

MASTER AGREEMENT FOR DEVELOPMENT AND TOLLING OF HAMPTON ROADS EXPRESS LANE NETWORK - UPDATE

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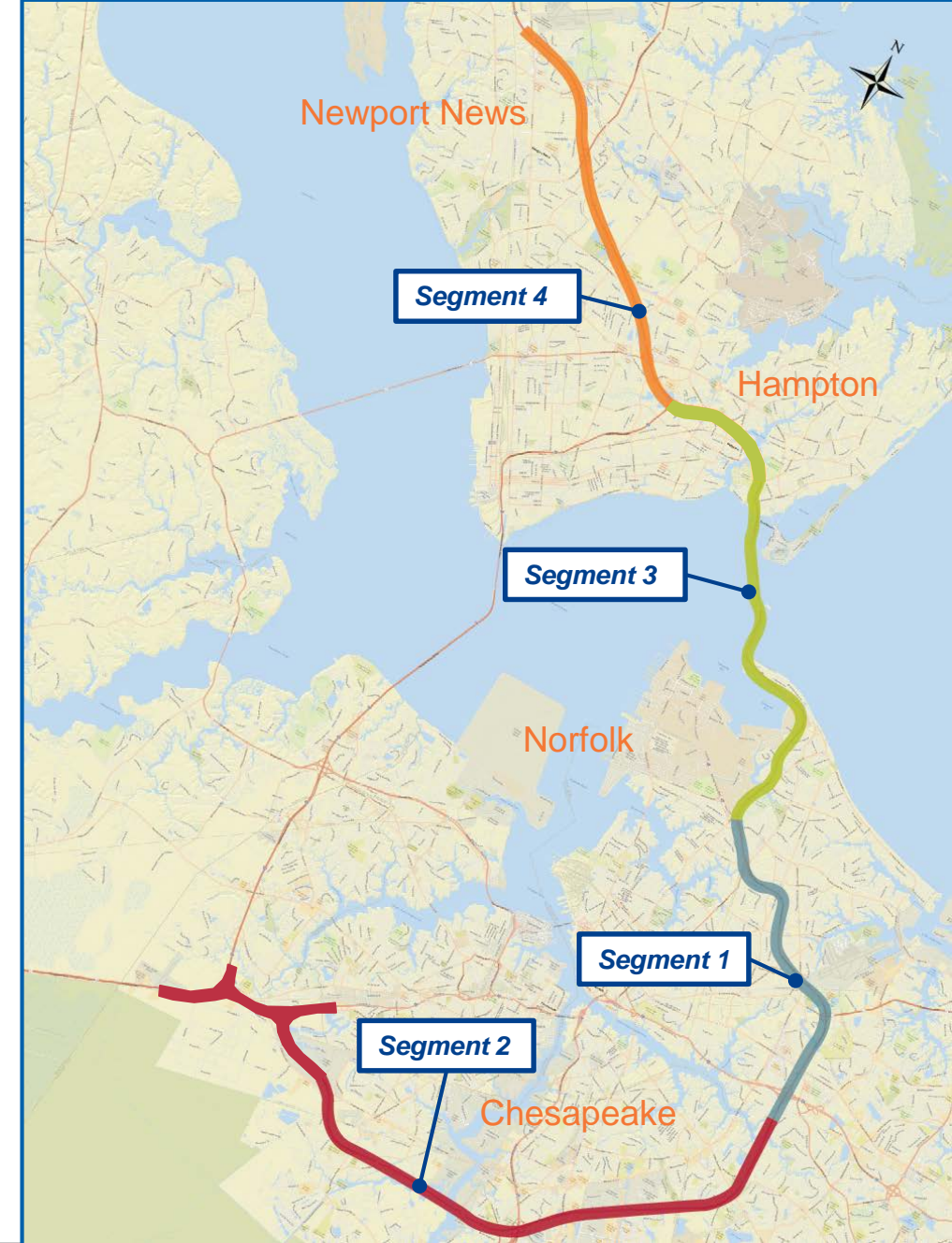
HREL Development and Tolling Agreement Update

- **VDOT and HRTAC have continued to collaboratively develop Hampton Roads Express Lane (HREL) Network agreement**
 - Progress made on outstanding items since June 2020
 - Toll Policy Committee
 - Agreement on broad terms
 - Exhibits being finalized
- **Requires execution from CTB, VDOT and HRTAC**
- **Agreement provided in CTB package**

HREL Development and Tolling Agreement Major Terms

I-64 HREL Network

- **Defines the initial HREL**
 - I-64 and Jefferson Avenue to I-64/I-264/I-664 Bowers Hill
- **Sequencing and implementation**
 - Goal is to create a contiguous and continuous network
- **Sequencing based on project schedules and operations**
- **Allows for mutually agreed additions to initial HREL**



HREL Development and Tolling Agreement Major Terms

Procurement and Completion of HREL

- **VDOT responsible for design, right-of-way and construction**
- **HRTAC participates in procurement**
- **Continued collaboration on traffic and revenue studies**
 - Conducted in phases – HRBT TIFIA loan
 - Initial Tolling Policies
- **Funding of HREL**
 - HRTAC funding plan
 - VDOT assistance with TIFIA and other financing
- **VDOT continue to own the HREL**

HREL Development and Tolling Agreement Major Terms

Tolling Operations and Maintenance

- **Operations and maintenance performed initially by VDOT then transitioned to HRTAC**
 - Earliest transition – High Rise Bridge segment toll day one
 - Latest transition – HRBT toll day one
 - HRTAC may enter into mutually agreeable contract with VDOT to provide tolling O&M
- **VDOT responsible for roadway operations and maintenance**
 - Includes snow, ice and debris

HREL Development and Tolling Agreement Major Terms

Tolling Policy and Procedure

- Designation of the initial HREL as HOT Lanes
- Agree to have HRTAC exercise its tolling authority for HREL
- HRTAC has right and responsibility to set initial tolling policy
 - Hours of operation
 - Toll points
 - Comply with federal + state laws/regulations
 - Commissioner of Highways review for safety and operational performance
 - Prohibit use of toll booths (Electronic tolling only)
- Setting of Initial Tolling Policies – Tolling Policy Modifications
- Toll rate to be set dynamically based on congestion
- Toll enforcement will be the responsibility of the operator
- Criteria established for Commissioner to suspend tolling
- Express agreement to provide free means of travel along corridor

HREL Development and Tolling Agreement Major Terms

- **Toll Revenues and Toll Backed Debt**
 - Establishes priority use of debt proceeds and toll revenues
 - HRTAC to regularly submit financial models
 - Parties agree to cooperate to maximize the proceeds from TIFIA
 - Minimum of \$345M debt proceeds applied to HRBT, as stipulated in PAFA
- **Naming rights**
 - Hampton Roads Express Lanes
- **Compensation event**
- **Dispute resolution process**
- **Term – July 2080 or earlier**
 - 50 year
 - 40 year following final issuance of toll-backed debt

HREL Development and Tolling Agreement Major Terms

Setting of Initial Tolling Policies and Tolling Policy Modifications

- **Sections 5.02 and 5.03**
- **Tolling policies subject to CTB review, including modifications**
- **HRTAC develops and proposes policies**
- **Commissioner presents analysis and findings to CTB**
 - Recommends to approve or reject based on whether policies likely to have “Material Adverse Effect”

HREL Development and Tolling Agreement Major Terms

Setting of Initial Tolling Policies and Tolling Policy Modifications

- **CTB actions:**
 - Approve policies if analysis demonstrates material adverse effect not likely
 - Reject policies if analysis demonstrates material adverse effect likely
 - Approve policies by waiving Marginal trigger of material adverse effect
 - Direct Commissioner to conduct additional analyses and present to CTB
 - Opt not to vote – results in deemed approval
- **Failure of CTB and Commissioner to take action during review period equates to deemed approval**
- **Rejected policies subject to dispute resolution
CTB/VDOT/HRTAC**

HREL Development and Tolling Agreement Major Terms

Tolling Policy Review Time Periods

- **Initial Policies**
 - 45 day base review – Commissioner to review information supplied by HRTAC and present findings to CTB
 - 45 day review period can be extended for two reasons
 - 30 additional days if modifications to operational analysis needed
 - 35 additional days if CTB directs additional analysis
 - Maximum review period is 110 days = 45 + 30 + 35
- **Modifications to Tolling Policies**
 - 90 day base review – Commissioner to review and present findings to CTB
 - 45 day review period can be extended
 - Maximum review period is 135 days = 90 + 45

HREL Development and Tolling Agreement Major Terms

Next Steps

- **Agreement**
 - Finalize exhibits
- **Commonwealth Transportation Board**
 - Review Decision Brief
 - Action on proposed Resolution

