



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Agenda item # 5

**RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD
January 18, 2017**

MOTION

Made By: Mr. Connors, Seconded By: Ms. Valentine
Action: Motion Carried, Unanimously

**Title: ADVANCE TOLL FACILITIES REVOLVING FUNDS FOR 95 EXPRESS
LANES FREDERICKSBURG EXTENSION**

WHEREAS, the Virginia Department of Transportation (“the Department”) and 95 Express Lanes, LLC (collectively the “Parties”) have identified an opportunity to significantly improve travel conditions on I-95 by extending the 95 Express Lanes to the vicinity of Route 17 just north of Fredericksburg (the “Fredericksburg Extension” or “Project”) as the initial component of the Southern HOT Lanes, as defined in the Comprehensive Agreement Relating to the I-95 HOV/HOT Lanes dated July 31, 2012 (“CA”); and

WHEREAS, the Department, on August 11, 2016, entered into a Preliminary Development Framework Agreement with 95 Express Lanes LLC to advance the development of the Project, including evaluation and definition of the appropriate financing and delivery approaches to support the Project based on the further defined scope and cost of the Project. The Parties will continue to evaluate the fundamental project elements, including the optimal project scope and the related traffic, revenue, cost and financing aspects associated with the proposed project scope; and

WHEREAS, the Parties agreed to work closely to optimize the design of the Fredericksburg Extension and to integrate the Project with the 95 Southern Terminus Extension project; and

WHEREAS, the Department agreed to commence environmental studies and associated processes necessary to advance the Fredericksburg Extension at its own cost; and

WHEREAS, the work under the Preliminary Development Framework Agreement will support the Parties determination of whether the economics of the Project support accomplishing the Project under the CA; and

WHEREAS, the Preliminary Development Framework Agreement remains in effect until June 30, 2017 unless mutually extended by the Parties; and

WHEREAS, this Project is a component of the Atlantic Gateway Project, with future funding identified from the Priority Transportation Fund, to support the development of the Project whether accomplished under the CA or as a new VDOT project; and

WHEREAS, as it involves planning in connection with the acquisition and construction of a project to be financed in whole or in part as a toll facility, the Commonwealth Transportation Board may advance funding for this effort from the Toll Facilities Revolving Account pursuant to section 33.2-1529 of the *Code of Virginia*.

NOW THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that an amount up to \$12 million be advanced from the Toll Facilities Revolving Account (TFRA) and allocated to the Project to support design work, environmental studies and associated processes necessary to advance the Fredericksburg Extension.

BE IT FURTHER RESOLVED that the advance funding provided from the TFRA will be repaid from the Priority Transportation Fund or other such funds as identified and made available by the Commonwealth Transportation Board.

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CTB Decision Brief

Advance Toll Facilities Revolving Funds for 95 Express Lanes Fredericksburg Extension

Issue: Pursuant to §33.2-1529 of the *Code of Virginia*, the Virginia Department of Transportation (“VDOT”) seeks allocation of funds from the Toll Facilities Revolving Account by the Commonwealth Transportation Board (“CTB”), to fund costs associated with environmental studies and associated processes necessary to advance the Fredericksburg Extension (defined below) of the I-95 Express Lanes.

Facts:

The Virginia Department of Transportation (“VDOT”) and 95 Express Lanes, LLC have identified an opportunity to significantly improve travel conditions on I-95 by extending the 95 Express Lanes to the vicinity of Route 17 just north of Fredericksburg (the “Fredericksburg Extension” or “Project”) as the initial component of the Southern HOT Lanes, as defined in the Comprehensive Agreement Relating to the I-95 HOV/HOT Lanes (“CA”).

VDOT, on August 11, 2016, entered into a Preliminary Development Framework Agreement with 95 Express Lanes, LLC to advance the development of the Project, including evaluation and definition of the appropriate financing and delivery approaches to support the Project based on the further defined scope and cost of the Project. The Parties will continue to evaluate the fundamental project elements, including the optimal project scope and the related traffic, revenue, cost and financing aspects associated with the proposed project scope.

Pursuant to the Preliminary Development Framework Agreement, VDOT has agreed to work on design cooperatively with 95 Express Lanes, LLC and to commence environmental studies and associated processes necessary to advance the Fredericksburg Extension at its own costs. The work under the Preliminary Development Framework Agreement will support the determination of whether the economics of the Project support accomplishing the Project under the CA. The Agreement remains in effect until June 30, 2017 unless mutually extended by VDOT and 95 Express Lanes, LLC.

This Project is a component of the Atlantic Gateway Project, with future funding identified from the Priority Transportation Fund, to support the development of the Project, whether accomplished under the CA or as a new VDOT project.

Pursuant to §33.2-1529, the CTB may advance funding from the Toll Facilities Revolving Account to pay or finance all or part of the costs, including the cost of planning, operation, maintenance, and improvements, incurred in connection with the acquisition and construction of projects financed in whole or in part as toll facilities or to refinance existing toll facilities, provided that any such funds allocated from the Account for a planned or operating toll facility shall be considered as an advance of funding for which the Account shall be reimbursed. .

The Department intends to propose allocation of funds from the Priority Transportation Fund in the future for repayment of the advance from the Toll Facility Revolving Account, if approved by the CTB.

CTB Decision Brief

Advance Toll Facilities Revolving Funds for 95 Express Lanes Fredericksburg Extension

Recommendations: VDOT recommends the approval of the advanced funding of up to \$12 million from the Toll Facility Revolving Account for the work performed by the Department for the Fredericksburg Extension.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to advance funds from the Toll Facility Revolving Account for the Fredericksburg Extension.

Options: Approve, Deny or Defer. If the CTB chooses not to approve the advance, the Department cannot fund the design, environmental studies and other associated processes necessary to advance the Fredericksburg Extension.

Public Comments/Reactions: None.