aveni, Bass, Elston, Lovejoy, Sebesky, Wolfe**

**Nays: None**

**Absent from Vote: None**

**Absent from Meeting: None**





## Welcome

Thank you for attending tonight's design public hearing to discuss the preliminary design to widen a portion of Nokesville Road, Route 28. This meeting is intended to provide interested citizens an opportunity to review, discuss and provide input on the proposed roadway improvements.

The completion of this project will widen the existing roadway to six (6) lanes, increasing capacity and providing a safer roadway for the traveling public.

Project representatives are available tonight to answer your questions. We look forward to working with you as the project moves forward. Thank you for participating in tonight's Nokesville Road Project Public Hearing!

## Nokesville Road Widening Project

State Route 28, City of Manassas, Virginia

## DESIGN PUBLIC Hearing

July 27, 2016  
6:00 PM to 8:00 PM

Department of Public Works  
8500 Public Work Drive  
Manassas, VA 20110

State Project: 0028-155-270, P101,  
R201, C501; UPC 96721

**Federal Project: RSTP-5A01(227)**

*Our Project Team, comprised of the City of Manassas and the staff of Rinker Design Associates is available to respond to questions and concerns. It is the City of Manassas' duty to ensure that all members of the community have the opportunity to participate in public decisions on transportation systems and projects affecting them.*

*The City of Manassas ensures nondiscrimination in all programs and activities in accordance with Title VI and Title VII of the Civil Rights Act of 1964. For information call 703-257-8251 or TDD 711.*



## Submission of Comments

Public meetings are beneficial to citizens and the City of Manassas alike. They enable the City's engineers to report on the facts established by their studies and to obtain citizens' comments. Comments made as a result of this meeting will be considered and used to further develop the design. A comment sheet has been provided, as part of this brochure, to assist you in making your comments. A collection box is by the door for your convenience, comments may also be emailed to [mbrickner@ci.manassas.va.us](mailto:mbrickner@ci.manassas.va.us), or they can be mailed or dropped off prior to August 6, 2016 to the following address:

Michelle Brickner, City Engineer  
City of Manassas  
Department of Public Works  
8500 Public Works Drive  
Manassas, VA 20110

## What's Next?

Ten (10) days after this public meeting, the public comment period will close on August 6, 2016.

The City of Manassas will review and evaluate any information received as a result of the Design Public Hearing.

## Project Schedule

Begin Right-of-Way Acquisitions	Spring 2017
Utility Relocations	Fall 2017
Begin Construction	Summer 2018

## Right-of-Way Requirements

No displacements or relocations of families or businesses are anticipated. As the project develops and the design is finalized, some additional right-of-way and easements may be required beyond the proposed and existing right-of-way shown on the plans. Property owners will be informed of the exact locations and use of the easements during the right-of-way acquisition process prior to construction. Questions regarding right-of-way acquisition should be directed to:

Michelle Brickner, City Engineer  
City of Manassas  
Department of Public Works  
8500 Public Works Drive  
Manassas, Virginia 20110

The plans are available for review at the City of Manassas Department of Public Works, 8500 Public Works Drive, Manassas, VA 20110.





## ***Project Description & Design Features***

The Nokesville Road Widening Project will reconstruct Nokesville Road from 0.14 miles south of Pennsylvania Avenue to 0.16 miles north of Godwin Drive to improve capacity and safety. The project design and construction will be completed in accordance with VDOT requirements using a combination of City and Federal Funds. The city will be responsible for future maintenance of the roadway and associated features.

The roadway will meet current VDOT standards (GS-5) for an urban principal arterial roadway and will utilize a 45 mph design speed. The proposed typical section will consist of six 12' travel lanes with curb and gutter. Pedestrian and bicycle accommodations are also being incorporated into the project in the form of a ten (10) foot shared-use path along the southbound side. The overall length of the project is 1.0 miles.

Improvements have been proposed to this section of Nokesville Road to improve the safety, traffic operations, and capacity of the roadway. The lanes will be expanded from four (4) lanes to six (6) lanes and dual left turn lanes will be added on Route 28 at the Godwin Drive intersection to increase capacity. The left turn lanes onto Pennsylvania Avenue and onto Godwin Drive (northbound) will be channelized to eliminate the weave of traffic crossing three (3) through lanes from the Route 234 ramps. Drivers wishing to make these left turns from Route 234 will use the spur ramps that are provided, which will increase safety. There will also be traffic signals installed at Pennsylvania Avenue and at the new spur ramp from northbound route 234 into the left turn lanes onto Godwin Drive. The signal at the new spur ramp will allow for vehicles to safely cross over the northbound lanes and enter the left turn lanes.

## ***Environmental Considerations***

Because the project will receive federal funding, the City is, in compliance with the National Environmental Policy Act (NEPA) and in cooperation with VDOT, conducting an assessment of the environmental impacts of the project. In this case, a Categorical Exclusion (CE) is being prepared. (The CE level of documentation is reserved for projects anticipated to have minor impacts). This process involves coordination with local and state agencies, database searches, and onsite inspections designed to address the potential environmental concerns. It also requires coordination with a number of federal agencies, and must show how the project will comply with federal as well as state environmental statutes.

A wetland and waterways delineation has been performed for the project area and confirmed by the US Army Corps of Engineers. There are wetlands or waters within the project area, and permits will be required from the U.S. Army Corps of Engineers and the Virginia Department of Environmental Quality for minor impacts (<300 linear feet of stream and <1/2 acre of wetland). These impacts should qualify under the terms and conditions of general permits. Based on the results of an archaeological survey and review by the Virginia Department of Historic Resources (VDHR), the project will have No Adverse Effect on cultural resources. Based on coordination with the Virginia Departments of Conservation and Recreation and Game and Inland Fisheries, and the US Fish and Wildlife Service, the proposed project will have No Effect on threatened or endangered species.

## ***Preliminary Cost Estimate***

The estimated total project cost, including design, construction, right-of-way acquisition, and utility relocation, is \$13,777,837







# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

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

*Agenda item # 5*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

#### **MOTION**

**Made By:**

**Seconded By:**

**Action:**

#### **Title: Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2017-2022**

**WHEREAS**, Section 33.2-214(B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1<sup>st</sup> 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 2017-2022 Program on June 14, 2016; and

**WHEREAS**, the Board is required by Sections 33.2-214(B) and 33.2-221(C) of the *Code of Virginia* to administer and allocate funds in the Transportation Trust Fund; and

**WHEREAS**, Section 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 Sections 33.2-358 and 58.1-638 of the *Code of Virginia*, by adopting a Program; and

Resolution of the Board  
Addition of Projects to the SYIP  
April 19, 2017  
Page Two

**WHEREAS**, Section 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**, the projects shown in Appendix A were not included in the FY 2017-2022 Program adopted by the Board on June 14, 2016; 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 Commonwealth Transportation Board, that the projects shown in Appendix A are added to the Six-Year Improvement Program of projects and programs for Fiscal Years 2017 through 2022 and are approved.

####

## CTB Decision Brief

### Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2017 - 2022

**Issue:** Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program) and allocations in accordance with the statutory formula.

**Facts:** The CTB must adopt a Program of anticipated projects and programs by July 1<sup>st</sup> of each year in accordance with Section 33.2-214(B) of the *Code of Virginia*. On June 14, 2016, after due consideration, the CTB adopted a Final FY 2017-2022 Program. The projects shown in Appendix A were not in the Final FY 2017-2022 Program adopted by the CTB.

**Recommendations:** The Virginia Department of Transportation (VDOT) recommends the addition of the projects in Appendix A to the Program for FY 2017–2022.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to add the projects listed in Appendix A to the Program for FY 2017–2022 to meet the CTB’s statutory requirements.

**Result, if Approved:** If the resolution is approved, the projects listed in Appendix A will be added to the Program for FY 2017-2022.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None



**Appendix A  
Amendments to the FY2017-2022 SYIP**

Row	UPC	District	Jurisdiction	Route	Project Description	Total Cost	Total Allocation	Balance	Major Fund Source	Fully Funded
NA	110744	Hampton	Virginia Beach	U000	Atlantic Avenue Reconfiguration	\$2,250,000	\$2,250,000	\$0	Urban Formula, Local	Yes
NA	110739	Northern Virginia	Districtwide	395	I-395 Express Lanes Northern Extension	\$462,000,000	\$462,000,000	\$0	PAB/Equity/VTIB	Yes
8	108361	Northern Virginia	Districtwide	395	I-395 Northern Extension Project Owner Costs (Atlantic Gateway Component 2A)	\$34,000,000	\$34,000,000	\$0	CPR Bonds; FAST Lane Grant	Yes
NA	110728	Northern Virginia	Arlington County	395	I-395 Northern Extension Multi-Modal Access to Pentagon (Atlantic Gateway Component 2B)	\$10,000,000	\$10,000,000	\$0	FAST Lane Grant	Yes
NA	110741	Northern Virginia	Districtwide	66	Transform 66 Outside the Beltway	\$3,388,000,000	\$3,388,000,000	\$0	TIFIA Loan, Debt, and Equity for Express Mobility Partners	Yes
<b>Total</b>						<b>\$3,896,250,000</b>	<b>\$3,896,250,000</b>	<b>\$0</b>		



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Richmond, Virginia 23219

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Agenda item # 6

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

April 19, 2017

MOTION

Made By: Seconded By:

Action:

Title: FY17-22 Six-Year Improvement Program Transfers
for February 18 through March 22, 2017

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. On June 14, 2016, a resolution was approved to allocate funds for the Fiscal Years 2017 through 2022 Program; 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 2017 through 2022 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 2017 through 2022 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

FY17-22 Six-Year Improvement Program Transfers for February 18 through March 22, 2017

April 19, 2017

Page Two

**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

### FY2017-2022 Six-Year Improvement Program Transfers for February 18 through March 22, 2017

**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 14, 2016, 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 2017 through 2022 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 2017 through 2022 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

<b>Total Cost Estimate</b>	<b>Threshold</b>
<\$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 February 18 through March 22, 2017 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 2017 – 2022 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.

CTB Decision Brief

FY17-22 Six-Year Improvement Program Transfers for February 18 through March 22, 2017

April 19, 2017Page Two

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None



**Six-Year Improvement Program Allocation Transfer Threshold Report  
March 2017**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comment
1	Bristol	BRISTOL DISTRICT BRIDGE BALANCE ENTRY	-16982	Bristol	Bridge (Fed Id 16815) Rte. 671 Over Valley Creek	103500	STP:Bridge - Federal; STP:STP Bridge - Soft Match	\$290,144	\$638,856	\$639,751	45.4%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District Bridge Balance Entry line item to fund an underway project.
2	Bristol	Alt 58 Shoulder Imitative Wise County; Alt 58 transition alignment, replace bridge	104668; 107120	Bristol	US 460 Shoulder Initiative - Tazewell County	107066	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match; Highway Safety Improvements:State Match; Primary Formula:State; Safety Funds:Bike/Ped	\$2,838,560	\$5,363,033	\$2,658,904	52.9%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project and an underway project to fund a scheduled project.
3	Bristol	Alternate US 58 Shoulders and Rumble Strips - Russell County; Signal Indication Enhancements - Bristol District	105808; 105810	Bristol	Safety Prescoping - Bristol	109511	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match	\$330,444	\$800,000	\$800,000	41.3%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to the District Safety Pre-scoping line item.
4	Culpeper	RTE 250 - INSTALL TEMPORARY SIGNAL AT INT RTE 151; RTE 29/718 - Intersection Improvements	104805; 107100	Culpeper	ROUTE 15/17/29 - MEDIAN CLOSURE - OPEN MEDIAN DIRECT. CLOSURE	109380	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match; Highway Safety Improvements:State Match	\$1,110,000	\$2,400,000	\$2,400,000	46.3%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project and an underway project to fund a scheduled project.
5	Statewide	ADA REQUIREMENTS	-15522	Fredericksburg	Concrete repair/replacement associated ADA Ramp installation	108301	STP:Statewide - Federal; STP:STP Statewide - Soft Match	\$400,000	\$1,251,419	\$1,251,419	32.0%	Transfer of surplus funds recommended by District from the Statewide Balance Entry line item to fund an underway project.
6	Lynchburg	RTE 29 NBL - BRIDGE & APPR. OVER NS RR FED. ID. NO. (04144)	104600	Lynchburg	RTE 501 - SPOT IMPROVEMENTS	50514	Primary Formula:State	\$124,369	\$585,935	\$456,693	21.2%	Transfer of surplus funds recommended by District from a scheduled project to fund a completed project.
7	Lynchburg	RTE 6/151 - CONSTRUCT LEFT TURNS LANE AT RTE 638	104677	Lynchburg	SAFETY PRESCOPING - LYNCHBURG	109817	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match	\$209,620	\$309,620	\$454,144	67.7%	Transfer of surplus funds recommended by District and Traffic Engineering Division from an underway project to the District Safety Pre-scoping line item.
8	Northern Virginia	I-395 HOV Ramp @ Seminary Road	96261	Northern Virginia	I-395 NORTHERN EXTENSION PROJECT OWNER COSTS (2A)	108361	Bond Proceeds: CPR Bonds	\$4,000,000	\$34,000,000	\$34,000,000	11.7%	Transfer of surplus funds recommended by District and Financial Planning Division from a completed project to fund a scheduled project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
March 2017**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comment
9	Richmond; Statewide	Committed Safety Projects- Statewide; RICHMOND STP SAFETY/HES BALANCE ENTRY	-16919; 106550	Richmond	RTE 95 - UPGRADE SIGNS	107769	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match; Highway Safety Improvements:State Match	\$2,258,000	\$6,758,000	\$6,758,000	33.4%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the District and Statewide Safety Balance Entry line items to fund a scheduled project.
10	Statewide	FAST LANES BALANCE ENTRY	-17754	Statewide	I-395 EARLY WORKS - FEDERAL	110605	CMAQ:TERMS - Federal; CMAQ:TERMS - State Match	\$2,000,000	\$2,000,000	\$2,000,000	100.0%	Transfer of surplus funds recommended by District from the Statewide FAST Lane Balance Entry line item to fund a scheduled project.
11	Statewide	PROJECTS IMPROVEMENTS GRANTS FOR SRTS PROGRAM	81509	Staunton	TOWN OF BERRYVILLE - SRTS - JOHNSON-WILLIAMS MS - SIDEWALK	105272	Safe Routes to School:Federal	\$25,785	\$113,142	\$113,142	22.8%	Transfer of surplus funds recommended by District and Transportation Mobility Planning Division from the Safe Routes to School Balance Entry line item to fund a scheduled project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
March 2017**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comment
A	Bristol	BRISTOL DISTRICT BRIDGE BALANCE ENTRY; Formula Fund Balance Entry-Bristol	-16982; -11500	Bristol	#SGR Rte. 58 Over Peggy Branch (Fed. ID 8727)	101376	Primary Formula:State; STP:Bridge - Federal; STP:STP Bridge - Soft Match	\$53,025	\$5,161,642	\$5,161,642	1%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the Statewide and District Bridge Balance Entry line items to fund an underway project.
B	Bristol	Alternate US 58 Shoulders and Rumble Strips - Russell County; Signal Indication Enhancements - Bristol District; US 19 Paved Shoulders and Rumble Strips - Russell / TazEwell	105470; 105808; 105810	Bristol	High Friction Surface Treatment - Bristol District	105809	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match; Open Container Funds:Statewide	\$41,016	\$1,127,059	\$1,127,059	4%	Transfer of surplus funds recommended by the District and Traffic Engineering Division from completed projects to fund a completed project.
C	Bristol	US 460 Shoulder Initiative - Tazewell County	107066	Bristol	Buchanan County Secondary HRRR Improvements	107118	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match	\$70,654	\$371,309	\$371,309	19%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a scheduled project to fund an underway project.
D	Hampton Roads	HAMPTON ROADS DISTRICT BRIDGE BALANCE ENTRY	-16986	Hampton Roads	#SGR Rte 635 Over N&W Railroad VA Str. 6042	93078	STP:BROS - Federal; STP:BROS - Soft Match	\$220,911	\$3,535,981	\$3,535,981	6%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District Bridge Balance Entry line item to fund a scheduled project.
E	Hampton Roads	Richmond Road Intersection Improvements @ Rte 199 West Ramp	102947	Hampton Roads	Centerville Road Intersection Improvements at News Road	102944	CMAQ:MPO - Federal; CMAQ:MPO - State Match	\$545,000	\$3,259,663	\$3,259,663	17%	Transfer of surplus funds recommended by District and MPO from a completed project to a scheduled project.
F	Lynchburg	RTE 45 - RECONSTRUCTION; RTE 501 - SPOT IMPROVEMENTS	17723; 50514	Lynchburg	RTE 29 NBL - BRIDGE & APPR. OVER NS RR FED. ID. NO. (04144)	104600	Primary Formula:Federal; Primary Formula:State; Primary Formula:State Match	\$810,048	\$16,087,232	\$16,087,232	5%	Transfer of surplus funds recommended by District from completed projects to fund a scheduled project.
G	Northern Virginia	Upgrade Existing Signal at Jeff Davis Hwy and Featherstone	94861	Northern Virginia	CONSTRUCT MINI ROUNDABOUT - RTE 742 AND EDGEWATER ST	106942	Highway Safety Improvements:Federal; Highway Safety Improvements:State Match	\$100,000	\$1,900,000	\$1,900,000	5%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to fund a scheduled project.
H	Richmond	Formula Fund Balance Entry - Richmond	-11518	Richmond	RTE 360 - UPGRADE SIGNAL	100565	Primary Formula:State	\$3,056	\$782,786	\$782,786	1%	Transfer of surplus funds recommended by District from the District Formula Balance Entry line item to fund a completed project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
March 2017**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocation	Total Estimate	Transfer Percent	Comment
I	Richmond	ROUTE 681 - BRIDGE REPAIR OVER APPOMATTOX RIVER; RTE 684 - REPLACE BRIDGE (FED ID 13863)	93089; 101246	Richmond	#SGR RTE 703 - REPLACE BRIDGE OVER ROWANTY CREEK (Fed ID 610)	101235	CTB Formula:Bridge - State; STP:Bridge - Federal; STP:STP Bridge - Soft Match	\$489,098	\$3,078,206	\$3,081,377	16%	Transfer of surplus funds recommended by District and Structure and Bridge Division from scheduled projects to fund an underway project.
J	Bristol; Salem; Statewide	INTERSTATE 81 AT EXIT 14 RAMP MODIFICATIONS; RTE 460 - Southgate Dr. Interchange & Connector; STATEWIDE SYIP UPDATE BALANCE ENTRY	-1179; 97856; 99425	Salem	RTE. 220 Safety Improvement Project – Ph. 1, 2, & 3	105543	NHPP:Statewide - Federal; NHPP:Statewide - Soft Match; STP:Statewide - Federal; STP:Statewide - Soft Match	\$3,373	\$78,655,051	\$78,651,678	1%	Transfer of surplus funds recommended by District from the Statewide SYIP Balance Entry line item and underway projects to fund a scheduled project.
K	Staunton	Route 250 over Calfpasture River Va struc 1036 Fed ID 1866	86315	Staunton	RTE600- Replace Bridge 17087 & Appr over NF Shenandoah River	82767	STP:Bridge - Federal; STP:STP Bridge - Soft Match	\$4,100	\$2,722,107	\$2,722,026	1%	Transfer of surplus funds recommended by District and Structure and Bridge Division from a completed project to fund a scheduled project.



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

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Chairman

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*Agenda item # 7*

**RESOLUTION  
OF THE  
COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

**MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

**Title: Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of the Interstate 64 HOT (Express) Lanes**

**WHEREAS**, on October 19, 2016, pursuant to § 33.2-502 and § 33.2- 309 of the *Code of Virginia* and 23 USC §166, the Commonwealth Transportation Board (CTB) authorized dynamic tolling of vehicles utilizing the HOV reversible lanes on Interstate 64 from Interstate 564 to Interstate 264, during specified times on weekdays for vehicles carrying less than two occupants (collectively, HOT Lanes-2 designation), to be implemented at such time that the infrastructure and improvements necessary to commence tolling on said portion of I-64 are determined by the Commissioner of Highways to be completed and ready for operation; and

**WHEREAS**, on March 21, 2017, in furtherance of the I-64 HOT Lanes-2 designation, the Virginia Department of Transportation (the Department) and TransCore, LP, a Tennessee Corporation, entered into a contract (hereinafter Contract) to provide for design, integration, implementation, on-going maintenance and operation of the tolling system for the dynamic tolling of the HOT lanes on Interstate 64 (I-64 "HOT Lanes" or "Express Lanes") pursuant to the CTB's action under § 33.2-209 of the *Code of Virginia* on March 15, 2017, awarding and authorizing the Commissioner to execute the Contract; and



Resolution of the Board  
Authorization for the Commissioner of Highways to Enter into a  
Memorandum of Understanding with the Federal Highway Administration  
Relating to Tolling of the Interstate 64 HOT (Express) Lanes  
April 19, 2017  
Page Two

**WHEREAS**, 23 U.S.C. §166(b)(4), provides that a public authority/state agency may allow vehicles not otherwise exempt from HOV requirements pursuant to 23 U.S.C. §166(b) to use an HOV facility by paying a toll; and

**WHEREAS**, the Federal Highway Administration (“FHWA”) requires the Department to enter into a tolling memorandum of understanding relating to tolling for the Interstate 64 Express Lanes (Tolling MOU); and

**WHEREAS**, the CTB is authorized under Va. Code § 33.2-221(A) to enter into contracts and agreements with the United States government.

**NOW, THEREFORE BE IT RESOLVED**, that the CTB hereby approves, and authorizes the Commissioner of Highways to execute, the Tolling MOU between the Department and FHWA, relating to the tolling of the I-64 Express Lanes, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

###

**CTB Decision Brief**  
**Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of the Interstate 64 HOT (Express) Lanes**

**Issue:** In order for the Virginia Department of Transportation (“Department”) to implement dynamic tolling along the Interstate 64 reversible lanes from Interstate 564 to Interstate 264 (Segment I) (the “Project”) in Norfolk, Virginia, a Memorandum of Understanding with the Federal Highway Administration (FHWA) concerning tolling for the Project (“Tolling MOU”) must be executed. Pursuant to Va. Code § 33.2-221(A) the Commonwealth Transportation Board (CTB) has the power and duty to enter into contracts and agreements with the U.S. government. Accordingly, approval of, and authorization for the Commissioner of Highways to execute the Tolling MOU with FHWA is sought.

**Facts:**

- On October 19, 2016, pursuant to § 33.2-502 and § 33.2- 309 of the *Code of Virginia* and 23 USC §166, the CTB authorized dynamic tolling of vehicles utilizing the HOV reversible lanes on Interstate 64 from Interstate 564 to Interstate 264, during specified times on weekdays for vehicles carrying less than two occupants (collectively, “HOT Lanes-2 designation”), to be implemented at such time that the infrastructure and improvements necessary to commence tolling on said portion of I-64 are determined by the Commissioner of Highways to be completed and ready for operation.
- 23 USC §166 (b)(4) provides that a public authority/state agency may allow vehicles not otherwise exempt from HOV requirements pursuant to 23 U.S.C. §166(b) to use an HOV facility by paying a toll.
- On March 15, 2017, in furtherance of the I-64 HOT Lanes-2 designation and pursuant to § 33.2-209 of the *Code of Virginia* the CTB awarded a contract to TransCore, LP, a Tennessee Corporation, (“Contract”) to provide for design, integration, implementation, on-going maintenance and operation of the tolling system for the dynamic tolling of the HOT lanes on Interstate 64 (I-64 “HOT Lanes” or “Express Lanes”) and authorized the Commissioner or his designee to execute the Contract and all other documents necessary to effectuate the Contract.
- On March 21, 2017, the Department and TransCore executed the Contract.
- The FHWA requires the Department to enter into a Tolling MOU relating to tolling for the I-64 Express Lanes.

**Recommendations:** That the CTB approve and authorize the Commissioner to execute a Tolling MOU with FHWA relating to the tolling of the I-64 Express Lanes, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

**Action Required by CTB:** Va. Code § 33.2-221(A) requires a majority vote of the CTB to approve, and authorize the Commissioner to execute a Tolling MOU with FHWA relating to the tolling of the I-64 Express Lanes, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

**Results, if Approved:** The Commissioner of Highways will be authorized to execute the Tolling MOU with FHWA relating to the tolling of the I-64 Express Lanes, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reaction:** None

**ATTACHMENT A**

**MEMORANDUM OF UNDERSTANDING (MOU)  
BETWEEN THE FHWA VIRGINIA DIVISION  
OFFICE (Division) AND THE VIRGINIA  
DEPARTMENT OF TRANSPORTATION (VDOT)**

WHEREAS, VDOT desires to convert the existing Interstate 64 High Occupancy Vehicle (HOV) reversible lanes from Interstate 564 to Interstate 264 to High occupancy Toll (HOT) lanes in Norfolk, Virginia (hereinafter referred to as the "Toll Project"); and

WHEREAS, VDOT desires to implement tolls using dynamic tolling of vehicles on I-64 from Interstate 564 to Interstate 264 in Norfolk, Virginia (hereinafter referred to as the "Toll Facility"); and

WHEREAS, the Division and VDOT desire to enter into this MOU in order to reflect the mutual understanding that 23 U.S.C. 129(a) and 23 U.S.C. 166 apply to the Toll Project; and

WHEREAS, 23 U.S.C. 166(b)(4), as amended by the FAST Act, provides that a public authority may allow vehicles not otherwise exempt pursuant to 23 U.S.C. 166(b) to use an HOV facility by paying a toll:

NOW THEREFORE, the Division and the VDOT hereby agree as follows:

1. The Toll Project meets the relevant toll eligibility requirements of 23 U.S.C. 129(a)(1) and 23 U.S.C. 166.
2. VDOT shall comply with all requirements of 23 U.S.C. 129(a) and 23 U.S.C. 166, as amended by the FAST Act or as may be amended from time to time, with respect to the Toll Project and the operation of the Toll Facility.

IN WITNESS THEREOF, the parties hereto have caused this MOU to be duly executed, on the date of the last signature below. (Signatures on following page).

COMMONWEALTH OF VIRGINIA  
VIRGINIA DEPARTMENT OF TRANSPORTATION

BY: \_\_\_\_\_,  
Charles A. Kilpatrick, PE  
Commissioner of Highways

DATE: \_\_\_\_\_

FEDERAL HIGHWAY ADMINISTRATION  
VIRGINIA DIVISION

BY: \_\_\_\_\_,  
Jessie Yung  
Division Administrator

DATE: \_\_\_\_\_





# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

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*Agenda item # 8*

**RESOLUTION  
OF THE  
COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

**MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

**Title: Authorization for the Commissioner of Highways to Enter into a MOU with the Hampton Roads Transportation Accountability Commission (HRTAC) and the Hampton Roads Transportation Planning Organization Concerning the Study of Components not Included in the Selected Hampton Roads Crossing Study SEIS Alternative and to Execute a Standard Project Agreement with HRTAC Relating to the Bowers Hill Study**

**WHEREAS**, on December 7, 2016, the Commonwealth Transportation Board (“CTB”) approved as the location for the Hampton Roads Crossing Study/Project, Alternative A, as set forth in the Draft SEIS approved by FHWA on July 25, 2016 (“Preferred HRCS SEIS Alternative”) and, among other things, directed the Virginia Department of Transportation (“VDOT”) to continue to work with the Hampton Roads Transportation Planning Organization (“HRTPO”), Hampton Roads Transportation Accountability Commission (“HRTAC”), U.S. Army Corps of Engineers (“USACE”), U.S. Navy, the Port of Virginia and other parties to advance separate studies to identify appropriate access options around Craney Island to include I-564/I-664 Connectors, I-664/MMMBT and VA 164/164 Connector (“Additional Corridors Studies”), which were HRCS SEIS components not included in the Preferred HRCS SEIS Alternative; and

Resolution of the Board

Authorization for the Commissioner of Highways to Enter into a MOU with the Hampton Roads Transportation Accountability Commission (HRTAC) and the Hampton Roads Transportation Planning Organization Concerning the Study of Components not Included in the Selected Hampton Roads Crossing Study SEIS Alternative and to Execute a Standard Project Agreement with HRTAC Relating to the Bowers Hill Study

April 19, 2017

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**WHEREAS**, on December 7, 2016, the CTB also directed VDOT to continue to work with the HRTPO, HRTAC, USACE and other parties to advance a separate study of the Bowers Hill Interchange at I-664 and I-264 in Chesapeake (“Bowers Hill Study”) which also was an HRCS SEIS component not included in the Preferred HRCS SEIS Alternative; and

**WHEREAS**, HRTAC, on March 16, 2017, amended the HRTAC 2016-2022 Funding Plan to provide \$7,000,000 for study of HRCS SEIS components not included in the Commonwealth Transportation Board’s Preferred HRCS SEIS Alternative; and

**WHEREAS**, VDOT, HRTAC and HRTPO have identified a need to develop a Memorandum of Understanding between the parties to identify a framework and specify the various responsibilities of each of the parties in order to advance the additional studies noted herein (“HRCS Additional Studies MOU”); and

**WHEREAS**, the HRCS Additional Studies MOU contemplates that VDOT will bear responsibility for managing the Bowers Hill Study, HRTAC will provide \$ 4 million in funding to VDOT from the Hampton Roads Transportation Fund (HRTF) for the study, and HRTAC will require execution of a Standard Project Agreement relating to said funding; and

**WHEREAS**, the Virginia General Assembly, pursuant to Chapter 26 of Title 33.2 of the Code of Virginia, 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, also established the HRTF 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 the 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 CTB to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes; and

**WHEREAS**, VDOT has requested that the CTB approve and authorize the Commissioner to enter into/execute the HRCS Additional Studies MOU and further, to authorize the Commissioner to execute a Standard Project Agreement with HRTAC regarding the Bowers

Resolution of the Board

Authorization for the Commissioner of Highways to Enter into a MOU with the Hampton Roads Transportation Accountability Commission (HRTAC) and the Hampton Roads Transportation Planning Organization Concerning the Study of Components not Included in the Selected Hampton Roads Crossing Study SEIS Alternative and to Execute a Standard Project Agreement with HRTAC relating to the Bowers Hill Study

April 19, 2017

Page Three

Hill Study and use of HRTF funds for the study, upon approval by HRTAC of the Standard Project Agreement.

**NOW, THEREFORE BE IT RESOLVED**, that the Commonwealth Transportation Board hereby approves and authorizes the Commissioner of Highways to execute the HRCS Additional Studies MOU between VDOT, HRTAC and the HRTPO concerning the Additional Corridors Studies and Bowers Hill Study, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

**BE IT FURTHER RESOLVED**, that the Commonwealth Transportation Board hereby approves and authorizes the Commissioner of Highways to execute a Standard Project Agreement with HRTAC relating to the Bowers Hill Study and the HRTF funding therefor in substantially the same form as Attachment B with such changes as the Commissioner deems necessary, upon approval by HRTAC of said Agreement.

**BE IT FURTHER RESOLVED**, that the Commissioner is directed to report back to the CTB upon execution of the Standard Project Agreement relating to the Bowers Hill Study by HRTAC and the Commissioner.

###

## **CTB Decision Brief**

### **Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Hampton Roads Transportation Accountability Commission (HRTAC) and the Hampton Roads Transportation Planning Organization Concerning the Study of Components not Included in the Selected Hampton Roads Crossing Study SEIS Alternative and to Execute a Standard Project Agreement with HRTAC Relating to the Bowers Hill Study**

**Issue:** In order to advance separate studies, as directed by the Commonwealth Transportation Board (“CTB”), of certain components not included in the selected alternative/location approved by the CTB for the Hampton Roads Crossing Study Project, the Virginia Department of Transportation (“VDOT”) seeks to enter into a Memorandum of Understanding with the Hampton Roads Transportation Planning Organization (“HRTPO”) and the Hampton Roads Transportation Accountability Commission (“HRTAC”) that sets forth the general roles of each of the parties with regard to said studies (“HRCS Additional Studies MOU”). In addition, because VDOT will bear responsibility for managing one of the studies, the Bowers Hill Study, and HRTAC will provide funding for the Bowers Hill Study, a Standard Project Agreement between VDOT and HRTAC relating to the study and use of HRTAC funding therefor will need to be executed. Pursuant to §33.2-214 (C) of the Code of Virginia, the Commonwealth Transportation Board (“CTB”) is empowered to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes. Accordingly, VDOT seeks CTB approval of, and authorization for the Commissioner of Highways to enter into (i) the HRCS Additional Studies MOU with the HRTPO and HRTAC; and (ii) a Standard Project Agreement with HRTAC regarding the Bowers Hill Study.

#### **Facts:**

- On December 7, 2016, the CTB approved as the location for the Hampton Roads Crossing Study/Project, Alternative A, as set forth in the Draft SEIS approved by FHWA on July 25, 2016 (“Preferred HRCS SEIS Alternative”) and, among other things, directed VDOT to continue to work with the HRTPO, HRTAC, U.S. Army Corps of Engineers, U.S. Navy, the Port of Virginia and other parties to advance separate studies to identify appropriate access options around Craney Island to include I-564/I-664 Connectors, I-664/MMMBT and VA 164/164 Connector (“Additional Corridors Studies”).
- On December 7, 2016, the CTB also directed VDOT to continue to work with the HRTPO, HRTAC, USACE and other parties to advance a separate study of the Bowers Hill Interchange at I-664 and I-264 in Chesapeake (“Bowers Hill Study”) which was also an HRCS SEIS component not included in the Preferred HRCS SEIS Alternative.
- HRTAC, on March 16, 2017, amended the HRTAC 2016-2022 Funding Plan to provide \$7,000,000 for study of HRCS SEIS components not included in the Commonwealth Transportation Board’s Preferred HRCS SEIS Alternative.
- VDOT, HRTAC and HRTPO have identified a need to develop a Memorandum of Understanding between the parties to identify a framework and specify the various

responsibilities of each of the parties in order to advance the additional studies noted herein (“HRCS Additional Studies MOU”).

- The HRCS Additional Studies MOU contemplates that VDOT will bear responsibility for managing the Bowers Hill Study, HRTAC will provide \$ 4 million in funding to VDOT from the Hampton Roads Transportation Fund (HRTF) for the study, and HRTAC will require execution of a Standard Project Agreement relating to said funding. It is anticipated that HRTAC will approve the Standard Project Agreement at its upcoming meeting in June, 2017.
- The Virginia General Assembly, pursuant to Chapter 26 of Title 33.2 of the Code of Virginia, established the Hampton Roads Transportation Accountability Commission (HRTAC), a political subdivision of the Commonwealth and, pursuant to §33.2-2600 of the Code of Virginia, also established the Hampton Roads Transportation Fund (“HRTF”) to fund new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23.
- Pursuant to §33.2-2608 the 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.
- Section 33.2-214 (C) of the Code of Virginia empowers the CTB to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes.
- VDOT is requesting that the CTB (i) approve and authorize the Commissioner to enter into/execute the HRCS Additional Studies MOU and (ii) approve and authorize the Commissioner to execute a Standard Project Agreement with HRTAC regarding the Bowers Hill Study and use of HRTF funds for the study, upon approval by HRTAC of the Standard Project Agreement, and to report back to the CTB once the Standard Project Agreement has been executed.

**Recommendations:** That the CTB (i) authorize the Commissioner of Highways to execute the HRCS Additional Studies MOU between VDOT, HRTAC and the HRTPO, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate; and (ii) approve and authorize the Commissioner to execute a Standard Project Agreement with HRTAC regarding the Bowers Hill Study and use of HRTF funds for the study, in substantially the same form as Attachment B with such changes as the Commissioner deems necessary, upon approval by HRTAC of the Agreement, and to report back to the CTB once the Standard Project Agreement has been executed.

**Action Required by CTB:** Va. Code § 33.2-214 (C) requires a majority vote of the CTB to (i) approve, and authorize the Commissioner of Highways to execute the HRCS Additional Studies MOU between VDOT, HRTAC and the HRTPO with such changes as the Commissioner deems necessary or appropriate and (ii) authorize the Commissioner to execute a Standard Project Agreement with HRTAC regarding the Bowers Hill Study and use of HRTF funds for the study,



in substantially the same form as Attachment B with such changes as the Commissioner deems necessary, upon approval by HRTAC of the Agreement, and require the Commissioner to report back to the CTB once the Standard Project Agreement has been executed.

**Results, if Approved:** The Commissioner of Highways will be (i) authorized to execute the HRCS Additional Studies MOU between VDOT, HRTAC and the HRTPO, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate; and (ii) authorized to execute a Standard Project Agreement with HRTAC regarding the Bowers Hill Study and use of HRTF funds for the study in substantially the same form as Attachment B with such changes as the Commissioner deems necessary, and required to report back to the CTB once the Standard Project Agreement has been executed.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reaction:** None

## ATTACHMENT A

### Study of Components not Included in the Selected Hampton Roads Crossing Study SEIS Alternative

Memorandum of Understanding  
among  
Hampton Roads Transportation Accountability Commission  
and  
Hampton Roads Transportation Planning Organization  
and  
Virginia Department of Transportation

This Memorandum of Understanding (MOU) for the study of components not included in the Selected Hampton Roads Crossing Study (HRCS) SEIS Alternative is made and executed in triplicate on this \_\_\_\_ day of \_\_\_\_\_ 2017, among the Hampton Roads Transportation Planning Organization (HRTPO), Hampton Roads Transportation Accountability Commission (HRTAC), and the Virginia Department of Transportation (VDOT).

#### RECITALS

**WHEREAS**, on July 25, 2016 the Federal Highway Administration and VDOT approved the Hampton Roads Crossing Study Draft Supplemental Environmental Impact Statement (HRCS SEIS)<sup>1</sup>; and,

**WHEREAS**, on October 20, 2016, the Hampton Roads Transportation Planning Organization (HRTPO) unanimously approved the Hampton Roads Crossing Study Alternative A, “modified” to include the Bowers Hill Interchange, as the Region’s Preferred Alternative; and

**WHEREAS**, on October 20, 2016, HRTAC unanimously supported the HRTPO’s selection of Alternative A-modified (to include the Bowers Hill Interchange), and allocated up to \$7,000,000, to include the reallocation of the balance of the \$5,000,000 that was allocated by the Commission toward the cost of the Hampton Roads Crossing SEIS to be applied toward the cost of further study of the Hampton Roads Crossing Study SEIS components not included in the selected SEIS Alternative – specifically the I-564/I-664 Connectors (Patriot’s), I-664/MMMBT (Including Bowers Hill), and VA 164/164 Connector; and,

**WHEREAS**, the Commonwealth Transportation Board (CTB), in a resolution dated December 7, 2016, approved Alternative A as the location for this project and instructed VDOT to continue to work with HRTPO, HRTAC, USACE, Navy, the Port of Virginia, and other parties to advance separate studies to identify appropriate access options around Craney Island to include I-564/I-664 Connectors, I-664/MMMBT and VA 164/164 Connector. The resolution also directed VDOT to continue to work with HRTPO, HRTAC, USACE, and other parties to advance a separate study of the Bowers Hill Interchange at I-664 and I-264 in Chesapeake.

**WHEREAS**, on March 16, 2017, HRTAC amended its HRTAC 2016-2022 Funding Plan Approved March 17, 2016 to provide \$7,000,000 for Study of HRCS SEIS Components not included in the

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<sup>1</sup> Study documentation available on web site:

[http://www.hamptonroadscrossingstudy.org/learn\\_more/hrcs\\_draft\\_seis.asp](http://www.hamptonroadscrossingstudy.org/learn_more/hrcs_draft_seis.asp)

Commonwealth Transportation Board’s Selected Preferred HRCS SEIS Alternative in accordance with its October 20, 2016 Action; and,

**WHEREAS**, the parties desire to complete additional studies (“Additional Feasibility Studies”) to evaluate the following corridors, which were considered but not advanced from the HRCS SEIS (collectively, the “Additional Corridors” ). The funding and administration of the Additional Feasibility Studies will be covered under a separate standard project agreement between the HRTPO and HRTAC, not to exceed \$3,000,000 of the \$7,000,000 allocated:

- (i) VA-164 (Illustrated as Segment 14 on Exhibit A),
- (ii) I-564 Connector (Illustrated as Segment 10 on Exhibit A),
- (iii) VA 164 Connector (Illustrated as Segment 13 on Exhibit A),
- (iv) I-664 Connector (Illustrated as Segment 11 on Exhibit A),
- (v) I-664 (Illustrated as Segments 2-7 on Exhibit A); and,

**WHEREAS**, the parties also desire to advance study under the NEPA process for the Bowers Hill Interchange (the “Bowers Hill Study”) (Illustrated as Segment 1 on Exhibit A), which was also considered as a HRCS SEIS Segment but not advanced under the CTB-approved HRCS SEIS Alternative A. The Bowers Hill Study will be covered under a separate standard project agreement between VDOT and HRTAC. HRTAC is to provide all funding for the Bowers Hill Study, not to exceed \$4,000,000 of the \$7,000,000 allocated; and,

**WHEREAS**, the HRTPO Board has directed that the impacted jurisdictions will be engaged in the development of these study efforts: and,

**WHEREAS**, the parties have developed this MOU to establish a framework to advance these two study efforts.

**NOW, THEREFORE**, in connection with the foregoing, HRTPO, HRTAC, and VDOT commit to complete the appropriate studies, designs, funding analyses, and documentation necessary to determine feasibility, permitability, and transportation benefits necessary to advance the Additional Corridors, and the parties hereby agree to the following:

1. **AGREEMENT DOCUMENTS** – The Exhibit listed below is hereby incorporated into and made part of this MOU, and this MOU and the incorporated Exhibit shall be the “Agreement Documents.” In the event of conflict among the Agreement Documents, the provisions of this MOU shall supersede the Exhibit. The studies on the Additional Corridors shall provide an assessment of probability for projects being permitted and also a traffic benefit analysis.

<b>EXHIBIT A</b>	Alignment Segments figure from Appendix A of the HRCS Draft SEIS
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2. **TERM & TERMINATION** – The parties will initiate the Additional Feasibility Studies and Bowers Hill Study in whole or in part at a mutually-agreeable time that does not conflict with ongoing

federal actions associated with the HRCS SEIS. The terms of this MOU will survive until the efforts described herein are completed. The terms of this MOU will be referenced in the respective Standard Project Agreements as described; however, the terms of the Standard Project Agreement will prevail over any conflicts to this MOU.

**3. HRTPO'S DUTIES – Manage Additional Feasibility Studies.**

HRTPO shall for the Additional Feasibility Studies:

- a. complete or cause to be completed all work relating to the Additional Feasibility Studies of the Additional Corridors, and ensure that all relevant work is completed in accordance with all applicable federal, state, and local laws and regulations, including the engagement of appropriate regional, state and federal agencies; and,
- b. lead a working group comprised of HRTPO, VDOT, HRTAC and local impacted jurisdictions; and,
- c. lead the formation of a steering committee comprised of the local jurisdictions, the U.S. Army Corps of Engineers (USACE), the U.S. Navy (Navy), the Port of Virginia, and other parties which will develop the scope of work and also determine the consultant selection approach; and,
- d. use the information collected through the Additional Feasibility Studies of the Additional Corridors to develop a regional consensus.
- e. Develop with HRTAC a separate funding agreement

**4. VDOT'S DUTIES – Manage the Bowers Hill Study and support the Additional Feasibility Studies**

**- VDOT shall for the Bowers Hill Study:**

- a. manage study under the NEPA process for the Bowers Hill Interchange (the "Bowers Hill Study") (Illustrated as Segment 1 on Exhibit A), which was also considered as a HRCS SEIS Segment but not advanced under the CTB-approved HRCS SEIS Alternative A.
- b. develop with HRTAC an agreement for the Bowers Hill Study as a separate standard project agreement between VDOT and HRTAC.

**- VDOT shall for the Additional Feasibility Studies:**

- a. provide input and data for the Additional Feasibility Studies.

**5. HRTAC'S DUTIES – HRTAC shall provide funding for the Bowers Hill Study and the Additional Feasibility Studies and more specifically shall:**

- a. Provide all funding for the Bowers Hill Study, not to exceed \$4,000,000 of the \$7,000,000 allocated; and,
- b. provide all funding for the Additional Feasibility Studies, not to exceed \$3,000,000 of the \$7,000,000 allocated;
- c. enter into funding agreements with VDOT and the HRTPO regarding the funding described in 5(a) and 5(b), respectively; and,

- d. provide input and data in its possession related to the studies and designs.
6. **CONTROLLING LAW & VENUE** – The MOU is made and entered into, and shall be performed, in the Commonwealth of Virginia, and shall be governed by the applicable laws of the Commonwealth of Virginia without regard to conflicts of law principles. Notwithstanding any other provisions of the MOU, any dispute arising out of the Agreement, or its interpretations, or its performance shall be litigated only in Richmond General District Court or the Circuit Court of the City of Richmond.
  7. **MERGER** – The Agreement Documents represent the entire agreement among the parties with respect to the subject matter hereof and supersede all prior communications and negotiations. This MOU may be modified only in writing, signed by all parties.
  8. **SEVERABILITY** – If any provision of the Agreement Documents is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement Documents shall not be affected thereby and each other provision of the Agreement Documents shall be valid and enforceable to the fullest extent permitted by law.
  9. **SOVEREIGN IMMUNITY** – No party waives or abrogates its sovereign immunity, in part or in whole, in any manner, under any theory, hereunder.
  10. **ASSIGNMENT** – This MOU shall not be assigned by any party unless express written consent is provided by all other parties.
  11. **NOTICES** – All notices under this MOU shall be sent in writing to the following representatives:
    - a. **HRTAC**  
  
Kevin B. Page, Executive Director  
The Regional Building  
723 Woodlake Drive  
Chesapeake, VA 23220
    - b. **HRTPO**  
  
Robert A. Crum, Jr., Executive Director  
The Regional Building  
723 Woodlake Drive  
Chesapeake, VA 23220

c. **VDOT**

James S. Utterback, District Administrator  
1700 N. Main Street  
Suffolk, VA 23434

- 12. DISPUTES** – In the event of a dispute under this MOU, the parties agree to meet and confer promptly to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. If no satisfactory resolution can be reached via the meet and confer method, any 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 a party's right to seek equitable relief on an emergency basis.
- 13. NO AGENCY OR THIRD PARTY RIGHTS** – VDOT represents that it is not acting as a partner or agent of HRTAC or HRTPO; and nothing in this MOU shall be construed as making any party a partner or agent with any other party. This MOU 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.

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**IN WITNESS WHEREOF**, each party hereto has caused this Memorandum of Understanding to be executed as of the day, month, and year first herein written by its duly authorized representative.

Hampton Roads Transportation Accountability Commission

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Hampton Roads Transportation Planning Organization

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Virginia Department of Transportation

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Exhibit A

Figure A-1: Alignment Segments



ATTACHMENT B

**Standard Project Agreement for Funding and Administration  
between  
Hampton Roads Transportation Accountability Commission  
and  
Virginia Department of Transportation**

HRTAC Project Number:

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and executed in duplicate on this \_\_\_\_ day of \_\_\_\_\_, 2016, 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, Section 33.2-2611 of the Code of Virginia requires HRTAC to use all moneys it receives (the "HRTAC-Controlled Moneys"), which include, without limitation, moneys from the HRTF as well as any bond proceeds and collections from any tolls imposed by HRTAC, solely for the benefit of those counties and cities that are embraced by HRTAC, and in a manner that is consistent with the purposes of the HRTAC Act;

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 VDOT's responsibilities with respect to VDOT Highways, and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, VDOT and HRTAC entered into a Memorandum of Agreement dated March 30, 2015 (the "MOA");



WHEREAS, the MOA contemplates that HRTAC may from time to time enter into Project Agreements for Funding and Administration of projects that HRTAC selects and HRTAC requests VDOT to administer and/or develop with HRTAC Controlled Moneys;

WHEREAS, HRTAC has determined that it desires to proceed with the project set forth and described on Appendix A to this Agreement (the “Project”), and that the Project would benefit the cities and counties that are embraced by HRTAC and it otherwise satisfies the requirements of the HRTAC Act;

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; and

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 initial project budget; and

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 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).

2. Without limiting the foregoing,
  - (a) VDOT shall 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) VDOT shall 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.
3. Perform or have performed in accordance with VDOT's standards for highways, bridges and tunnels 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 the HRTAC Act 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 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 or breach of contract, HRTAC shall not be responsible for such additional costs.

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, 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.
13. Acknowledge that VDOT is solely responsible for the administration and/or development of the Project and all engagements, commitments and agreements with contractors. 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 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.
15. Subject to and consistent with the requirements of Section F 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 for its intended purposes for the duration of the Project's useful life. If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project after its completion (including responsibility to correct any defects or to cause any defects to be corrected), and 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). The provisions in this Section

A.15 will survive the completion of the Project under this Agreement and/or the termination of this Agreement.

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.

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. 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 assess whether the work being performed likely remains within the scope of this Agreement, the HRTAC Act and other applicable law. Such compliance reviews may entail review of VDOT's financial records for the Project and on-Project site inspections.
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.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.

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. HRTAC will provide VDOT with sixty (60) days written notice that HRTAC is exercising its rights to terminate this Agreement and the reasons for termination. 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 where VDOT has either misused or misapplied HRTAC funds in contravention of this Agreement or applicable law.
4. Upon termination and 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 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.

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 and in accordance with applicable law throughout the useful life of each such Asset. 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, 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 of the HRTAC Act (without limiting the foregoing, VDOT acknowledges that under the HRTAC Act and applicable law, HRTAC is vested with the right to impose and collect tolls on facilities constructed by the Commission). 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. 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

H. Assignment

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

I. 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) If HRTAC proposes to issue bonds, 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 the bond offering, including, without limitation, tax covenants of the type made by VDOT under its Project Agreements with the Northern Virginia Transportation Authority.

J. 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.

K. 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.

L. Sovereign Immunity

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

M. 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.

N. 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.

O. Governing Law

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

*[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**

**PROJECT**

**NARRATIVE DESCRIPTION OF STANDARD PROJECT SERVICES**

HRTAC Project Title:

Recipient Entity: Virginia Department of Transportation

VDOT Program Manager Contact Information:

HRTAC Executive Director:

<b>Project Scope</b>

<b>Detailed Scope of Services</b>

**APPENDIX B  
PROJECT BUDGET, PROJECT SCHEDULE, AND CASHFLOW**

**APPENDIX B-PROJECT BUDGET & CASH FLOW**

**PROJECT IDENTIFICATION AND PROPOSED FUNDING**

HRTAC Project Title: \_\_\_\_\_  
 Scope of Project Services: \_\_\_\_\_  
 Recipient Entity: Virginia Department of Transportation  
 VDOT Project Contact: \_\_\_\_\_  
 Baseline Schedule: \_\_\_\_\_

**PROJECT COSTS & FUNDING SOURCE**

Project Cost Category	Total Project Costs	HRTAC PayGo Funds	HRTAC Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work			\$ -		\$ -	\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition		\$ -				
Construction						
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
<b>Total Estimated Cost</b>	\$ -	\$ -	\$ -	\$ -		\$ -

**FISCAL YEAR ANNUAL PROJECT CASH FLOW**

Project Phase	Total Fiscal Year 2020		Total Fiscal Year 2021		Total Fiscal Year 2022	
	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work						
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction						
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
<b>Total Estimated Cost</b>		\$ -	\$ -	\$ -	\$ -	\$ -

*Please Note: If additional years are needed, please submit a separate form with additional columns*

**FISCAL YEAR ESTIMATED PROJECT CASH FLOW**

	FY 20 Mthly Cash Flow		FY 21 Mthly Cash Flow		FY 22 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed
July						
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						
June						
<b>Total per Fiscal Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Please Note: If additional years are needed, please submit a separate form with additional columns*

**This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.**

Virginia Department of Transportation

Hampton Roads Transportation Accountability Commission

\_\_\_\_\_  
Signature  
Commissioner  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature  
HRTAC Chairman  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date  
Charles A. Kilpatrick, P.E.  
\_\_\_\_\_  
Print name of person signing

\_\_\_\_\_  
Date  
William D. Sessoms, Jr  
\_\_\_\_\_  
Print name of person signing

**APPENDIX C**

**FORM OF PAYMENT REQUISITION**

HRTAC Project Title and Number: \_\_\_\_\_

Project Scope/Services Description: [From Appendix B] \_\_\_\_\_

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: \_\_\_\_\_ Request Date: \_\_\_\_\_  
 HRTAC Project Number: \_\_\_\_\_ Project Title: \_\_\_\_\_

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
<b>Project Starting Balance</b>	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
<b>Other (please explain)</b>	-	-	-	\$ -
<b>TOTALS</b>	\$ -	\$ -	\$ -	\$ -

### 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			-
<b>Requisition Amount</b>				\$ -

**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**





# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

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

*Agenda item # 9*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

April 19, 2017

#### MOTION

Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

Action: \_\_\_\_\_

#### **Title: Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of the I-66 HOT Lanes, Outside the Beltway**

**WHEREAS**, the Commonwealth Transportation Board (“CTB”), on June 14, 2016, pursuant to § 33.2-502 of the *Code of Virginia*, designated two lanes in each direction on I-66 from University Boulevard in [Gainesville]/Prince William County to I-495 in Fairfax County as HOT lanes with such designation to be implemented upon the issuance of a “Service Commencement Notice to Proceed” pursuant to any fully executed Comprehensive Agreement with a selected private developer to design, finance, construct, maintain, and operate the I-66 HOV/HOT Lanes Project, but no earlier than January 2, 2020, and on July 28, 2016, reiterated and made certain technical clarifications to the June 14, 2016 designation; and

**WHEREAS**, by resolution dated December 7, 2016, the CTB endorsed the Commissioner’s final Finding of Public Interest and supported the Commissioner’s execution of a Comprehensive Agreement with I-66 Express Mobility Partners, LLC pursuant to the Public-Private Transportation Act of 1995 (Virginia Code §§ 33.2-1800 *et seq.*), for design, finance, construction, maintenance, and operation, to include dynamic or congestion priced tolling, of High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway between U.S. Route 29 (near Gainesville) in Prince William County and Interstate 495 in Fairfax County, (the “Transform 66 Outside the Beltway Express Lanes Project”) and on December 8, 2016, the Virginia Department of Transportation (“Department”) and I-66 Express Mobility Partners, LLC entered into the Comprehensive Agreement; and

Resolution of the Board

Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the FHWA Relating to Tolling of the I-66 /HOT Lanes, Outside the Beltway

April 19, 2017

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**WHEREAS**, 23 U.S.C. §166(b)(4), provides that a public authority/state agency may allow vehicles not otherwise exempt from HOV requirements pursuant to 23 U.S.C. §166(b) to use an HOV facility by paying a toll; and

**WHEREAS**, the Federal Highway Administration (“FHWA”) requires the Department to enter into a memorandum of understanding relating to tolling on the High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway for the Transform 66 Outside the Beltway Express Lanes Project (“Tolling MOU”); and

**WHEREAS**, the CTB is authorized under Virginia Code §33.2-221(A) to enter into contracts and agreements with the United States government.

**NOW, THEREFORE, BE IT RESOLVED**, that the CTB hereby approves, and authorizes the Commissioner of Highways to execute, the Tolling MOU between the Department and FHWA, relating to the tolling of the High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway in furtherance of the Transform 66 Outside the Beltway Express Lanes Project, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

####

**CTB Decision Brief**  
**Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of the I-66 HOT Lanes, Outside the Beltway**

**Issue:** In order for the Virginia Department of Transportation to implement tolling of the I-66 HOV/HOT Lanes Outside the Beltway, a memorandum of understanding between the Federal Highway Administration (“FHWA”) and the Virginia Department of Transportation (the “Department” or “VDOT”) regarding tolling for the project (“Tolling MOU”) must be executed. Pursuant to Va. Code §33.2-221 (A) the Commonwealth Transportation Board (the “CTB”) has the power and duty to enter into contracts and agreements with the U.S. government. Accordingly, approval of, and authorization for the Commissioner of Highways to execute, the Tolling MOU with FHWA is sought.

**Facts:**

- The CTB, on June 14, 2016, pursuant to § 33.2-502 of the *Code of Virginia*, designated two lanes in each direction on I-66 from University Boulevard in [Gainesville]/Prince William County to I-495 in Fairfax County as HOT lanes with such designation to be implemented upon the issuance of a “Service Commencement Notice to Proceed” pursuant to any fully executed Comprehensive Agreement with a selected private developer to design, finance, construct, maintain, and operate the I-66 HOV/HOT Lanes Project, but no earlier than January 2, 2020, and on July 28, 2016, reiterated and made certain technical clarifications to the June 14, 2016 designation.
- By resolution dated December 7, 2016, the CTB endorsed the Commissioner’s final Finding of Public Interest and supported the Commissioner’s execution of a Comprehensive Agreement with I-66 Express Mobility Partners, LLC pursuant to the Public-Private Transportation Act of 1995 (Virginia Code §§ 33.2-1800 *et seq.*), for design, finance, construction, maintenance, and operation, to include dynamic or congestion priced tolling, of High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway between U.S. Route 29 (near Gainesville) in Prince William County and Interstate 495 in Fairfax County (the “Transform 66 Outside the Beltway Express Lanes Project”) and on December 8, 2016, the Department and I-66 Express Mobility Partners, LLC entered into the Comprehensive Agreement (titled *Comprehensive Agreement Relating to the Transform 66 P3 Project*).
- 23 U.S.C. §166(b)(4), provides that a public authority may allow vehicles not otherwise exempt from HOV requirements pursuant to 23 U.S.C. §166(b) to use an HOV facility by paying a toll.
- The FHWA requires the Department to enter into a memorandum of understanding with FHWA relating to tolling on High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway for the Transform 66 Outside the Beltway Express Lanes Project (Tolling MOU).

- The CTB is authorized under Virginia Code §33.2-221(A) to enter into contracts and agreements with the United States government.

**Recommendation:** That the CTB approve and authorize the Commissioner to execute a Tolling MOU with FHWA relating to tolling on the High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway in furtherance of the Transform 66 Outside the Beltway Express Lanes Project, as set out in Attachment A, with such changes as the Commissioner deems appropriate/necessary.

**Action Required by CTB:** Virginia Code § 33.2-221 (A) requires a majority vote of the CTB to approve, and authorize the Commissioner to execute, a Tolling MOU with FHWA relating to tolling on the High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway, as set out in Attachment A, with such changes as the Commissioner deems appropriate/necessary. The CTB will be presented with a resolution for a formal vote.

**Result, if Approved:** The Commissioner of Highways will be authorized to execute the Tolling MOU with FHWA relating to tolling on High Occupancy Toll Lanes (or Express Lanes) on Interstate 66, Outside the Beltway, with such changes as the Commissioner deems appropriate/necessary.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940  
*Agenda item # 10*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

#### **Title: Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of Interstate 66, Inside the Beltway**

**WHEREAS**, on June 14, 2016, the Commonwealth Transportation Board (“CTB”) awarded a contract to Transcore, LP (“Transcore”) a Tennessee Corporation, for design, integration, implementation, on-going maintenance and operation of the tolling system for I-66, Inside the Beltway to facilitate its action dated December 9, 2015, pursuant to §33.2-309, authorizing dynamic tolling on I-66, Inside the Beltway, a component of the Transform66: Inside the Beltway Project; and

**WHEREAS**, on July 28, 2016, pursuant to §33.2-502 of the *Code of Virginia*, the CTB (i) authorized dynamic tolling of vehicles utilizing the lanes on Eastbound and Westbound I-66 Inside the Beltway during specified times on weekdays for vehicles carrying less than two occupants (collectively, HOT Lanes-2 designation) to be implemented at such time that the infrastructure and improvements necessary to commence tolling on I-66 Inside the Beltway are determined by the Commissioner of Highways to be completed and ready for operation; and (ii) approved conversion of the HOV-2 designation to HOV-3 and authorized dynamic tolling of vehicles carrying less than three occupants utilizing the lanes on Eastbound and Westbound I-66 Inside the Beltway during specified times on weekdays (collectively HOT Lanes-3 designation), to be implemented at such time that the designation of HOT Lanes with a high occupancy

Resolution of the Board

Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the FHWA Relating to Tolling of I-66, Inside the Beltway

April 19, 2017

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requirement of HOV-3 on the Eastbound and Westbound lanes of I-66 outside the Beltway adopted by the Board on June 14, 2016, is implemented; and

**WHEREAS**, 23 U.S.C. 166 (b)(4) provides that a public authority/state agency may allow vehicles not otherwise exempt from HOV requirements pursuant to 23 U.S.C. §166 (b) to use an HOV facility by paying a toll; and

**WHEREAS**, the Federal Highway Administration (“FHWA”) requires the Virginia Department of Transportation (“Department”) to enter into a memorandum of understanding relating to tolling on I-66, Inside the Beltway(“Tolling MOU”); and

**WHEREAS**, the CTB is authorized under Virginia Code §33.2-221(A) to enter into contracts and agreements with the United States government.

**NOW, THEREFORE, BE IT RESOLVED**, that the CTB hereby approves, and authorizes the Commissioner of Highways to execute, the Tolling MOU between the Department and FHWA, relating to the tolling of I-66, Inside the Beltway, as set out in Attachment A, with such changes as the Commissioner deems necessary or appropriate.

#####

## CTB Decision Brief

### Authorization for the Commissioner of Highways to Enter into a Memorandum of Understanding with the Federal Highway Administration Relating to Tolling of Interstate 66, Inside the Beltway

**Issue:** In order for the Virginia Department of Transportation (the “Department” or “VDOT”) to implement tolling of the I-66 HOV/HOT Lanes between the Capital Beltway (I-495) in Fairfax County and U.S. Route 29 in Rosslyn, Arlington County (I-66 HOV/HOT Lanes, Inside the Beltway) as designated by the Commonwealth Transportation Board (“CTB”), a memorandum of understanding between the Federal Highway Administration (“FHWA”) and the Department regarding tolling for the project (“Tolling MOU”) must be executed. Pursuant to Va. Code §33.2-221 (A) the CTB has the power and duty to enter into contracts and agreements with the U.S. government. Accordingly, approval of, and authorization for the Commissioner of Highways to execute, the Tolling MOU with FHWA is sought.

#### **Facts:**

- On June 14, 2016, the CTB awarded a contract to Transcore, LP (“Transcore”) a Tennessee Corporation, for design, integration, implementation, on-going maintenance and operation of the tolling system for I-66, Inside the Beltway to facilitate its action dated December 9, 2015, pursuant to Va. Code §33.2-309, authorizing dynamic tolling on I-66, Inside the Beltway, a component of the Transform 66: Inside the Beltway Project.
- On July 28, 2016, pursuant to §33.2-502 of the *Code of Virginia*, the CTB (i) authorized dynamic tolling of vehicles utilizing the lanes on Eastbound and Westbound I-66 Inside the Beltway during specified times on weekdays for vehicles carrying less than two occupants (collectively, HOT Lanes-2 designation) to be implemented at such time that the infrastructure and improvements necessary to commence tolling on I-66 Inside the Beltway are determined by the Commissioner of Highways to be completed and ready for operation; and (ii) approved conversion of the HOV-2 designation to HOV-3 and authorized dynamic tolling of vehicles carrying less than three occupants utilizing the lanes on Eastbound and Westbound I-66 Inside the Beltway during specified times on weekdays (collectively HOT Lanes-3 designation), to be implemented at such time that the designation of HOT Lanes with a high occupancy requirement of HOV-3 on the Eastbound and Westbound lanes of I-66 outside the Beltway adopted by the Board on June 14, 2016, is implemented.
- The Department will operate and maintain the I-66 Inside the Beltway HOT Lanes Tolling Project using agency staff supported by contractors.
- 23 U.S.C. §166(b)(4), provides that a public authority/state agency may allow vehicles not otherwise exempt pursuant to 23 U.S.C. §166(b) to use an HOV facility by paying a toll.
- The FHWA requires the Department to enter into a Tolling MOU with the FHWA relating to tolling I-66, Inside the Beltway.
- The CTB is authorized under Virginia Code §33.2-221(A) to enter into contracts and agreements with the United States government.

**Recommendation:** That the CTB approve and authorize the Commissioner to execute a Tolling MOU with FHWA relating to tolling on I-66, Inside the Beltway, as set out in Attachment A, with such changes as the Commissioner deems appropriate/necessary.



**Action Required by CTB:** Virginia Code § 33.2-221 (A) requires a majority vote of the CTB to approve, and authorize the Commissioner to execute, a Tolling MOU with FHWA relating to tolling on I-66, Inside the Beltway, as set out in Attachment A, with such changes as the Commissioner deems appropriate/necessary. The CTB will be presented with a resolution for a formal vote.

**Result, if Approved:** The Commissioner of Highways will be authorized to execute the Tolling MOU with FHWA relating to tolling on I-66, Inside the Beltway, with such changes as the Commissioner deems appropriate/necessary.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

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*Agenda item 11*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**April 19, 2017**

### **AUTHORIZING THE ISSUANCE AND SALE OF COMMONWEALTH OF VIRGINIA TRANSPORTATION CAPITAL PROJECTS REVENUE BONDS, SERIES 2016**

**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;

**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, 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" and, together with the Chapter 896 Bonds, the "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 the Act, the aggregate principal amount of Bonds that may be issued is \$3,180,000,000, consisting of \$3,000,000,000 in aggregate principal amount of Chapter 896 Bonds and \$180,000,000 in aggregate principal amount of Appropriation Act Bonds, and the Appropriation Act Bonds are not subject to the annual limitations to which the Chapter 896 Bonds are subject;

**WHEREAS**, bond counsel to the Board ("Bond Counsel") and the staff of the Virginia Department of Transportation (the "Department") have advised that any Bonds issued after July 1, 2012, will be subject to the requirement of Section 2.2-5002.1 of the Virginia Code that any net original issue premium in excess of a *de minimis* amount received on such Bonds 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 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 "2017 Bonds"); and

**WHEREAS**, the following documents that provide for the issuance and sale of the 2017 Bonds, which shall be filed with the records of the Board, have been prepared by Bond Counsel and the staff of the Department at the direction of the Board and have been presented at this meeting in substantially final form:

(1) a Sixth Supplemental Indenture of Trust (the "Sixth Supplement," together with the Master Indenture, the "Indenture"), between the Board and the Trustee, providing for the terms and structure of the 2017 Bonds;

Resolution of the Board

April 19, 2017

Authorizing the Issuance and Sale of Commonwealth of Virginia

Transportation Capital Projects Revenue Bonds, Series 2016

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(2) a Preliminary Official Statement of the Board relating to the offering for sale of the 2017 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 2017 Bonds (the "Continuing Disclosure Agreement").

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH TRANSPORTATION BOARD:**

**1. Authorization of the 2017 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 Sixth Supplement to provide for the issuance of the 2017 Bonds, (ii) to issue the 2017 Bonds for the purposes authorized under and in accordance with the provisions of the Act and the Indenture and (iii) to sell the 2017 Bonds. The aggregate principal amount of the 2017 Bonds shall not exceed \$300,000,000, the final maturity date of the 2017 Bonds shall not exceed 25 years from their date of issuance, and the aggregate true interest cost of the 2017 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 Commonwealth. The Board expects the debt service payments to be made from appropriations of the Commonwealth.

**2. Limited Obligations.** The 2017 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 2017 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 2017 Bonds.** The Board authorizes the Chairman of the Board (the "Chairman"), subject to the criteria set forth in paragraph 1 of this Resolution, to determine the details of the 2017 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 Chairman to allocate portions of the 2017 Bonds to the authorizations provided by the Bond Act and the Appropriations Act, respectively, in accordance with the actual or projected application of the proceeds of the 2017 Bonds as provided by law and as he 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 Chairman's award of the 2017 Bonds (if the 2017 Bonds are sold by competitive bid).

**4. Sale of the 2017 Bonds.** The Chairman is authorized to sell the 2017 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 2017 Bonds by resolution of the Treasury Board. Alternatively, if determined by the Chairman to be in the best interest of the Commonwealth, the Board authorizes the Chairman to solicit and consider proposals for a negotiated sale of the 2017 Bonds and to negotiate the terms of such sale. The Chairman 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 2017 Bonds by resolution of the Treasury Board.

**5. Preliminary Official Statement.** The Board approves the Preliminary Official Statement in the substantially final form presented at this meeting. The Board authorizes and directs the Chairman, 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 2017 Bonds, as the Chairman may approve. The Board authorizes the Chairman 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 2017 Bonds by resolution of the Treasury Board.

**6. Official Statement.** The Board authorizes and directs the Chairman, 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 2017 Bonds. The Board authorizes and directs the Chairman to execute the Official Statement, which execution shall constitute conclusive evidence of the approval of the Official Statement by the Chairman 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 2017 Bonds. The Board authorizes and approves the distribution by the winning bidders or underwriters of the Official Statement as executed by the Chairman.

**7. Sixth Supplement.** The Board approves the Sixth Supplement in its substantially final form presented at this meeting. The Board authorizes and directs the Chairman to prepare, execute, and deliver the final form of the Sixth Supplement with such completions, omissions, insertions, and changes as are necessary or desirable to

effect the issuance and sale of the 2017 Bonds, including without limitation changes to the dated dates thereof, as the Chairman may approve. Execution and delivery of the Sixth Supplement shall constitute conclusive evidence of the approval of such documents by the Chairman on behalf of the Board.

**8. Execution and Delivery of the 2017 Bonds.** The Board authorizes and directs the Chairman and the Secretary of the Board (the "Secretary") to have the 2017 Bonds prepared and to execute the 2017 Bonds in accordance with the Indenture, to deliver the 2017 Bonds to the Trustee for authentication, and to cause the 2017 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 2017 Bonds, all in accordance with the Notice of Sale or executed purchase contract, as appropriate. Execution and delivery by the Chairman and the Secretary of the 2017 Bonds shall constitute conclusive evidence of the approval of the 2017 Bonds by the Chairman and the Secretary on behalf of the Board.

**9. Continuing Disclosure.** The Board approves the Continuing Disclosure Agreement in the substantially final 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 2017 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 Chairman 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 2017 Bonds, as the Chairman 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 Chairman of the Continuing Disclosure Agreement shall constitute conclusive evidence of the approval of the Continuing Disclosure Agreement by the Chairman 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 2017 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 2017 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 2017 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 2017 Bonds. The Board further authorizes the Chairman 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 2017 Bonds, including, without limitation, execution and delivery of (a) an amendment to the Payment Agreement dated

Resolution of the Board

April 19, 2017

Authorizing the Issuance and Sale of Commonwealth of Virginia

Transportation Capital Projects Revenue Bonds, Series 2016

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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 2017 Bonds and (b) a document (i) setting forth the expected application and investment of the proceeds of the 2017 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 2017 Bonds to the United States. The Chairman 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 2017 Bonds as the Chairman may deem to be in the best interests of the Commonwealth and the Board, in consultation with Bond Counsel and the Financial Advisor.

**11. Authorizations and Directions to Certain Officers.** Any authorization or direction to the Chairman or to the Secretary under this Resolution shall also be deemed to be an authorization or a direction to the Vice-Chairman 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 Chairman or the Secretary.

**12. Effective Date.** This Resolution shall be effective immediately.

###



**SIXTH SUPPLEMENTAL INDENTURE OF TRUST**

**between**

**COMMONWEALTH TRANSPORTATION BOARD**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**

**as Trustee**

**Dated as of July 1, 2017**

---

**Relating to**

**\$ \_\_\_\_\_**

**Commonwealth of Virginia  
Transportation Capital Projects Revenue Bonds,  
Series 2017**

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Exhibit A – Form of 2017 Bond

## SIXTH SUPPLEMENTAL INDENTURE OF TRUST

This **SIXTH SUPPLEMENTAL INDENTURE OF TRUST** (this "Sixth Supplemental Indenture") is made as of July 1, 2017, 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 a 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 now desires to issue, sell, and deliver 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 and to pay the Costs of the Projects; 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 2017 Bonds valid and binding limited obligations of the Board, when authenticated and issued as provided in this Sixth Supplemental Indenture, and to constitute this Sixth Supplemental Indenture a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the 2017 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 2017 Bonds as follows:

### ARTICLE I SIXTH SUPPLEMENTAL INDENTURE

**Section 1.1 Sixth Supplemental Indenture.** This Sixth 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 2017 Bonds, except as otherwise provided in this Sixth Supplemental Indenture.

**Section 1.2 Definitions.** All capitalized words and terms used but not defined in this Sixth 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:

**"2017 Bonds"** means the Series of Bonds authorized to be issued under Section 2.1 hereof.

**"2017 Cost of Issuance Fund"** means the Cost of Issuance Fund related to the 2017 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.2 of this Sixth Supplemental Indenture.

**"2017 Rebate Fund"** means the Rebate Fund Related to the 2017 Bonds established pursuant to Section 7.1 of the Master Indenture and Section 4.1 of this Sixth Supplemental Indenture.

**"2017 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 2017 Bonds.

**"Bond Resolution"** means the resolution adopted by the Board on April 19, 2017, and entitled "Resolution of the Commonwealth Transportation Board Authorizing the Issuance and Sale of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2017."

**"Closing Date"** means the date of the issuance and delivery of the 2017 Bonds.

**"Dated Date"** means the Closing Date.

**"DTC"** has the meaning set forth in Section 2.3 hereof.

**"Sixth Supplemental Indenture"** means this Sixth Supplemental Indenture of Trust, dated as of July 1, 2017, 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.

**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 2017 Bonds, to execute this Sixth 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 2017 Bonds in the manner and to the extent set forth in the Master Indenture and this Sixth Supplemental Indenture, (ii) all action on its part

necessary for the execution and delivery of this Sixth Supplemental Indenture has been taken, and (iii) the 2017 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 2017 BONDS**

**Section 2.1 Authorization of 2017 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 Bonds, Series 2017." The proceeds of the 2017 Bonds shall be used for the purposes set forth in the recitals, including paying the Costs of the Projects.

**Section 2.2 Details of 2017 Bonds.** (a) The 2017 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 November 15, 2017 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>
2018			2031		
2019			2032		
2020			2033		
2021			2034		
2022			2035		
2023			2036		
2024			2037		
2025			2038		
2026			2039		
2027			2040		
2028			2041		
2029			2042		
2030					

(b) The 2017 Bonds shall bear interest (i) from the Dated Date, if such 2017 Bond is authenticated before November 15, 2017, or (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such 2017 Bond is authenticated; provided, however, that if at the time of authentication any payment of interest is in default, such 2017 Bond shall bear interest from the date to which interest has been paid. Interest on the 2017 Bonds shall be computed on the basis of a year of 360 days and twelve 30-day months.

(c) Interest on the 2017 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 the November 15 Payment Date) and May 1 (with respect to the May 15 Payment Date) on the registration books kept by the Trustee. Notwithstanding the foregoing, if (i) the Owner of a 2017 Bond owns at least \$1,000,000 in aggregate principal amount of 2017 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 2017 Bonds shall be payable to the Owners thereof upon the surrender of the 2017 Bonds at the Trustee's corporate trust office in Columbia, Maryland 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 2017 Bonds, principal of and premium, if any, and interest on the 2017 Bonds shall be payable as provided in the Letter of Representations.

(e) The principal of and premium, if any, and interest on the 2017 Bonds shall be payable in lawful money of the United States of America.

(f) If the principal of any 2017 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 2017 Bond.

**Section 2.3 Book Entry Provisions for the 2017 Bonds.** (a) The 2017 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 2017 Bonds will not receive physical delivery of the 2017 Bonds. Individual purchases of the 2017 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 2017 Bonds are held in book-entry format, payments of principal of and premium, if any, and interest on the 2017 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 2017 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 2017 Bonds to the beneficial owners of the 2017 Bonds is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of beneficial ownership interests in the 2017 Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the 2017 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 2017 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 2017 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 Sixth Supplemental Indenture to be given to Owners of the 2017 Bonds, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the 2017 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 2017 Bonds, references in the Master Indenture or this Sixth Supplemental Indenture to the Owners or registered owners of the 2017 Bonds shall mean Cede & Co. and not the beneficial owners of the 2017 Bonds. Any notice to or consent requested of Owners of 2016 Bonds under the Master Indenture or this Sixth 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 2017 Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the 2017 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 2017 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 Sixth Supplemental Indenture) to which the Participants are entitled for delivery to the beneficial owners of the 2017 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 Sixth Supplemental Indenture.

**Section 2.4 Form of 2017 Bonds.** Each of the 2017 Bonds shall be substantially in the form attached as Exhibit A to this Sixth Supplemental Indenture, with such appropriate variations, omissions and insertions as permitted or required by the Master Indenture or this Sixth Supplemental Indenture. There may be endorsed on any of the 2017 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 2017 Bonds.** Each 2017 Bond shall bear a certificate of authentication, substantially as set forth in the applicable form of the 2017 Bond attached as an exhibit, duly executed by the Trustee. The Trustee shall authenticate each 2017 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 2017 Bonds. Only such authenticated 2017 Bonds shall be entitled to any right or benefit under the Master Indenture or this Sixth Supplemental Indenture, and such certificate on any 2017 Bond shall be conclusive evidence that the 2017 Bond has been duly issued under and is secured by the provisions of the Master Indenture and this Sixth Supplemental Indenture.

### **ARTICLE III REDEMPTION OF 2017 BONDS**

**Section 3.1 Optional Redemption.** (a) The Board shall not call the 2017 Bonds for optional redemption except as provided in this section.

(b) The 2017 Bonds maturing on or before May 15, 2027, shall not be subject to redemption at the Board's option before their respective maturity dates.

(c) The 2017 Bonds maturing on or after May 15, 2028, 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, 2027, 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 Redemption.** [If needed]

**Section 3.3 Selection of 2017 Bonds for Redemption.** If less than all of the 2017 Bonds are called for optional redemption, the maturities of the 2017 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 2017 Bonds under any provision of the Master Indenture or this Sixth 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 certified or registered mail, not less than thirty nor more than sixty days before the redemption date, to all Owners of 2017 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 2017 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 2017 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 Sixth Supplemental Indenture and shall not be deemed to be Outstanding under the provisions of the Master Indenture and this Sixth Supplemental Indenture.

(b) The Trustee shall ensure that CUSIP number identification accompanies all redemption payments on the 2017 Bonds.

#### **ARTICLE IV ESTABLISHMENT OF FUNDS; APPLICATION OF SALE PROCEEDS**

**Section 4.1 Establishment of Funds for the 2017 Bonds.** (a) In accordance with Section 7.1 of the Master Indenture, the 2017 Cost of Issuance Fund and the 2017 Rebate Fund are hereby established for the 2017 Bonds.

(b) The 2017 Rebate Fund shall be held by the Trustee. The 2017 Cost of Issuance Fund shall be held on behalf of the Board by the Trustee.

**Section 4.2 Application of Sale Proceeds of the 2017 Bonds.** On the Closing Date, the Trustee shall apply the total amount received for the 2017 Bonds in payment therefor (\$\_\_\_\_\_), consisting of \$\_\_\_\_\_ received from the underwriters on the Closing Date and \$\_\_\_\_\_ received from the Transportation Board on the Closing Date (such amount representing the good faith deposit from the underwriters), as follows:

(a) \$\_\_\_\_\_ shall be deposited in the 2017 Cost of Issuance Fund; and

(b) \$\_\_\_\_\_ shall be deposited in the Project Fund.

#### **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 2017 Cost of Issuance Fund.** (a) The Board shall apply the amounts in the 2017 Cost of Issuance Fund to pay the issuance costs of the 2017 Bonds.

(b) Any amounts deposited in the 2017 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 2017 Bonds shall, at the written direction of the Board, 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 2017 Bonds before any other amounts therein are so used.

**Section 5.3 2017 Rebate Fund.** The Trustee shall invest and apply amounts on deposit in the 2017 Rebate Fund as directed by Officer's Certificates provided pursuant to and in accordance with the 2017 Tax Compliance Agreement. The Trustee shall have no continuing responsibility for amounts on deposit in the 2017 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 2017 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 2017 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 2017 Bonds or any other funds of the Board or take or omit to take any action that would cause the 2017 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 2017 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 2017 Bonds except in accordance with the 2017 Tax Compliance Agreement and (ii) shall act as though the requirements of the 2017 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 2017 Tax Compliance Agreement, but the Trustee shall not be required to ascertain whether the instructions comply with the 2017 Tax Compliance Agreement. If the Trustee requests, the Trustee shall receive written instructions from Bond Counsel 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 2017 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 Successors and Assigns.** This Sixth 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 7.2 Severability.** If any provision of this Sixth Supplemental Indenture is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

**Section 7.3 Governing Law.** This Sixth Supplemental Indenture shall be governed by and construed under the applicable laws of the Commonwealth.

**Section 7.4 Counterparts.** This Sixth 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 7.5 Parties Interested.** Nothing in this Sixth 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 2017 Bonds, any right, remedy or claim under or by reason of this Sixth Supplemental Indenture, this Sixth Supplemental Indenture being intended for the sole and exclusive benefit of the Board, the Trustee and the Owners of the 2017 Bonds.

[Signature page follows]

**IN WITNESS WHEREOF**, the Board and the Trustee have caused this Sixth 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: \_\_\_\_\_  
Chairman

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Vice President

EXHIBIT A  
FORM OF 2017 Bond

REGISTERED  
R-\_\_\_

CUSIP  
927793 \_\_\_

UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
COMMONWEALTH TRANSPORTATION BOARD  
COMMONWEALTH OF VIRGINIA  
TRANSPORTATION CAPITAL PROJECTS REVENUE BOND  
SERIES 2017

INTEREST RATE	MATURITY DATE	DATED DATE
___%	May 15, 20__	_____, 2017

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 November 15, 2017, 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 Sixth Supplemental Indenture of Trust dated as of July 1, 2017 (the "Sixth 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 November 15, 2017 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 the November 15 payment date) and May 1 (with respect to the 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 2017 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 2017 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 Bonds, Series 2017 Bonds (the "2017 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 April 19, 2017, and the Indenture, to provide proceeds to be used to pay the issuance costs of the 2017 Bonds and to pay the Costs of the Projects.

The 2017 Bonds and the premium, if any, and the interest on 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 2017 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 2017 Bonds, the rights, duties and obligations of the Board and the Trustee, the rights of the Owners of the 2017 Bonds and the terms upon which the 2017 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 2017 Bonds for certain purposes on the terms provided in the Indenture.

The 2017 Bonds maturing on or before May 15, 2027, shall not be subject to redemption at the Board's option before their respective maturity dates.

The 2017 Bonds maturing on or after May 15, 2028, are subject to optional redemption prior to their respective maturities on or after May 15, 2027, 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 2017 Bonds to be redeemed together plus unpaid interest accrued on the principal amount to be redeemed to the date fixed for redemption.

**[Mandatory Redemption, if needed]**

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 2017 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 2017 Bond or 2017 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 Chairman, 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: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

[Signature Page of the Bond]

\* \* \* \* \*

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the 2017 Bonds described in the above-mentioned Indenture.

Authentication Date: \_\_\_\_\_, 2017

**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.)

NEW ISSUE  
BOOK-ENTRY ONLY

**Ratings:**  
Fitch: \_\_\_\_\_  
Moody's: \_\_\_\_\_  
Standard & Poor's: \_\_\_\_\_  
(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 on individuals and corporations and (iii) is exempt from income taxation by the Commonwealth of Virginia. See the section "Tax Matters" regarding certain other tax considerations.

## Commonwealth Transportation Board

\$ \_\_\_\_\_ \*

Commonwealth of Virginia

### Transportation Capital Projects Revenue Bonds, Series 2017

**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 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, and a Sixth Supplemental Indenture of Trust dated as of July 1, 2017.

**Purpose**

The Bond proceeds are being used to pay (i) certain costs of certain transportation projects in the Commonwealth of Virginia and (ii) 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 November 15, 2017.

**Denomination**

\$5,000 or multiples thereof.

**Redemption**

See inside front cover and the section "The Bonds."

**Closing/Delivery Date**

On or about July 12, 2017.\*

**Registration**

Book-entry only. See the section "The Bonds."

**Trustee/Paying Agent**

Wells Fargo Bank, National Association, Columbia, Maryland.

**Financial Advisor**

Public Resources Advisory Group, New York, New York.

**Bond Counsel**

McGuireWoods LLP, Richmond, Virginia.

The Bonds will be awarded pursuant to electronic competitive bidding to be held via BiDCOMP/PARITY® on June \_\_, 2017,\* unless postponed, as set forth in the Notice of Sale contained in Appendix F to this Official Statement.

Dated: \_\_\_\_\_, 2017

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.  
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# COMMONWEALTH TRANSPORTATION BOARD

\$ \_\_\_\_\_ \*

Commonwealth of Virginia

Transportation Capital Projects Revenue Bonds, Series 2017

(Base CUSIP<sup>†</sup> Number 927793)

<u>Maturity (May 15)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>†</sup> Suffix</u>
2018		%	%	
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				

## Optional Redemption

The Bonds maturing on or before May 15, 2027, will not be subject to optional redemption. The Bonds maturing on and after May 15, 2028 will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2027, 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 F hereto.

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\* Preliminary, subject to change.

† See the last paragraph on page (i) regarding the use of CUSIP numbers in this Official Statement.

## **COMMONWEALTH TRANSPORTATION BOARD**

Aubrey L. Layne, Jr., *Chairman and Secretary of Transportation*  
F. Gary Garczynski, *Vice Chairman*

Jennifer Mitchell	John Malbon
Carlos M. Brown	Court G. Rosen
Henry Connors, Jr.	Jerry L. Stinson II
Alison DeTuncq	Shannon Valentine
William H. Fralin, Jr.	Marty Williams
Mary Hughes Hynes	Greg Yates
E. Scott Kasprowicz	F. Dixon Whitworth, Jr.
Charles A. Kilpatrick	

## **VIRGINIA DEPARTMENT OF TRANSPORTATION**

Charles A. Kilpatrick, *Commissioner of Highways*  
John W. Lawson, *Chief Financial Officer*

## **VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION**

Jennifer Mitchell, *Director*  
William S. Pittard, *Chief Financial Officer*

## **OFFICE OF THE ATTORNEY GENERAL**

Mark R. Herring, *Attorney General*  
Jeffrey R. Allen, *Senior Assistant Attorney General*

## **TRUSTEE**

Wells Fargo Bank, National Association  
Columbia, Maryland

## **BOND COUNSEL**

McGuireWoods LLP  
Richmond, Virginia

## **FINANCIAL ADVISOR**

Public Resources Advisory Group  
New York, New York

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**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.**

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Third parties may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds, including transactions to (i) over allot 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.

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 Bonds, Series 2017

### 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 Bonds, Series 2017 (the "Bonds"). The Bonds are expected to be offered for sale at competitive bidding on June \_\_, 2017.\* 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 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 (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 (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" and, together with the 2007 Act and the Appropriations Acts, the "Capital Projects Revenue Bond Act"); (iv) the Transportation Development and Revenue Bond Act, §§ 33.2-1700 *et seq.* of the Virginia Code (the "State Revenue Bond Act"); and (v) a resolution adopted by the Transportation Board on April 19, 2017 (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 Sixth Supplemental Indenture of Trust dated as of July 1, 2017 (the "Sixth Supplemental Indenture" and collectively, with the Master Indenture, the "Indenture"), each between the Transportation Board and Wells Fargo Bank, National Association, Columbia, Maryland, as trustee for the Bonds (the "Trustee").

The Bonds are the sixth 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."

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\* Preliminary, subject to change.

## **Purpose of the Bonds**

The Transportation Board will use the net proceeds of the Bonds to provide for the payment of the costs (the "Costs") of certain transportation projects in the Commonwealth (the "Projects"), as authorized by the Capital Projects Revenue Bond Act and 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 Sixth 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 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 May 17, 2017, 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 consents 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 \$180,000,000 in authorized additional Capital Projects Revenue Bonds increases the Overall Limitation to \$3.18 billion, but is disregarded in applying the Annual Limitation. Approximately, \$169 million of such Appropriation Act Bonds have been issued as part of the Prior Capital Projects Revenue Bonds, as defined below.

Set forth in the following chart are the issue dates, original principal amounts and outstanding principal amounts of the five 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 June 1, 2017</u>
Transportation Capital Projects Revenue Bonds, Series 2010A-1 (Tax-Exempt) and Series 2010A-2 (Federally Taxable – Build America Bonds)	May 26, 2010	\$492,665,000	\$391,205,000
Transportation Capital Projects Revenue Bonds, Series 2011	May 25, 2011	600,000,000	519,040,000
Transportation Capital Projects Revenue Bonds, Series 2012	June 14, 2012	600,000,000	527,945,000
Transportation Capital Projects Revenue Bonds, Series 2014	December 3, 2014	274,980,000	259,070,000
Transportation Capital Projects Revenue Bonds, Series 2016	May 17, 2016	<u>273,740,000</u>	<u>267,645,000</u>
<b>Total</b>		<u>\$2,241,385,000</u>	<u>1,964,905,000</u>

Immediately before the issuance of the Bonds, the unused Overall Limitation is approximately \$895 million and the available Annual Limitation for the Fiscal Year ending June 30, 2018, is also approximately \$895 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 November 15, 2017, 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, 2027, will not be subject to optional redemption. The Bonds maturing on and after May 15, 2028, will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2027, 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 F 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](http://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:

<b>Sources:</b>	
Principal Amount of Bonds	\$
[Net] Original Issue [Premium/Discount]	_____
Total	\$ =====
 <b>Uses:</b>	
Deposit to Project Fund	\$
Deposit to Cost of Issuance Fund	
Underwriter's Discount	_____
Total	\$ =====

## 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 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 anticipates issuing additional Capital Projects Revenue Bonds in 2018.

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.

### **Additional Bonds In General**

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 2016. See also the section "*Transportation Trust Fund – Sources of Revenues – Economic Conditions Affecting the Commonwealth.*"

## **PRIORITY TRANSPORTATION FUND**

### **General**

The General Assembly established the Priority Transportation Fund in 2000 under § 33.2-1527 of the Virginia Code, which was amended in (i) the first enactment clause of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia 2007 Regular Session ("Chapter 896") and (ii) the first enactment clause of Chapter 766 of the Acts of the General Assembly of the Commonwealth of Virginia 2013 Regular Session ("Chapter 766"). The Priority Transportation Fund is a special non-reverting fund of the Transportation Trust Fund held in the state treasury. All revenues 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, such revenues include:

(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 "PTF 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 "PTF Motor Fuels Tax Revenues");

(3) All revenues that exceed the official forecast, pursuant to § 2.2-1503 of the Virginia Code, for (i) the Highway Maintenance and Operating 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.

Detailed descriptions of the PTF Insurance Tax Revenues and the PTF Motor Fuels Tax Revenues are set forth in the subsections "*PTF Insurance Tax Revenues*" and "*PTF Motor Fuels Tax Revenues*." The Priority Transportation Fund is not projected to receive the revenues described in (3) or (4) above and such amounts are not budgeted for by the Transportation Board; however, on occasion, the Priority Transportation Fund has received the revenues described in (3) above, most recently in Fiscal Year 2016 when the Priority Transportation Fund received approximately \$52 million of such revenues from the prior year's results. See the subsection "*Historical and Projected Priority Transportation Fund Revenues*." Any moneys remaining in the Priority Transportation Fund, including interest thereon, at the end of each Fiscal Year will not revert to the Commonwealth's General Fund but will remain in the Priority Transportation Fund.

All moneys in the Priority Transportation Fund shall 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 shall 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 shall 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. See the section "*Transportation Trust Fund – Highway Allocation Formula*."

**PTF Insurance Tax Revenues**

As provided in § 58.1-2531 of the Virginia Code, the PTF Insurance Tax Revenues will consist of one-third of the revenues of the annual license tax imposed on insurance companies doing business in the Commonwealth under Chapter 25 of Title 58.1 of the Virginia Code, which annual license tax is equal to a percentage of the insurance companies' direct gross income from its premiums or subscriber fees (the "Insurance Tax") collected in the most recently ended Fiscal Year, less one-third of the total amount of Insurance Tax refunded in the most recently ended Fiscal Year.

The following table shows the amounts of the Insurance Tax received by the Commonwealth for Fiscal Years 2007 through 2016.

**Historical Insurance Tax Receipts  
(in millions)**

<u>Fiscal Year</u>	<u>Insurance Tax</u>	<u>Fiscal Year</u>	<u>Insurance Tax</u>
2007	\$384.9	2012	\$390.2
2008	396.9	2013	392.3
2009	387.3	2014	451.2
2010	391.0	2015	451.0
2011	411.9	2016	489.4

Sources: Commonwealth of Virginia Department of Accounts, Department of Motor Vehicles, and Department of Taxation.

**PTF Motor Fuels Tax Revenues**

Subsection E of § 58.1-2289 of the Virginia Code provides that the PTF Motor Fuels Tax Revenues will constitute, after the disbursements listed in (a) through (d) of the next paragraph, 4% of the remaining revenues of the 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 ("Virginia Fuels Tax Act"), which motor fuel taxes (the "Motor Fuel Taxes") include (i) a tax on a gallon of gasoline and gasohol equal to 5.1% of the statewide average wholesale price of a gallon of self-serve unleaded regular gasoline for the applicable Base Period, as hereinafter defined, excluding federal and state excise

taxes; provided that the average wholesale price shall in no event be less than the statewide average wholesale price for a gallon of self-serve unleaded regular gasoline on February 20, 2013, (ii) a tax on a gallon of diesel fuel equal to 6% of the statewide average wholesale price of a gallon of self-serve diesel fuel for the applicable Base Period, excluding federal and state excise taxes; provided that the average wholesale price shall in no event be less than the statewide average wholesale price for a gallon of self-serve diesel fuel on February 20, 2013, (iii) a tax on a gallon of liquid alternative fuel that is used to operate a highway vehicle equal to the tax on gasoline and gasohol, (iv) a tax on a gallon of blended fuel that contains gasoline equal to the tax on gasoline and gasohol and (v) a tax on a gallon of blended fuel that contains diesel fuel equal to the tax on diesel fuel. The term "Base Period" means the period from December 1 through May 31 for the tax period beginning the following July 1 and ending on December 31, inclusive and means the period from June 1 through November 30 for the tax period beginning the following January 1 and ending June 30.

Prior to the disbursements into the Priority Transportation Fund of 4% of the Motor Fuel Taxes the following disbursements (the "Initial Fuel Tax Disbursements") shall be made: (a) one-half cent of the tax collected on each gallon of fuel on which a refund is paid under § 58.1-2259 of the Virginia Code for fuel consumed in tractors and unlicensed equipment used for agricultural purposes shall be paid into the Virginia Agricultural Foundation Fund, (b) one and one-half cents of the tax collected on each gallon of fuel used to propel a commercial watercraft on which a refund is paid under § 58.1-2259 of the Virginia Code shall be paid into the Game Protection Fund, (c) one and one-half cents of the tax collected for fuel used by commercial fishing, oystering, clamming and crabbing boats shall be paid to the Department of Transportation and (d) such sum as the General Assembly may determine from the tax collected from the sales of gasoline used for the propelling of watercraft for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Transportation Board to (1) improve the public docks specified in § 58.1-2259 of the Virginia Code, (2) improve commercial and sports fisheries in tidal waters (3) make environmental improvements and (4) further the purposes set forth in § 33.2-1510 of the Virginia Code.

#### **Chapter 766 and the Priority Transportation Fund**

By enacting Chapter 766, the Commonwealth changed the manner in which it funds new transportation projects and the repair of existing transportation facilities. The amendments contained in Chapter 766 amended the Motor Fuels Taxes by eliminating the motor fuels tax that was charged as a per gallon tax on the retail sale of gasoline and replacing it with a motor fuels tax that is charged as a percentage of the statewide average wholesale price of gasoline, see the subsection "*PTF Motor Fuels Tax Revenues*." In addition, Chapter 766 amended the taxes that are deposited into the Highway Maintenance and Operating Fund (the "HMO Fund"), which funds the Commonwealth's repair of existing transportation projects, see the section "*Transportation Trust Fund – Highway Maintenance and Operating Fund*."

#### **Historical and Projected Priority Transportation Fund Revenues**

The following table shows the amounts of the PTF Insurance Tax Revenues and other sources that were deposited and are forecasted to be deposited into the Priority Transportation Fund for the Fiscal Years 2015 through 2022. The PTF Insurance Tax Revenues will be deposited into the Priority Transportation Fund quarterly, based on actual collections. The PTF Insurance Tax Revenues will be deposited into the Priority Transportation Fund first, before any other distributions are made of the Insurance Tax revenues to other recipients. It is anticipated that most, if not all, of the Insurance Tax revenues received during each Fiscal Year and due to be deposited into the Priority Transportation Fund will be deposited in September of each subsequent Fiscal Year, and the remaining balance due, if any, will be deposited in December. In addition, the Priority Transportation Fund has historically received revenues from motor fuel taxes and is projected to continue to receive some of the revenue of the Motor Fuel Taxes, which are now determined in accordance with Chapter 766. Finally, the Priority Transportation Fund retains the interest earned on its cash balance.

**Historical and Projected Priority Transportation Fund Revenues**  
(in millions)<sup>1</sup>

Fiscal Year :	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>4</sup></u>	<u>2018<sup>4</sup></u>	<u>2019<sup>4</sup></u>	<u>2020<sup>4</sup></u>	<u>2021<sup>4</sup></u>
PTF Insurance Tax Revenues <sup>2</sup>	\$130.8	\$150.6	\$150.3	\$163.1	\$169.1	\$174.7	\$183.3	\$192.5
PTF Motor Fuel Tax Revenues <sup>3</sup>	25.8	28.6	34.4	34.6	34.9	35.3	35.5	35.9
Investment Income	<u>1.0</u>	<u>2.9</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Projected Priority Transportation Fund Revenues	<u>\$157.5</u>	<u>\$182.1</u>	<u>\$185.7</u>	<u>\$198.7</u>	<u>\$205.0</u>	<u>\$211.0</u>	<u>\$219.8</u>	<u>229.4</u>

Sources: Commonwealth of Virginia Department of Accounts, Department of Motor Vehicles, and Department of Taxation.

- <sup>1</sup> The sum of the revenue amounts may not equal the total amounts due to rounding.
- <sup>2</sup> These amounts represent one-third of the total revenues of the Insurance Tax received or projected to be received by the Commonwealth and deposited into the Priority Transportation Fund in each respective year.
- <sup>3</sup> Prior to the adoption of Chapter 766, the funds deposited in the Priority Transportation Fund included a portion of the moneys actually collected, including penalty and interest, attributable to any increase in revenues from the motor fuel taxes and aviation fuel taxes imposed under Virginia Fuels Tax Act on a retail basis, with such increase being calculated as the difference between such motor fuel taxes and aviation fuel taxes revenues collected in the manner prescribed under the prior version of the Virginia Fuels Tax Act less such motor fuel taxes or aviation fuel taxes, as applicable, revenues that would have been collected using the prescribed manner in effect immediately before January 1, 2001, computed without regard to increases in the rates of the motor fuel taxes or the aviation fuel taxes under the Virginia Fuels Tax Act pursuant to enactments of the 2007 Regular Session of the General Assembly. The portion to be deposited to the Priority Transportation Fund was the moneys actually collected from such increase in revenues and allocated for highway and mass transit improvement projects, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Airport Fund under such section. All additional federal revenues attributable to the prior version of the Virginia Fuels Tax Act were also deposited into the Priority Transportation Fund.
- <sup>4</sup> Based on Commonwealth Transportation Fund Forecast provided in December 2016. Forecasts are issued several times a year, and the next forecast is expected in December 2017. Preliminary estimates and actual results may vary.

**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. Without limiting the generality of the foregoing, the provisions of Chapter 766 or Chapter 896 that generate additional revenue for transportation purposes, including revenues for deposit in the Priority Transportation 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. See the section "Transportation Trust Fund – Sunset Provision."**

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## 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. The Bonds are the sixth series of Capital Projects Revenue Bonds to be issued. See the section "*Capital Projects Revenue Bonds Program.*" For a description of the debt service requirements of bonds that may be paid from the Priority Transportation Fund other than the Capital Projects Revenue Bonds, see the section "*Priority Transportation Fund – Required Payments from the Priority Transportation Fund.*"

Fiscal Year	Outstanding Bond Debt Service <sup>1</sup>	2017 Bond Principal	2017 Bond Interest	2017 Bond Debt Service	Total Fiscal Year Debt Service
2018	\$153,503,773	\$	\$	\$	\$
2019	153,294,405				
2020	153,069,925				
2021	152,844,525				
2022	152,608,323				
2023	152,361,275				
2024	152,097,420				
2025	151,826,600				
2026	151,421,988				
2027	151,031,528				
2028	150,641,748				
2029	150,248,608				
2030	149,855,768				
2031	149,459,885				
2032	149,051,355				
2033	148,632,688				
2034	148,197,810				
2035	147,742,033				
2036	117,408,125				
2037	75,300,100				
2038	35,023,200				
2039	35,021,450				
2040	16,799,350				
2041	16,799,300				
2042	-				
Total	\$3,014,241,182	\$	\$	\$	\$

<sup>1</sup> 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.

## 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 nonreverting 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. The Transportation Trust Fund is funded primarily from additional revenues generated by increases in the retail sales and use tax, motor fuels tax and motor vehicle related taxes and fees effected by the 1986 Special Session Acts, as amended by Chapter 766 of the Acts of the General Assembly of the Commonwealth of Virginia 2013 Regular Session ("Chapter 766"), and as amended by Chapter 684 of the Acts of the General Assembly of the Commonwealth of Virginia 2015 Regular Session ("Chapter 684") and designated for deposit in the Transportation Trust Fund. The 1986 Special Session Acts allocated 85% of these additional revenues to highway purposes with the balance being divided among airports (2.4%), mass transit (8.4%) and ports (4.2%). Legislation passed by the General Assembly in the 1998 Regular Session revised the formula for distribution of funds to the mass transit fund, increasing the allocation from 8.4% to 14.5% for Fiscal Year 1999 and to 14.7% for Fiscal Year 2000 and thereafter and thereby changing the allocation to highway

purposes from 85% to 78.9% in Fiscal Year 1999 and to 78.7% for Fiscal Year 2000 and thereafter. The amendments contained in Chapter 766 allocate a 0.3% increase in the retail sales and use tax, of which components are dedicated to the Transportation Trust Fund (passenger rail and mass transit). The revenue is distributed in the following manner: (i) 0.175% of the 0.3% increase is allocated to the HMO Fund, (ii) 0.05% of the 0.3% increase is allocated to passenger rail and (iii) 0.075% of the 0.3% increase is allocated to mass transit.

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.

#### **Chapter 766 and 684 and the Transportation Trust Fund**

Under Chapter 766, the Transportation Trust Fund receives an amount equal to 15% of the revenues generated from motor fuels taxes after making specified disbursements to various preservation and conservation programs. After making those initial disbursements and disbursing 15% of the revenues generated from the motor fuel taxes to the Transportation Trust Fund, 80% of such revenues shall be deposited into the HMO Fund, (i) 4% shall be deposited into the Priority Transportation Fund, and (ii) 1% shall be used to meet the necessary expenses of the Department of Motor Vehicles. This disbursement is effective through Fiscal Year 2016. Chapter 684 changes the distribution of fuel tax revenue beginning in Fiscal Year 2017. The Transportation Trust Fund will receive 11.3% of the revenues generated from motor fuels taxes after making the above-referenced initial disbursements. The total distribution is: (i) 80% to the HMO Fund (ii) 11.3% to the Transportation Trust Fund (iii) 4% to the Priority Transportation Fund, and (iv) 3.11% to the Commonwealth Transit Capital Fund established pursuant to Section 58.1-638 of the Virginia Code, (v) 1% to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, (vi) 0.35% to the Commonwealth Mass Transit Fund established pursuant to Section 58.1-638 of the Virginia Code and allocated transit operations, and (vii) 0.24% to the Commonwealth Mass Transit Fund and allocated to transit special programs.

Also included in Chapter 766 were specific taxes that affect the Northern Virginia and Hampton Roads regions of the Commonwealth. Pursuant to Chapter 766 the local sales tax, grantor's tax and transit and occupancy taxes were each increased in Northern Virginia and the local sales tax and fuel sales tax were each increased in Hampton Roads. The additional revenues generated from these increases have been dedicated to pay the costs of transportation projects in each region. It is anticipated that these revenues will enhance the ability of the Commonwealth to address transportation needs outside of the Transportation Trust Fund.

**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 the 1986 Special Session Acts or Chapter 766, or any other legislation affecting the Transportation Trust Fund. Without limiting the generality of the foregoing, the provisions of Chapter 766 and Chapter 896 that generate additional 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**

Until January 1, 1987, both construction and maintenance of the Commonwealth's highway system were funded through the Highway Maintenance and Construction Fund. Upon the enactment of the 1986 Special Session Acts, money for construction and maintenance was separated into two funds; the Transportation Trust Fund became the source of funds for new construction, while the HMO Fund was created as successor to the Highway Maintenance and Construction Fund for maintenance.

Prior to the enactment of Chapter 766, the HMO Fund received certain motor vehicle related taxes and fees (principally the motor fuels tax, vehicle sales tax, vehicle registration fees and vehicle license fees) at the rates in effect before the 1986 Special Session Acts, while the increase in these taxes and fees was directed to the Transportation Trust Fund. See the subsection below "*Sources of Revenues.*" In Fiscal Year 2016, the HMO Fund received approximately \$2.0 billion in such taxes and fees.

Pursuant to Chapter 766, the HMO Fund receives (i) an amount equal to 20% of the revenue generated by a 0.5% sales and use tax effected by Chapter 766, (ii) an amount equal to a 0.175% sales and use tax from the 0.3% increase in such tax effected by Chapter 766, (iii) an amount equal to 80% of the revenues generated from the motor

fuels tax as described in the preceding subsection, and (iv) certain revenues related to an increase in the vehicle sales tax.

The construction funds available for allocation in Fiscal Years 2017 through 2022 Six-Year Improvement Program (the "2017-2022 SYIP") were reduced by \$122.5 million in Fiscal Year 2016 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 766 and Chapter 896 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 766 and Chapter 896 that generate additional revenue for transportation purposes, including revenues for deposit in the Transportation Trust Fund, the HMO Fund and other transportation-related funds, 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 Provisions").

The General Assembly has from time to time made appropriations of portions of such additional revenue for non-transportation-related purposes, which would have activated one or both of the Sunset Provisions had the General Assembly not also enacted a savings clause to override the Sunset Provisions (a "Savings Clause"). The appropriations act for the 2014-2016 biennium, as adopted in June 2014 and amended in November 2014, includes both a non-transportation-related appropriation of a portion of the additional revenue generated by Chapter 896 and a Savings Clause.

No assurance can be given that the General Assembly will not activate either or both of the Sunset Provisions in future appropriation acts, and no assurance can be given that, if either Sunset Provision is activated, the General Assembly will enact a Savings Clause to override it.

### **Highway Allocation Formula**

The Transportation Board is required by 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 684 of the 2015 General Assembly Session.

After the first allocation of funds as described above, 45% is allocated to State of Good Repair, 27.5% is allocated to the Transportation Board's "High Priority Project Program" and 27.5% is allocated to its "Construction District Grant Program." However, prior to this allocation, the Transportation Board shall allocate an amount determined by the Transportation Board, not to exceed \$500 million in any given year, as follows: 25% to bridge reconstruction and rehabilitation; 25% to advancing high priority projects statewide; 25% to reconstructing deteriorated Interstate System, primary state highway system, and municipality maintained primary extension pavements determined to have a Combined Condition Index of less than 60; 15% to projects undertaken pursuant to the Public-Private Transportation Act of 1995 (Section 33.2-1800 et seq.) (the "PPTA"); 5% to paving unpaved roads carrying more than 50 vehicles per day; and 5% to the Innovative and Technology Transportation Fund established pursuant to Section 33.2-1531 for high-tech infrastructure improvements (the "CTB Formula"). At the discretion of the Transportation Board, such percentages of funds may be adjusted in any given year to meet project cash flow needs or when funds cannot be expended due to legal, environmental, or other project management considerations and provided that such allocations shall cease beginning July 1, 2020. After such allocations are made, the Transportation Board may allocate each year up to 10% of the funds remaining for highway purposes for the undertaking and financing of rail projects that, in the Board's determination, will result in mitigation of highway congestion. Through July 1, 2020, any funds remaining after the CTB Formula distribution will be distributed equally to the High Priority Project Program and the Construction District Grant Program.

The Transportation Board approved an amount to be provided through this alternate distribution process totaling \$325.7 million in the Fiscal Year 2017 Budget. Additional allocations were provided through the life of the Six-Year Improvement Program using this alternate formula. While the Virginia Code establishes the priorities by which the Transportation Board must allocate the funds made available to it, the Transportation Board, the Virginia

Department of Transportation ("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 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 variety of factors. See the section *"Commonwealth Transportation Board, Virginia Department of Transportation – Financial Accountability and Program Delivery."*

## Sources of Revenues

The following table summarizes the actual revenues for Fiscal Years 2011 through 2016 and the projected revenues for Fiscal Year 2017, received or to be received in the Transportation Trust Fund. Historical receipts of the Transportation Trust Fund may not be indicative of future receipts, especially because Chapter 766 changed how some of the taxes listed in the table are charged, and a portion of the revenues generated from those taxes are dedicated to the Transportation Trust Fund.

### Total Transportation Trust Fund Revenues – All Modes (in millions)<sup>1</sup>

Fiscal Year Ending June 30:	2011	2012	2013	2014	2015	2016	2017 <sup>6</sup>
Retail Sales and Use Tax	\$477.3	\$503.1	\$521.2	\$631.3	\$717.0	\$723.7	\$736.3
Motor Vehicle Sales and Use Tax <sup>2</sup>	207.3	223.1	235.2	240.8	251.8	265.4	271.5
Motor Fuels Taxes <sup>3</sup>	117.7	115.5	115.2	106.7	118.8	138.9	139.5
Motor Vehicle Registration Fees	21.2	21.1	21.7	21.7	21.8	21.6	21.4
Recordation Tax <sup>4</sup>	23.3	26.1	30.9	24.9	28.0	29.5	47.2
Investment Income	16.3	12.2	7.5	6.2	6.4	2.4	1.3
Priority Transportation Fund <sup>5</sup>	<u>152.3</u>	<u>159.1</u>	<u>151.8</u>	<u>157.5</u>	<u>180.8</u>	<u>186.0</u>	<u>199.7</u>
<b>Total Transportation Trust Fund Revenues</b>	<b><u>\$1,015.4</u></b>	<b><u>\$1,060.2</u></b>	<b><u>\$1,083.6</u></b>	<b><u>\$1,189.0</u></b>	<b><u>\$1,324.5</u></b>	<b><u>\$1,367.5</u></b>	<b><u>\$1,416.9</u></b>

Sources: Department of Accounts and Department of Motor Vehicles for Fiscal Years 2011 through 2016. Department of Motor Vehicles, Department of Taxation and Department of Transportation for revenue estimates for Fiscal Year 2017.

- (1) Net of moneys deposited in the Federal Fund, which is part of the Transportation Trust Fund. The sum of the revenue amounts may not equal the total amounts due to rounding.
- (2) Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax. Note these taxes were amended by Chapter 766.
- (3) Motor Fuels Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax. Note these taxes were amended by Chapter 766.
- (4) Reflects the deposits into the Transportation Trust Fund from the revenues collected each FY from \$0.02 of the total state recordation taxes imposed pursuant to Sections 58.1-801 and 58.1-803 of the Virginia Code.
- (5) Reflects the deposits into the Priority Transportation Fund. Amounts shown include estimated investment income.
- (6) Based on Commonwealth Transportation Fund Forecast provided in December 2016. Includes the share of the increased Retail Sales and Use Tax dedicated to passenger rail and mass transit as a component of the Transportation Trust Fund. Preliminary estimates and actual results may vary.

The following is a brief description of the taxes and fees that are designated for deposit into 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 designated the tax revenues from a 0.5% sales and use tax to the Transportation Trust Fund. Pursuant to Chapter 766, the 2013 General Assembly increased taxes by 0.3% to 5.3% (a portion of which is 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.

***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 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 will increase by 0.05% on each successive July 1 up to and including July 1, 2016, at which time the rate will equal 4.15%.

***Motor Fuels 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 in 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.

Each dealer or limited dealer in motor fuels must file monthly a report with the Commissioner of the Department of Motor Vehicles 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 Commissioner.

***Motor Vehicle Annual Registration Fees.*** The annual registration fee collected by the Commissioner of the Department of Motor Vehicles 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.

***Other Motor Vehicle Related Taxes.*** Pursuant to Chapter 766, certain other taxes related to motor vehicles are levied and a portion of the revenues are appropriated to the Transportation Trust Fund. Such taxes include items (ii) through (v) of the Fuels Tax described in the subsection "*– Chapters 766 and 684 and the Transportation Trust Fund.*"

***Recordation Taxes.*** Recordation taxes are imposed on every deed and deed of trust (mortgage) admitted to record in the Commonwealth subject to certain exceptions and exemptions. Chapter 896 of the Acts of Assembly, 2007 Regular Session, effective July 1, 2008, provides that, of the state recordation taxes imposed pursuant to § 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.

***Priority Transportation Fund Revenues.*** See the section "*Priority Transportation Fund.*"

## **Economic Conditions Affecting the Transportation Trust Fund**

The availability of revenues in the Transportation Trust Fund is dependent on a number of economic factors. The bulk of such revenues consists of the motor fuels taxes and retail sales and use taxes described above in this Section, 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, 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 revenues in the Transportation Trust Fund to make timely payments on the Bonds if tax collections and other elements of the Priority Transportation Fund are not available therefor. See Appendix C, "*Commonwealth of Virginia, Demographic and Economic Information*" for certain information regarding some of these factors. The availability of revenues in the Transportation Trust Fund is also subject to appropriation by the General Assembly. See the section "*Sources of Payment and Security for the Bonds.*"

**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 net additional revenues generated by the 1986 Special Session Acts, Chapter 766 or Chapter 896 to the Transportation Trust Fund as 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.**

## **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,*" "*– Chapters 766 and 684 and the Transportation Trust Fund*" 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 and the 2005 Regular Sessions ("NVTD Bond Legislation") that authorized the Transportation Board to issue Transportation Revenue Bonds ("NVTD 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 "NVTD Program"). Refunding bonds are not included in this limit. It is expected that revenue for payment of the debt service on the NVTD Bonds will be provided from funds appropriated by the General Assembly from (i) the Northern Virginia Transportation District Fund (the "NVTD 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 NVTD 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 legislation creating the NVTD Fund currently provides that annually on July 1, there is to be transferred to the NVTD Fund, subject to appropriation by the General Assembly, (1) a portion of the collections of the state recordation taxes that are attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William (the "NVTD Jurisdictions"), (2) any public rights-of-way use fees appropriated by the General Assembly, (3) any state or local revenues which may be deposited to the NVTD Fund pursuant to a contract between an NVTD Jurisdiction and the Transportation Board and (4) any other funds as may be appropriated by the General Assembly and designated for the NVTD Fund and all earnings on the NVTD Fund. Of the total amount of NVTD Bonds issued, \$\_\_\_\_\_ is outstanding as of June 1, 2017.

***U.S. Route 58 Corridor Development Program.*** The General Assembly enacted legislation in 1989, which was amended in the 1999 Regular Session and 2013 Regular Session ("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 first \$40,000,000 of annual collections of the state recordation taxes imposed on deeds, deeds of trust, mortgages and certain other instruments, (ii) to the extent required, other revenues legally available from the Transportation Trust Fund and (iii) to the extent required, other legally available funds. Of the total amount of U.S. Route 58 Bonds issued, \$\_\_\_\_\_ is outstanding as of June 1, 2017.

***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 to finance the Oak Grove Connector, a portion of which was refunded by the Transportation Program Revenue Bonds Series 2006A, which was refunded by the Transportation Program Revenue Bonds, Series 2016A (the "Oak Grove Connector Bonds"). Of the total amount of Oak Grove Connector Bonds issued, \$8,615,000 is outstanding as of June 1, 2017. 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. Of the total amount of Transportation Contract Revenue Bonds issued, as of June 1, 2017, \$77,315,996 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 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, less the outstanding principal amount of FRANs issued prior to July 1, 2011, and exclusive of (i) the amount of any revenue obligations that may be issued to refund GARVEEs or FRANs, 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 four series of GARVEEs totaling \$1,008,535,000 of which \$852,785,000 is outstanding as of June 1, 2017. The Transportation Board expects to issue "new money" GARVEEs in Fiscal Year 2018.

**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 Chairman of the Transportation Board is the Secretary of Transportation. The Vice Chairman is the Commissioner of Highways, who is also the chief executive officer of the Virginia Department of Transportation. Only the 14 citizen members of the Transportation Board have voting privileges, except that the Chairman 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>
Aubrey L. Layne, Jr.	At the Pleasure of the Governor	Chairman, Transportation Board; Secretary of Transportation
Charles A. Kilpatrick	At the Pleasure of the Governor	Commissioner of Highways
Jennifer Mitchell	At the Pleasure of the Governor	Director, Department of Rail and Public Transportation
F. Gary Garczynski	June 30, 2018	Vice Chairman, Transportation Board, At-Large Urban
Carlos M. Brown	June 30, 2019	Richmond District
Henry Connors, Jr.	June 30, 2018	Fredericksburg District
Alison DeTuncq	June 30, 2018	Culpeper District
William H. Fralin, Jr.	June 30, 2017	Salem District
F. Gary Garczynski	June 30, 2020	Northern Virginia District
Mary Hughes Hynes	June 30, 2020	Northern Virginia District
E. Scott Kasprowicz	June 30, 2017	At-Large Urban
John Malbon	June 30, 2017	Hampton Roads District
Court G. Rosen	June 30, 2018	At-Large Rural
Jerry L. Stinson, II	June 30, 2020	Bristol District
Shannon Valentine	June 30, 2019	Lynchburg District
F. Dixon Whitworth, Jr.	June 30, 2020	Staunton District
Marty Williams	June 30, 2018	At-Large Urban
Greg Yates	June 30, 2020	At-Large Rural

**Aubrey L. Layne, Jr.** was appointed as Secretary of Transportation of the Commonwealth by Governor Terence R. McAuliffe in January 2014. 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, Mr. Layne was President of Achievable Dream Academies in Newport News, Virginia. He began his association with An Achievable Dream over ten years ago as a Board Member and Endowment Fund Chairman. Prior to joining An Achievable Dream, Mr. Layne was President and Principal Broker of Great Atlantic Properties. He joined the company in 1994 and was responsible for the operational activities, new business acquisition, and capital improvement strategy as well as banking and investor relationships. Before joining Great Atlantic, Mr. Layne worked in a retail business, Hofheimer's Inc., for ten years, most recently as its President. Prior to Hofheimer's, he was a CPA with KPMG where he began his professional career after college. Mr. Layne earned a B.S. in Accounting from The University of Richmond (1979), is a Virginia Certified Public Accountant and received an M.B.A. from Old Dominion University with a concentration in International Business (1997). In 2011, Mr. Layne completed the University of Virginia's Sorensen Institute for Political Leaders program.

### **Virginia Department of Transportation**

The Virginia Department of Transportation 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 2017 is approximately \$5.4 billion. As of April 1, 2017, VDOT had 147 construction projects underway for an aggregate amount of approximately \$2.3 billion, with an outstanding balance to be paid of approximately \$1.2 billion as these projects progress towards completion. Additionally, VDOT had 278 maintenance projects underway for an aggregate amount of approximately \$778.9 million, with an outstanding balance to be paid of approximately \$551.7 million as these projects progress towards completion.

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 7,366 employees (as of April 1, 2017) 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 for more than a decade now. 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 Commonwealth Transportation Board. Since tracking began in 2001, VDOT's performance shows a continued trend of improvement.

For Fiscal Year 2016 the agency attained on-time and on-budget performance goals by delivering more than 84% of all construction and maintenance projects on or before their original due dates, and by completing more than 97% 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 2017-2022 SYIP, adopted by the Transportation Board in June 2016, 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 2017-2022 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 2017-2022 SYIP include: funding complete project phases, maximizing the use of federal funding, funding deficient bridges and paving projects, and adjustments for the preparation of implementing project prioritization as called for in House Bill 2 (2014 General Assembly Session). 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. The Fiscal Year 2018 through 2023 SYIP is expected to be adopted by the Transportation Board in June 2017.

### **Virginia Department of Transportation Staff**

*Charles A. Kilpatrick* was named Commissioner of Highways of VDOT in January 2014. Previously, he served as Chief Deputy Commissioner since July 2010. Mr. Kilpatrick is a native Virginian, raised in Fairfax County. He graduated from Virginia Tech in 1986 with a bachelor's degree in civil engineering and is a licensed professional engineer. Mr. Kilpatrick began his professional career with Fairfax County government, reviewing, and then managing, land development and public improvement projects in the county. After seven years, he joined VDOT in Fredericksburg as the Assistant Resident Engineer. He later became Resident Engineer, managing and directing land development, maintenance, and construction. During his 10-year tenure, Mr. Kilpatrick became a Leadership Development and Customer Service Coach and served as the Chair of the Statewide Resident Engineers Committee. In 2004, Mr. Kilpatrick left state service to work for the Silver Companies, a major mixed-use and commercial development company headquartered in Fredericksburg, Virginia and Boca Raton, Florida. As the Vice President for Construction, he managed all commercial construction activities in Virginia. These projects included significant public roadway and infrastructure improvements, as well as innovative financing techniques.

*Quintin D. Elliott* was named Chief Deputy Commissioner in January 2014. Previously, he served as the administrator of VDOT's Fredericksburg district. In that capacity, he oversaw VDOT's construction and maintenance on more than 11,500 miles of state-maintained roads in the 14-county region and directed approximately 460 employees. He served as acting district administrator in VDOT's Culpeper District for a year. Mr. Elliott served as VDOT's state asset management division administrator from 2002-2007 where he directed the

maintenance and inventory of the Commonwealth's state highways and VDOT's assets in the state highway system, such as bridges, tunnels and equipment. He served as special assistant to the assistant commissioner for operations and the chief engineer in 2002. After graduating from college and starting his VDOT career as a transportation engineer trainee in 1985, he served as assistant resident engineer in VDOT's Franklin and Williamsburg residencies, becoming Williamsburg's resident engineer in 1991. He holds a bachelor's degree in civil engineering from the Virginia Military Institute. During his VDOT career, Elliott served in the Virginia Air National Guard. He retired in 2008 as Commander/Officer in Charge of the 192 Civil Engineering Squadron and the 203 Red Horse Squadron Heavy Equipment Flight. He earned several awards and decorations for his military service, most notably the Meritorious Service Medal for his service during Operation Iraqi Freedom.

**John W. Lawson** became VDOT's Chief Financial Officer in October 2010. In his position, he oversees the agency's \$5.4 billion budget and is responsible for the leadership and execution of the agency's financial planning, fiscal management, debt and toll operations programs. Mr. Lawson holds an associate degree of science and arts from Rappahannock Community College, a bachelor's degree in accounting from Christopher Newport University, and is a graduate of the Virginia Executive Institute. Mr. Lawson worked as an accountant with Engineering Incorporated in Hampton before joining VDOT in 1987. He has served in several financial positions with VDOT in the fiscal division, starting as an accountant and advancing to an assistant division administrator. In 2001, Mr. Lawson became Director of Financial Planning, a position he held until 2010. He has served in a senior advisor role to several administrations and has provided strategic financial oversight to VDOT's senior management, the Secretary of Transportation and the Commonwealth Transportation Board for more than two decades.

### **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 sixty seven 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 forty-nine 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. 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.

**William S. Pittard** was selected to become the Chief Financial Officer of DRPT in September 2004. He oversees DRPT's \$733 million annual budget as well as DRPT's activities and initiatives in finance, audit, general accounting, information technology, and procurement. Mr. Pittard previously served in financial management positions with the Virginia Information Technologies Agency and the Virginia Department of Accounts. Additionally, he has five years of experience with the public accounting firm KPMG. Mr. Pittard earned a B.S. in Commerce from the University of Virginia in 1987, and he is a certified public accountant and a certified government financial manager.

## 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 entirety, 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; and 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.

**"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.

**"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.

**"Refunding Bonds"** shall have the meaning set forth in Section 5.3.

**"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 hereof.

**"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.

**"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.

**"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.

**"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 25% 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 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**

### **Opinion of Bond Counsel – Federal Income Tax Status of Interest**

Bond Counsel's opinion will state that, under current law, interest on the Bonds (including any accrued "original issue discount" properly allocable to the owners of 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 imposed on individuals and corporations (a "Specific Tax Preference Item"). However, for the purpose of computing the alternative minimum tax imposed on certain corporations, interest on the Bonds must be included in determining adjusted current earnings. 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 within 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.

The Transportation Board is aware that it may not have complied with certain continuing disclosure undertakings in that (1) it did not timely file notice of a rating upgrade for one of its bond programs and (2) its Annual Reports for the last five Fiscal Years may not have contained all the information that was required to be included. The Transportation Board has taken steps to ensure future compliance with its undertakings regarding Rule 15c2-12.

#### **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.

In making timely filings of its Annual Reports for Fiscal Years 2012-2013, the CUSIP information necessary to link such filings to each series of the Virginia Resources Authority's Infrastructure Revenue Bonds and Moral Obligation Bonds was inadvertently omitted from such filings. Such filings were otherwise available from the MSRB with respect to other Commonwealth undertakings. The Commonwealth has taken steps to ensure future compliance with its undertakings regarding Rule 15c2-12.

See "*Continuing Disclosure Agreement*" in Appendix E hereto.

### **RATINGS**

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("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 June \_\_, 2017,\* unless changed as described in the Notice of Sale in Appendix F 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.

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\* Preliminary, subject to change.

## **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.

## **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 John W. Lawson, Chief Financial Officer, Virginia Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219 (telephone: 804-786-2707).

So far as any statements made in this preliminary Official Statement involve matters of opinion 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: \_\_\_\_\_  
Aubrey L. Layne, Jr., Chairman

**COMMONWEALTH OF VIRGINIA**

**FINANCIAL STATEMENTS OF THE COMMONWEALTH  
FOR THE YEAR ENDED JUNE 30, 2016**



**COMMONWEALTH OF VIRGINIA**

**FINANCIAL AND OTHER  
INFORMATION**

**COMMONWEALTH OF VIRGINIA**

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

**APPENDIX D**

**FORM OF BOND COUNSEL OPINION**

**APPENDIX E**

**CONTINUING DISCLOSURE UNDERTAKINGS OF THE  
COMMONWEALTH TRANSPORTATION BOARD AND THE  
COMMONWEALTH OF VIRGINIA**

**APPENDIX E**

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**NOTICE OF SALE**

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is dated \_\_\_\_\_, 2017 (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 Bonds, Series 2017 (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 Sixth Supplemental Indenture of Trust dated as of July 1, 2017 (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:

Section 1. 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.

"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 \_\_\_\_\_, 2017.

"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, as amended, enactment clause 2 of Chapter 896 of the Acts of Assembly of the General Assembly of the Commonwealth of Virginia 2007 Regular Session, as amended; and Item 456.H. of Chapter 874 of the Acts of the General Assembly of the Commonwealth of Virginia, 2010 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.

Section 2. 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.

Section 3. Provision of Annual Reports: Audited Financial Statements.

(a) 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, 2017, 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;

(b) 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 separate audited financial statement, then the Transportation Board will make public such audited financial statements as provided in the Rule; and

(c) 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.

Section 4. 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:



(a) updated information contained in the charts titled "Historical Insurance Tax Receipts" and "Historical and Projected Priority Transportation Fund Revenues" in the section titled "Priority Transportation Fund;"

(b) updated information contained in the chart titled "Total Transportation Trust Fund Revenues – All Modes" in the section titled "Transportation Trust Fund;" and

(c) if other funds have been appropriated by the General Assembly with respect to the Bonds, a chart or other information detailing the sources of such funds for the most recent 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.

Section 5. 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 to which the Transportation Board has actual knowledge:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) 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;
- (7) Modifications to rights of Holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Transportation Board;
- (13) 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; and

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Transportation Board does not undertake to provide the above-described notice in the event of a mandatory, scheduled 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 when 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.

Section 6. 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.

Section 7. 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.

Section 8. 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.

Section 9. 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.

Section 10. 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.

Section 11. 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.

Section 12. 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 Chairman of the Commonwealth Transportation Board has executed this Continuing Disclosure Agreement, as of the Closing Date.

COMMONWEALTH TRANSPORTATION BOARD

By: \_\_\_\_\_  
Aubrey L. Layne, Chairman

NOTICE OF FAILURE TO FILE ANNUAL REPORT  
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COMMONWEALTH TRANSPORTATION BOARD

in connection with

Commonwealth of Virginia  
Transportation Capital Projects Revenue Bonds, Series 2017

CUSIP Numbers:  
927793 \_\_\_ to \_\_\_

Dated: \_\_\_\_\_, 2017

**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 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: \_\_\_\_\_



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 225-2940  
*Agenda Item #12*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

APRIL 19, 2017

#### MOTION

Made By:      Seconded By:

Action:

**Title: Approval of up to a \$45,000,000 Loan with Capitalized Interest from the Virginia Transportation Infrastructure Bank to the 95 Express Lanes LLC for the I-395 Express Lanes Northern Extension**

**WHEREAS**, 95 Express Lanes LLC (the “Recipient”), a Delaware corporation, is proposing to Design, Build, Operate and Maintain an extension of the existing Interstate 95 Express Lanes by 8 miles starting at Turkeycock Run and ending just beyond the Pentagon (the “395 Project”). The 395 Project also includes the widening of I-395 southbound general purpose lanes between Duke Street (Route 236) and Edsall Road (Route 648), as well as modifications to Duke Street and Edsall Road interchanges; and

**WHEREAS**, Chapters 830 and 868 of the 2011 Acts of Assembly and amended by Chapter 805 of the 2014 Acts of Assembly (§33.2-1500) (the “Act”) created the Virginia Transportation Infrastructure Bank (“VTIB”) for the purpose of making loans and other financial assistance to localities, private entities and other eligible borrowers to finance transportation projects; and

**WHEREAS**, Chapter 684 of the 2015 Acts of Assembly modified certain statutory provisions and requirements relating to the VTIB, including among other things requirements set forth in §33.2-1503 relating to project selection for the Bank; and

**WHEREAS**, the Recipient submitted an application dated January 13, 2017, requesting a \$45,000,000 loan from the VTIB to finance a portion of the 395 Project; and

**WHEREAS**, the Recipient is an Eligible Borrower under the Act meeting the definition of a Private Entity which has executed an interim or comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the Public-Private Partnership Act of 1995 (§33.2-1800 et seq.) as established by the Act for the VTIB; and

**WHEREAS**, the application meets the Minimum Eligibility Requirements of the VTIB Program Overview, Guidelines and Selection Criteria dated September 2016, and has been screened and scored according to the Screening and Scoring Criteria established for the VTIB, and the creditworthiness of the Recipient and the financial feasibility of the 395 Project have been assessed and evaluated; and

**WHEREAS**, the Virginia Department of Transportation (VDOT) and the Virginia Resources Authority (VRA) serving as the “Manager” of the VTIB have determined the Project and Loan (as hereinafter defined) meet the requirements, goals, objectives and purposes of the VTIB and the Act, and the Recipient has demonstrated the ability to repay the VTIB loan; and

**WHEREAS**, the VTIB Advisory Panel met on March 29, 2017 to discuss the merits of the application and unanimously voted to recommend the application to the CTB for approval based on the applicable standard interest rate as set forth in the VTIB Guidelines for Private Entities; and

**WHEREAS**, according to the VTIB Program Overview, Guidelines and Selection Criteria, as approved by the CTB, the CTB shall act to approve or deny applications for assistance from the VTIB when presented by the VTIB Advisory Panel; and

**WHEREAS**, after action by the CTB, the scores of the applications will be posted on VDOT’s website, with the successful applications so noted; and

**WHEREAS**, following action by the CTB to approve the financial assistance from the VTIB, the Manager will provide a written commitment (the “Commitment”) to the potential recipient. The Commitment will outline the type and amount of assistance to be provided and in the case of a loan, the required security provisions, the loan term and payment provisions, and any conditions that must be met by the applicant for loan closing including but not limited to investment grade ratings and credit assistance from the U.S. Department of Transportation pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998, as amended. The Commitment must be accepted by the potential recipient and returned signed to VRA within 60 days of the Commitment date to preserve the funding.

**NOW, THEREFORE, BE IT RESOLVED**, that based on recommendations from the VTIB Advisory Panel, the CTB hereby approves the Recipients VTIB loan application to provide financial assistance in the form of a loan to the Recipient for the 395 Project up to

Resolution of the Commonwealth Transportation Board  
Approval of up to a \$45,000,000 Loan with Capitalized Interest from the Virginia Transportation  
Infrastructure Bank to the 95 Express Lanes, LLC for the I-395 Express Lanes Northern Extension  
April 19, 2017  
Page 3 of 3

\$45,000,000 plus capitalized interest (the "Loan"), based on the application and plan of finance submitted by the Recipient;

**BE IT FURTHER RESOLVED**, that in accordance with the Credit Summary prepared by the VRA, the CTB authorizes VDOT and VRA to negotiate with the Recipient, acceptable terms and conditions and to structure and/or restructure terms to utilize the VTIB assistance in the most viable and efficient manner. The standard interest rate will be applied to the loan based on the interest rate methodology defined in the VTIB Program Overview, Guidelines, and Selection Criteria. The interest rate shall be 3.60% based on the April 12, 2017 AAA Taxable MMD scale for a Category B Private Entity.

###

## Commonwealth Transportation Board (the “CTB”) Decision Brief

### Virginia Transportation Infrastructure Bank (“VTIB”)

#### Virginia Transportation Infrastructure Bank Advisory Panel Recommendation Application from 95 Express Lanes for the I-395 Express Lanes Northern Extension Project

**Issue:** The applicant, 95 Express Lanes, LLC, submitted an application on January 13, 2017, requesting a \$45,000,000 loan from the VTIB to finance a portion of the I-395 Express Lanes Northern Extension project and CTB approval of the requested loan is being sought.

**Facts:** Chapters 830 and 868 of the 2011 Acts of Assembly and amended by Chapter 805 of the 2014 Acts of Assembly (§33.2-1500) (the “Act”) created the Virginia Transportation Infrastructure Bank (“VTIB”) for the purpose of making loans and other financial assistance to localities, private entities and other eligible borrowers to finance transportation projects; In accordance with the VTIB Program Overview, Guidelines and Selection Criteria dated September 2016, as approved by the CTB, applications for financial assistance from the VTIB must be acted upon by the CTB.

The loan would assist in the financing of the I-395 Express Lanes Northern Extension Project. The project is to the Design, Build, Operate and Maintain an extension of the existing Interstate 95 Express Lanes by 8 miles starting at Turkeycock Run and ending just beyond the Pentagon (the “395 Project”). The 395 Project also includes the widening of I-395 southbound general purpose lanes between Duke Street (Route 236) and Edsall Road (Route 648), as well as modifications to Duke Street and Edsall Road interchanges.

95 Express Lanes, LLC qualifies as an Eligible Borrower under the Act meeting the definition of a Private Entity. The requesting entity has executed a design-build contract in February 2017.

The requested VTIB loan will be secured by a subordinate pledge of toll revenue.

**Recommendations:** The VTIB Advisory Panel recommends the CTB approve 95 Express Lanes, LLC’s application for a loan up to \$45,000,000 plus capitalized interest for a period of up to 30 years after substantial completion. The panel also recommends that the loan be subject to the standard interest rate. The rate based on the VTIB interest rate methodology should be locked in at 3.60% based on the April 11, 2017 30-Year Taxable AAA MMD Rate.

The recommended terms of the loan include:

- Subordinate Pledge of Net Total System Revenues
  - Loan subordinate to Senior bonds
- Annual total debt service coverage of 1.20x and loan life coverage ratio of 1.30x
- Execution of the Amended and Restated Comprehensive Agreement
- Independent Audit of the Transurban Financial Model



- Final Version of the Lender's T&R Report
- Completion of the Lender's Technical Advisor Report
- Final Investment Grade Ratings
  - Includes requirement for an investment grade rating on the VTIB loan

Upon CTB approval, additional specific loan terms will be determined as project, loan schedule, and related documents are finalized.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to approve up to a \$45,000,000 VTIB loan to 95 Express Lanes, LLC.

**Options:** Approve, Deny or Defer. If the CTB chooses not to approve the resolution, the loan will not be available to 95 Express Lanes for the project.

**Public Comment/Reactions:** There has not been any public input regarding the request for the VTIB loan. Following CTB action, VDOT will post on its public website, the results of the scoring of the 95 Express Lanes, LLC's application for assistance and the CTB's action relative to the request as required by the authorizing legislation.

INTERSTATE

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
L58	110125	FROM: RAMP E OVER I-495	MARTINS CONSTRUCTION CORP.	3	\$5,099,165.00	\$4,255,133.00
	(NFO) 0495-029-345,B622,B623	TO: RAMP G & E OVER NSRR	FALLS CHURCH			
	NHPP-BR09(293)	FAIRFAX	VA			
	Maintenance Funds	NORTHERN VIRGINIA DISTRICT				
		BRIDGE REHABILITATION FOR I-495 BRIDGES				

# BID RESULTS FOR THE CTB

## March 15, 2017

### DESIGN BUILD PROJECT

UPC No. & Project No.	Location and Work Type	RECOMMENDATION	Contractor	Number of Bids	Bid Amount	Estimated Construction Cost
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#### MISCELLANEOUS

<b>105543, 0220-011-786</b>  <b>Contract #C00105543DB88</b>  Design, ROW, Construction & QA/QC	Route 220 Corridor Safety Improvements; Phases 1, 2, and 3  Botetourt County, Salem District  The Project involves implementation of safety improvements to travel lanes and shoulders along approximately 8.86 miles of existing roadway. Safety Improvements include; improved vertical and horizontal alignment, shoulder widening, realigning intersections, adding turn lanes, creating new passing zones and adding pavement markings and rumble strips.	AWARD	Faulconer Construction Company, Inc. Charlottesville Virginia	2	\$64,482,448.00	\$57,106,726.00
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1 Recommended for Award: \$64,482,448.00

## ***April 2017 CTB Meeting***

L58

**0495-029-345, B622, B623**

**Fairfax County**

This project repairs the I-495 Ramp E Bridge over SB I-495 and the I-495 Ramp E & G Bridge over Norfolk Southern Railroad.

The SB I-495 bridge is a three simple span, steel multi-beam superstructure with concrete deck and is 210 feet long. The bridge carries two traffic lanes and is 44 feet wide. The Bridge was built in 1975.

The bridge over the Norfolk Southern Railroad is a three simple span, pre-stressed concrete beam superstructure with concrete deck and is 163 feet long. The bridge carries one traffic lane and is 57 feet wide. The Bridge was built in 1959 with a rigid concrete overlay added in 1984, and concrete repairs and joint sealer replacement were performed in 2008.

For the SB I-495 structure, the project will mill and concrete overlay the bridge deck, eliminate the deck joints at the piers, reconstruct the deck joints at the abutments, replace the beam bearings, paint the steel superstructure, and repair the concrete piers and abutments.

For Norfolk Southern Railroad structure, the project will replace the concrete bridge deck and beam bearings, and repair the pre-stressed concrete beams, concrete piers and abutments and approach concrete pavement.

Fixed Completion Date June 25, 2018

# ***April 2017 CTB Meeting***

## ***DESIGN BUILD PROJECT AWARD***

**0220-011-786**

**Botetourt County**

The Route 220 Corridor Safety Improvements, Phases 1, 2, and 3 project involves safety improvements to approximately 8.9 miles of existing roadway to provide improved travel lanes and shoulder widths. The Project will incorporate various safety measures to include: improved vertical and horizontal alignment, widening of shoulders, realigning intersections, adding turn lanes, creating additional passing zones, providing raised centerline pavement markings, and providing centerline and edge-line rumble strips.

The Project is divided into three phases. Phase 1 project limits are from north of Route 622 (Gala Loop Road) and ends north of Route 696 (Buhrman Road); Phase 2 project limits begin south of Route 43 (Narrow Passage road) and ends north of Route 622; and Phase 3 project limits begin north of Route 696 and ends at Route 727 (Farm Fork Road).

- Design and construction of Phases 1, 2 and 3 of the Project to include increased lane width, variable width paved shoulders, stabilized shoulders, mill and overlay, center and edge line rumble strips, and the addition of new turn lanes.
- All items required for the design and construction of the Base Scope of the Project including, but not limited to, storm water management facilities, demolition of existing structures, drainage structures, traffic signals, signing and pavement markings, lighting, erosion and sediment control, environmental permitting, landscaping, guardrails, right of way acquisition, utility relocation, and Transportation Management Plan.
- Design and construction of a.) two-way left turn lane through Gala with curb and gutter and b.) revised typical section in the cut/fill area of Phase 3.
- All items required for the design and construction of Option 1 of the Project including, but not limited to, storm water management facilities, demolition of existing structures, drainage structures, traffic signals, signing and pavement markings, lighting, erosion and sediment control, environmental permitting, landscaping, guardrails, right of way acquisition, utility relocation, and Transportation Management Plan.

Completion Date August 31, 2021

**Shortlisted Offerors:**

<u>Name</u>	<u>Price</u>	<u>Score</u>
Falconer Construction, Co.	\$64,482,448.00	86.8
W.C. English Construction, Co.	\$64,687,790.00	83.1

## BALLOT THRESHOLD REPORT

Letting Date: 3/22/2017

### PRIMARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
L44	108257	LOCATION: I-66 - MULTIPLE STRUCTURES	FORT MYER CONSTRUCTION CORPORATION	4	\$2,186,166.62	\$1,748,059.66
	(NFO)0066-030-811, N501		WASHINGTON			
	NHPP-BR07(285)	FAUQUIER	DC			
	Maintenance Funds	CULPEPER DISTRICT				
		JOINT CLOSURE AND BEAM REPAIR				

## BALLOT THRESHOLD REPORT

Letting Date: 3/22/2017

### SECONDARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
L70	104538	FROM: 0.04 MI. N. RTE. F-021	ORDERS CONSTRUCTION COMPANY, INC.	5	\$2,246,731.38	\$2,547,242.76
	(NFO)F310-095-018,B623	TO: 0.12 MI. S. RTE. 11	ST. ALBANS			
	NHPP3-BR01(329)	WASHINGTON	WV			
	Maintenance Funds	BRISTOL DISTRICT				
		SUPERSTRUCTURE REPLACEMENT RTE. F-310 OVER RTE. I-81				
U29	110148	LOCATION: VARIOUS	KANAWHA STONE COMPANY, INC.	3	\$2,055,597.00	\$2,291,450.00
	RR09-053-167, N501		NITRO			
	STATE	LOUDOUN	WV			
	Maintenance Funds	NORTHERN VIRGINIA DISTRICT				
		RURAL RUSTIC ROAD IMPROVEMENTS				



## BALLOT THRESHOLD REPORT

Letting Date: 3/22/2017

### PRIMARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
527	108931, 108932	LOCATION: VARIOUS	BRANSCOME INC.	3	\$2,211,480.86	\$2,494,663.37
	(NFO)PM5E-047-699, P401		WILLIAMSBURG			
	STP-PM05(421)	JAMES CITY	VA			
	Maintenance Funds	HAMPTON ROADS DISTRICT				
		2017 PLANT MIX				