



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
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Agenda Item 12

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

March 21, 2019

MOTION

Made By: Mr. Whitworth, Seconded By: Mr. Miller
Action: Motion Carried, Unanimously

Action Relating to I-64 Hampton Roads Bridge-Tunnel (HRBT) Expansion Project and South Island Trestle Bridge Replacement Work

WHEREAS, the Virginia Department of Transportation (the "Department") is procuring, pursuant to the Public- Private Transportation Act of 1995, (§33.2-1800, et seq. of the *Code of Virginia*), a design-builder for the I-64 Hampton Roads Bridge-Tunnel Expansion Project (the "Project"), which Project is estimated to cost \$3.862 billion and will take more than six years to design and construct, and

WHEREAS, the Hampton Roads Transportation Accountability Commission will provide the primary source of funding for the Project pursuant to Chapter 26 of Title 33.2, while the Department will provide funding for replacement of the South Island Trestle Bridge, which is a component (HRBT Expansion South Island Trestle Bridge Component) of the Project; and

WHEREAS, the Hampton Roads Transportation Planning Organization, ("HRTPO") has submitted an application seeking \$200 million in SMART SCALE funding for the Project and, based on a January 15, 2019 briefing to the Commonwealth Transportation Board ("Board"), HRTPO's application for the Project has been scored, has ranked as the top application/project for congestion mitigation in Round 3 of SMART SCALE, and has been recommended for funding by the Office of Intermodal Planning and Investment; and

WHEREAS, Subsection D of § 33.2-358 and § 33.2-369 of the *Code of Virginia* provide for funding of reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system (State of Good Repair Program); and

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WHEREAS, Subsection B of § 33.2-369 directs the Commonwealth Transportation Board (the Board) in allocating funds for the State of Good Repair Program, to ensure an equitable needs-based distribution of funding among the highway construction districts, with no district receiving more than 17.5 percent or less than 5.5 percent of the total funding allocated in any given year. Further, subsection B of § 33.2-369 provides that the Board may, by a duly adopted resolution, waive the district cap provided in said section for a fiscal year only when it determines that due to extraordinary circumstances or needs the cap inhibits the ability of the Department to address a key pavement or bridge need that has been identified; and

WHEREAS, Subsection C of § 33.2-358 also provides for the allocation of funding for bridge reconstruction and rehabilitation (CTB Formula Bridge funding) until July 1, 2020; and

WHEREAS, Subsection E of § 33.2-214 provides that the Board shall only include a project or program wholly or partially funded with funds from the State of Good Repair Program pursuant to § 33.2-369, the High Priority Projects Program pursuant to § 33.2-370, or the Highway Construction District Grant Programs pursuant to § 33.2-371 in the Six-Year Improvement Program if the allocation of funds from those programs and other funding committed to such project or program within the six-year horizon of the Six-Year Improvement Program is sufficient to complete the project or program; and

WHEREAS, Chapters 83 and 349 of the 2019 Acts of the General Assembly, effective July 1, 2019, will amend Section 33.2-214, providing that the provisions of subsection E shall not apply to any project (i) the design and construction of which cannot be completed within six years, (ii) the estimated costs of which exceed \$2 billion, and (iii) that requires the Board to exercise its authority to waive the funding cap pursuant to subsection B of § 33.2-369; and

WHEREAS, the estimated total cost to replace the South Island Trestle Bridge is \$108,527,646, which exceeds the CTB Formula Bridge funding available (\$30,655,295) and the State of Good Repair Program funding expected to be available in the FY 2020 – 2025 Six-Year Improvement Program related to the Hampton Roads District for the reconstruction and replacement of structurally deficient bridges; and

WHEREAS, exercising the Board's authority to waive the State of Good Repair funding district cap pursuant to subsection B of § 33.2-369 in fiscal years 2025 and 2026, and using all State of Good Repair funding available for VDOT bridge assets in the Hampton Roads District from fiscal year 2020 through 2026 provides sufficient funding to cover the balance needed to fully fund the \$108,527,646 cost to replace the South Island Trestle Bridge; and

WHEREAS, Section 33.2-214(B) of the *Code of Virginia* requires the Board to adopt by July 1st of each year a Six-Year Improvement Program of anticipated projects and programs. On June 20, 2018, a resolution was approved to allocate funds for the Fiscal Years 2019 - 2024 Six-Year Improvement Program (FY 2019-2024 SYIP Action); and

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WHEREAS, for the purpose of providing funding needed for replacement of the South Island Trestle Bridge and prior to adoption of the Fiscal Years 2020 -2025 Six-Year Improvement Program, the Commissioner has requested the Board’s approval of a district cap waiver for FY 2025 and 2026 for the Hampton Roads District in accordance with subsection B of § 33.2-369; and

WHEREAS, in the FY 2019-2024 SYIP Action, 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 2019 through 2024 and 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 2019 through 2024 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

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

WHEREAS, in the FY 2019-2024 SYIP Action, 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 with a request for the transfer of \$30,655,295 in CTB Formula Bridge funds to the T22475 HRBT Expansion South Island Trestle Bridge Component.

NOW THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board, that the transfer of \$30,655,295 in CTB Formula Bridge funds to UPC T22475 I-64 HRBT Expansion South Island Trestle Bridge Component is appropriate and is hereby approved.

NOW THEREFORE, BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that replacement of the HRBT South Island Trestle Bridge constitutes an extraordinary circumstance and need as funding for the replacement of the HRBT South Island Trestle Bridge is not included in the I-64 HRBT Expansion Project.

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NOW THEREFORE, BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that the Commissioner has requested, and the Board hereby grants, a waiver of the district cap for the Hampton Roads District pursuant to subsection B of § 33.2-369 for Fiscal Years 2025 and 2026 so that replacement of the HRBT South Island Trestle Bridge is fully funded. The actual increase of the Hampton Roads District share shall be limited to the share required to provide the amount needed to fund the actual final cost of the HRBT South Island Trestle Bridge.

NOW THEREFORE, BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that it is the Board's intent to approve, in the June 2019 Action Meeting of the Board, HRTPO's SMART SCALE application for the Project and to allocate, in the Fiscal Years 2020-2025 Six-Year Improvement Program, the \$200 million requested in HRTPO's application, to the I-64 HRBT Expansion Project.

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CTB Decision Brief

Action Relating to I-64 Hampton Roads Bridge-Tunnel (HRBT) Expansion Project and South Island Trestle Bridge Replacement Work

Issue: The Virginia Department of Transportation (the “Department”) is procuring, pursuant to the Public- Private Transportation Act of 1995, (§33.2-1800, et seq. of the *Code of Virginia*), a design-builder for the I-64 Hampton Roads Bridge-Tunnel Expansion Project (the “Project”), which Project is estimated to cost \$3.862 billion and will take more than six years to design and construct. While the Hampton Roads Transportation Accountability Commission will provide the primary source of funding for the Project, the Hampton Roads Transportation Planning Organization (“HRTPO”) has submitted an application seeking \$200 million in SMART SCALE funding for the Project. Further, while replacement of the South Island Trestle Bridge is a component (HRBT Expansion South Island Trestle Bridge Component) of the I-64 HRBT Expansion Project, the Department will provide funding for the South Island Trestle Bridge Component. Commonwealth Transportation Board (“Board”) action regarding these two funding issues is needed in order to ensure the Project and the HRBT Expansion South Island Trestle Bridge Component are fully funded.

Facts:

HRTPO SMART SCALE Application

- HRTPO has submitted an application seeking \$200 million in SMART SCALE funding for the Project.
- Based on a January 15, 2019 briefing to the Board, HRTPO’s application for the Project has been scored, has ranked as the top application/project for congestion mitigation in Round 3 of SMART SCALE, and has been recommended for funding by the Office of Intermodal Planning and Investment.
- Accordingly, it is being recommended that, in the March 2019 Action Meeting, the Board indicate its intent to approve, in the June 2019 Action Meeting of the Board, HRTPO’s SMART SCALE Application and to allocate in the Fiscal Years 2020-2025 Six-Year Improvement Program, the \$200 million requested in HRTPO’s application, to the I-64 HRTB Expansion Project.

Funding HRBT Expansion South Island Trestle Bridge Component

- Subsection D of § 33.2-358 and § 33.2-369 of the *Code of Virginia* provide for funding of reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system (State of Good Repair Program).
- Subsection B of § 33.2-369 directs the Board, in allocating funds for the State of Good Repair Program, to ensure an equitable needs-based distribution of funding

among the highway construction districts, with no district receiving more than 17.5 percent or less than 5.5 percent of the total funding allocated in any given year.

- Subsection B of § 33.2-369 provides, however, that the Board may, by a duly adopted resolution, waive the district cap provided in said section for a fiscal year only when it determines that, due to extraordinary circumstances or needs, the cap inhibits the ability of the Department to address a key pavement or bridge need that has been identified.
- Subsection C of § 33.2-358 also provides for the allocation of funding for bridge reconstruction and rehabilitation (CTB Formula Bridge funding) until July 1, 2020.
- Subsection E of § 33.2-214 provides that the Board shall only include a project or program wholly or partially funded with funds from the State of Good Repair Program, the High Priority Projects Program, or the Highway Construction District Grant Programs in the Six-Year Improvement Program if the allocation of funds from those programs and other funding committed to such project or program within the six-year horizon of the Six-Year Improvement Program is sufficient to complete the project or program.
 - Chapters 83 and 349 of the 2019 Acts of the General Assembly, effective July 1, 2019, will amend § 33.2-214, providing that the provisions of subsection E shall not apply to any project (i) the design and construction of which cannot be completed within six years, (ii) the estimated costs of which exceed \$2 billion, and (iii) that requires the Board to exercise its authority to waive the funding cap pursuant to subsection B of § 33.2-369.
- The estimated total cost to replace the South Island Trestle Bridge is \$108,527,646, which exceeds the CTB Formula Bridge funding available (\$30,655,295) and the State of Good Repair Program funding expected to be available in the FY 2020 – 2025 Six-Year Improvement Program related to the Hampton Roads District for the reconstruction and replacement of structurally deficient bridges.
- However, if the Board exercises its authority to waive the State of Good Repair funding district cap pursuant to subsection B of § 33.2-369 in fiscal years 2025 and 2026 and utilizes all State of Good Repair funding available for VDOT bridge assets in Hampton Roads District from fiscal year 2020 through 2026, sufficient funding will be available to cover the balance needed to fully fund the \$108,527,646 cost to replace the South Island Trestle Bridge.
- Accordingly, the Commissioner is requesting that the Board, in its March 2019 Action Meeting, (i) approve transfer of \$30,655,295 in CTB Formula Bridge funds to the HRBT Expansion South Island Trestle Bridge Component; (ii) find that replacement of the

CTB Decision Brief

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HRBT Expansion South Island Trestle Bridge constitutes an extraordinary circumstance and need; and (iii) approve a district cap waiver for FY 2025 and 2026 for the Hampton Roads District in accordance with subsection B of § 33.2-369.

Recommendations for the March Action Meeting: That the Board, (i) indicate its intent to approve, in the June 2019 Action Meeting of the Board, HRTPO's SMART SCALE Application and to allocate in the Fiscal Years 2020-2025 Six-Year Improvement Program, the \$200 million requested in HRTPO's application, to the I-64 HRTB Expansion Project. (ii) approve transfer of \$30,655,295 in CTB Formula Bridge funds to the HRBT Expansion South Island Trestle Bridge Component; (iii) find that replacement of the HRBT Expansion South Island Trestle Bridge constitutes an extraordinary circumstance and need; and (iv) approve a district cap waiver for FY 2025 and 2026 for the Hampton Roads District in accordance with subsection B of § 33.2-369.

Action Required by CTB: Approval of a formal resolution providing for the recommended/requested actions.

Result, if Approved: The Board will be (i) expressing its intent to award HRTPO's SMART SCALE Application and to allocate in the Fiscal Years 2020-2025 Six-Year Improvement Program, the \$200 million requested in HRTPO's application, to the I-64 HRTB Expansion Project, and (ii) taking action necessary to ensure that the HRBT Expansion South Island Trestle Bridge Component is funded.

Options: N/A.

Public Comments/Reactions: N/A