



INTERSTATE 66 INSIDE THE BELTWAY – FUNDING DISTRIBUTION AND FACILITY REVENUE PERFORMANCE

| Laura Farmer

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Background – Memorandum of Agreement (MOA)

- **Memorandum of Agreement (MOA) between VDOT, DRPT, the CTB, and Northern Virginia Transportation Commission (NVTC) relating to Transform 66: Inside the Beltway (I-66 ITB)**
 - **Amendments made to the MOA three times since being put in place 2015, in 2016, 2020 and 2021**
 - **Highlighted aspects and amendments of the agreement:**
 - Outlines responsibilities of parties
 - Permitted the Commonwealth to use toll revenues for debt service and pay-go expenses for Rail Components including Long Bridge and Rosslyn Metro
 - Provided NVTC a minimum payment of \$10 million/year (with a 2.5% escalation) for the I-66 Commuter Choice Program
 - Provided an additional \$5 million/year (with 2.5% 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 waterfall on the treatment of toll revenues on the facility.

MOA Waterfall

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.

Budget for I-66 ITB

- **VDOT is required to include in the annual budget presented to the CTB for approval the allocation of the expected toll revenues as following the waterfall outlined in the MOA**
- **VDOT is requesting a revision to the FY 2024 Budget Details to note the anticipated waterfall commitments of expected revenue**
- **This detail will be included in subsequent budgets**

Revised Budget Appendix to Outline Waterfall for FY 2024

VDOT will recommend a revised budget appendix to be adopted by the CTB to memorialize the waterfall required by the MOA for the current fiscal year.

	Budget Amount
Revenue Estimate	\$32,544,993
Uses	
1. Tolling Operation and Maintenance	\$9,496,087
2. Debt Service on Rail Component Debt	-
3. NVTC Payment	10,765,906
4. Pay go for Rail Components	10,783,000
5. Toll Facilities Revolving Account (TFRA) Repayment	1,500,000
6. Debt Service on NVTC Debt	-
7. Additional Repayments to TFRA	-
8. Remaining to Components selected by NVTC/Approved by CTB	-
Total	\$32,544,993

Review of Facility Revenue Performance

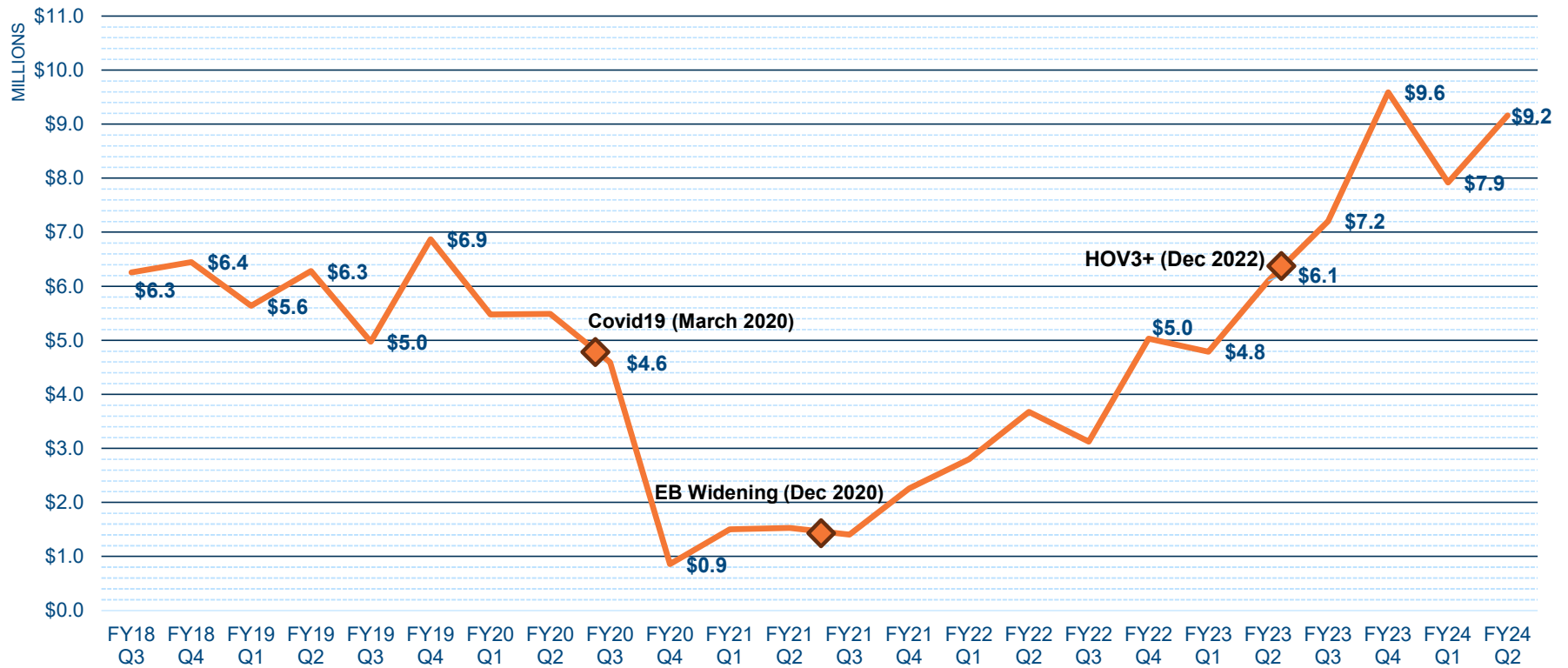
2021

- Traffic volumes continued to slowly recover in 2021 as the COVID-19 pandemic progressed. An increasing number of people returned to in-office work as 2021 advanced, with corresponding increases in traffic volumes and tolls.
- With commuter bus, carpool, van pool, and Metrorail ridership remaining well below pre-pandemic levels, toll paying solo drivers comprised an increased majority of transactions in the Express Lanes.

2022

- Traffic volumes and toll prices increased each quarter during 2022 as the COVID-19 pandemic progressed and more workers returned to in-office work.
- As in 2021, commuter bus, carpool, van pool, and Metrorail ridership remained below pre-pandemic levels, with toll-paying solo drivers comprising the majority of transactions in the Express Lanes.

I-66 Inside the Beltway Gross Toll Revenue (FY 2018 – FY 2024, Q2)



Financial Expectations of Facility

- Traffic volumes and associated revenue did not allow for anticipated payments to be made for NVTC. Budgets for FYs 2021 and 2022 were adjusted to correspond to anticipated performance of the facility.
- After the conversion to HOV 3+ in December 2022 and continued recovery of traffic, the facility out-performed expectations in FY 2023. VDOT advanced \$13 million to VPRa for Rail Components in June 2023.
- NVTC to receive remaining revenues if the commitment is not outlined in the budget adopted by the CTB.

	Anticipated Payment to NVTC based on MOA	Budgeted Payment to NVTC based on CTB Budget Details	Actual Payments to NVTC	Rail Components Funding to VPRa
FY 2021	\$10,000,000	\$3,598,252	\$ -	N/A
FY 2022	10,250,000	2,803,000	2,803,000	-
FY 2023	10,506,250	10,506,250	10,506,250	13,000,000
3-Year Total	\$30,756,250	\$16,907,502	\$13,309,250	\$13,000,000

\$16,598,252 owed to NVTC based on remaining revenues and budgeted transfer.

Recommended Resolution

- **Provide \$16,598,252 to NVTC from funds available for transit services from I-66 Outside the Beltway concession arrangements.**
 - **DRPT to amend their FY 2024 SYIP in February and memorialize the coverage of this commitment with NVTC**
- **Update details of FY 2024 Detailed Budget for I-66 ITB to include the anticipated waterfall. This action does not impact the revenue estimate adopted in June 2023.**