



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 4, 2023

MOTION

Made By: Ms. Sellers **Seconded By:** Mr. Coleman

Action: Motion Carried, Unanimously

Title: Transportation Partnership Opportunity Fund Allocation to the Virginia Commercial Space Flight Authority

WHEREAS, Chapter 847 of the 2005 Acts of Assembly created the Transportation Partnership Opportunity Fund (TPOF) to provide funds to address the transportation aspects of economic development opportunities; and

WHEREAS, Chapter 684 of the 2015 Acts of Assembly and Chapter 1230 of the 2020 Acts revised the TPOF, adding components of the Commonwealth Transportation Fund as a funding source and codifying the TPOF as § 33.2-1529.1 of the *Code of Virginia*; and

WHEREAS, Chapters 546 and 547 of the 2023 Acts of Assembly (Acts) amended § 33.2-1529.1, establishing a new statutory process:

1. Authorizing the Governor to direct funds from the TPOF to the Commonwealth Transportation Board (CTB) for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs when recommended by the Secretary of Transportation and the Secretary of Commerce and Trade;

2. Expanding the uses of the TPOF to allow for property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs; and
3. Requiring that if funds directed by the Governor are (i) in excess of \$5 million dollars, the Secretary of Transportation is to submit a report to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days, and (ii) in excess of \$35 million dollars on any one project, the direction shall be submitted for review to the Major Employment and Investment Project Approval Commission for approval; and

WHEREAS, on June 21, 2023, the CTB approved revised TPOF Guidelines and Criteria, incorporating the changes to §33.2-1529.1, as amended by the Acts; and

WHEREAS, the Secretary of Transportation and the Secretary of Commerce and Trade have recommended the Governor to direct \$20 million from the TPOF to the CTB for allocation to the Virginia Commercial Space Flight Authority (VCSFA) to support modifications to launch pad 0A at the Mid-Atlantic Regional Spaceport (Project); and

WHEREAS, this Project is vital to the enduring economic growth of Accomack County and to Virginia as a whole as it will allow VCSFA to retain a key customer, and will render VCSFA capable of launching larger rockets in the future; and

WHEREAS, the Governor has directed \$20 million from the TPOF to the CTB for allocation to the VCSFA to support this Project; and

NOW THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board, that the \$20 million in TPOF funding directed by the Governor is hereby allocated to VCSFA for use in modifying launch pad 0A at the Mid-Atlantic Regional Spaceport.

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CTB Decision Brief

Transportation Partnership Opportunity Fund Allocation to the Virginia Commercial Space Flight Authority

Issue: The Governor has directed \$20 million from the Transportation Partnership Opportunity Fund (TPOF) to the Commonwealth Transportation Board (CTB) pursuant to § 33.2-1529.1 of the *Code of Virginia* for allocation to the Virginia Commercial Space Flight Authority (VCSFA) to support a project to modify a rocket launch pad (Project) at the Mid-Atlantic Regional Spaceport (MARS). The direction of funds has been recommended by the Secretary of Transportation and the Secretary of Commerce and Trade, and CTB allocation of said funds to the VCSFA for the Project is sought.

Facts: Chapter 847 of the 2005 Acts of Assembly created the Transportation Partnership Opportunity Fund (TPOF) to provide funds to address the transportation aspects of economic development opportunities. Chapter 684 of the 2015 Acts of Assembly and Chapter 1230 of the 2020 Acts revised the TPOF, adding components of the Commonwealth Transportation Fund as a funding source and codifying the TPOF as § 33.2-1529.1 of the *Code of Virginia*.

Chapters 546 and 547 of the 2023 Acts of Assembly (Acts) amended § 33.2-1529.1, establishing a new statutory process:

1. Authorizing the Governor to direct funds from the TPOF to the Commonwealth Transportation Board (CTB) for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs if recommended by the Secretary of Transportation and the Secretary of Commerce and Trade;
2. Expanding the uses of the TPOF to allow for property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs; and
3. Requiring that if funds directed by the Governor are (i) in excess of \$5 million dollars, the Secretary of Transportation is required to submit a report to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days, and (ii) in excess of \$35 million dollars on any one project, the direction shall be submitted for review to the Major Employment and Investment Project Approval Commission for approval.

On June 21, 2023, the CTB approved revised TPOF Guidelines and Criteria, which had been revised to render them consistent with §33.2-1529.1, as amended by the Acts.

Pursuant to § 33.2-1529.1 (C.2), the Governor has directed \$20 million from the TPOF to the CTB for allocation to VCSFA in support of the Project to modify one of the launch pads at MARS. This upgrade will allow VCSFA to retain a key customer, Northrup Grumman, and will enable the launch of larger rockets in the future.

- VCSFA began launching rockets for Northrop Grumman in 2006. Many of those launches were Northrop Grumman's Antares series rockets, which resupply the International Space Station (ISS).
- In partnership with Firefly Aerospace, a company that is also actively launching its own rockets, Northrop Grumman is developing two new rockets that are intended to launch exclusively from MARS. These newer and larger rockets will be manufactured using all-American parts, have significantly larger payload capacity, and will necessitate modifications to a launch pad at MARS. The goal is to utilize these newer, larger rockets by the end of 2025, with a planned schedule of five to six launches per year, including potential defense and larger commercial payloads.
- Northrop Grumman's continued presence at MARS is vital to the enduring economic growth of Accomack County and to Virginia as a whole. A June 2023 economic impact study conducted by Old Dominion University (ODU) found that for every dollar appropriated for MARS, the Commonwealth received a 2.9-dollar return.

The total cost of the MARS launch pad modifications is \$28 million. In addition to the \$20 million in TPOF funds, other sources of funding for the Project include Northrop Grumman, VCSFA, and federal funding.

Pursuant to § 33.2-1529.1 (C.2) and the TPOF Guidelines and Criteria, the Secretary of Transportation will submit a report to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days of the Governor's direction of this TPOF funding to the CTB.

Recommendations: That the CTB allocate the \$20 million in Governor-directed TPOF funding to the VCSFA for the Project to modify a launch pad at MARS.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to allocate the funds.

Result, if Approved: The TPOF funds will be used as directed by the Governor and recommended by the Secretary of Transportation and the Secretary of Commerce and Trade.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None