



# COMMONWEALTH of VIRGINIA

## Commonwealth Transportation Board

W. Sheppard Miller, III  
Chairperson

1401 East Broad Street  
Richmond, Virginia 23219

(804) 482-5818  
Fax: (804) 786-2940

*Agenda item # 4*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 20, 2024

#### MOTION

**Made By:** Ms. Hynes, **Seconded By:** Mr. Kasprowicz

**Action:** Motion Carried, Unanimously

#### **Title: Revision to Fiscal Year 2024 Annual Budget Appendix for the Virginia Department of Transportation related to Interstate 66 Inside the Beltway Toll Facility**

**WHEREAS**, the Commonwealth Transportation Board approved the *Third Amended and Restated Memorandum of Agreement, Transform66: Inside the Beltway Project* (“MOA”) on May 19, 2021; and

**WHEREAS**, the MOA requires the Virginia Department of Transportation (“VDOT”) to include in the annual budget presented to the CTB for approval in June of each year, an estimate of the toll revenues anticipated to be collected in the upcoming year and the proposed allocation of such toll revenues, including allocations to pay the Northern Virginia Transportation Commission (“NVTC”) Payment and any NVTC or Rail Component Debt Service in the upcoming year; and

**WHEREAS**, allocation of these toll revenues shall be provided in the prescribed order (“waterfall commitments”) outlined in the MOA and the Annual Budget for the Virginia Department of Transportation, approved on June 21, 2023, did not include this prescribed order.;

**NOW, THEREFORE, BE IT RESOLVED** by the Commonwealth Transportation Board that the allocations and expenditures required by the anticipated waterfall commitments of expected revenue for the Interstate 66 Inside the Beltway Toll Facility, recommended for inclusion in the budget for the Department of Transportation for Fiscal Year 2024 (as outlined in the attachment hereto), are approved.

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## CTB Decision Brief

### Revision to Fiscal Year 2024 Annual Budget Appendix for the Virginia Department of Transportation related to Interstate 66 Inside the Beltway Toll Facility

**Issue:** The budget adopted by the Commonwealth Transportation Board (CTB) for VDOT is to include details of the waterfall commitments of the Interstate 66 Inside the Beltway Toll Facility in accordance with the *Third Amended and Restated Memorandum of Agreement, Transform66: Inside the Beltway Project* (MOA) among the CTB, Commissioner of Highways, Department of Rail and Public Transportation and the Northern Virginia Transportation Commissioner (the Parties). CTB approval is sought for a recommendation to add the waterfall commitments to the budget details of the VDOT Annual Budget for FY 2024.

**Facts:** Amendments have been made to the MOA three times since being put in place in 2015 (2016, 2020 and 2021). The MOA includes the following key provisions:

- Outlines responsibilities of the parties
- Permits the Commonwealth to use toll revenues for debt service and pay-go expenses for Rail Components including Long Bridge and Rosslyn Metro
- Provides NVTC a minimum payment of \$10 million/year (with a 2.5% annual escalation) for the I-66 Commuter Choice Program
- Provides an additional \$5 million/year (with 2.5% annual escalation) to NVTC for the Commuter Choice Program from annual transit funding payments made by I-66 Express Mobility Partners (beginning in FY 2022).
- Establishes a distribution waterfall for toll revenues of the I-66 ITB facility.

The CTB must adopt a budget that distributes the expected toll revenues in accord with the waterfall outlined in the MOA. The waterfall requires application of toll revenues in the following order:

1. Reasonable costs and expenses of tolling operation and maintenance.
2. Debt service on Rail Component Debt.
3. An NVTC Payment, which is the Annual Transit Investment Payment that started (in FY2021) as a \$10M payment and increases 2.5% per annum thereafter.
4. Pay go for Rail Components between the estimated start of the Long Bridge construction in 2022 and 2034.
5. Repayments of certain amounts advanced or allocated from the Toll Facilities Revolving Account, which is subject to certain limitations based on shortfalls in collected toll revenues.
6. Debt service on NVTC debt, subject to certain limitations.
7. Additional repayments to the Toll Facilities Revolving Account.
8. Remaining revenues applied to Components selected by NVTC and approved by CTB.

VDOT is requesting a revision to the FY 2024 Budget Details to account for the anticipated waterfall commitments as outlined in the attachment hereto. This detail would also be included in subsequent budgets.

CTB Decision Brief

Revision to Fiscal Year 2024 Annual Budget Appendix for the Virginia Department of Transportation related to Interstate 66 Inside the Beltway Toll Facility

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**Recommendations:** VDOT recommends the approval of the recommended allocation and expenditures required by the anticipated waterfall commitments of expected revenue for the Interstate 66 Inside the Beltway Toll Facility.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to approve the recommended allocation and expenditures required by the anticipated waterfall commitments of expected revenue for the Interstate 66 Inside the Beltway Toll Facility in the budget for VDOT for FY 2024.

**Options:** Approve, Deny or Defer. If the CTB chooses not to approve a budget resolution, the waterfall is not recognized, and further distributions of toll facility revenue cannot be performed.

**Public Comments/Reactions:** The public expects the CTB to utilize the funds dedicated to transportation to address transportation needs. The Memorandum of Agreement in place prescribes this detail for the toll facility budget.

# Appendix I - I-66 Inside the Beltway (0446) FY 2024

## FY 2024 ESTIMATED REVENUE

Toll Revenues	32,544,993
<b>TOTAL ESTIMATED REVENUES</b>	<b>\$ 32,544,993</b>

## FY 2024 EXPENDITURE BUDGET

Revenue Fund	
Operations	29,544,993
Maintenance Replacement Fund	1,500,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 31,044,993</b>

	ALLOCATION FY 2023	RECOMMENDED FY 2024	INCREASE (DECREASE)
<b>Details of Operating Expenditures</b>			
Personal Services	\$521,491	\$545,587	\$24,096
Contractual Services	9,606,900	7,438,400	(2,168,500)
Supplies and Materials	7,800	1,800	(6,000)
Transfer Payments	6,363,509	21,548,906	15,185,397
Continuous Charges	300	300	-
Property and Improvements	-	-	-
Equipment	-	10,000	10,000
Obligations	-	-	-
<b>TOTAL - Operating Expenditures</b>	<b>\$16,500,000</b>	<b>\$29,544,993</b>	<b>\$13,044,993</b>

## Memorandum of Agreement Waterfall Budget

Tolling Operation and Maintenance	\$9,496,087
Debt Service on Rail Component Debt	-
NVTC Payment	10,765,906
Pay go for Rail Components	10,783,000
Toll Facilities Revolving Account (TFRA) Repayment	1,500,000
Debt Service on NVTC Debt	-
Additional Repayments to TFRA	-
Remaining to Components selected by NVTC/Approved by CTB	-
	<b>\$32,544,993</b>