

I-81 CORRIDOR IMPROVEMENT PROGRAM

2024 Update and Next Steps



January 14, 2025









I-81 Corridor Improvement Program- Overview

- **Capital program update**
- **Improvement program revenue update**
- **Further improvements**
- **Next steps**

Takeaway Scorecard

Operational Projects

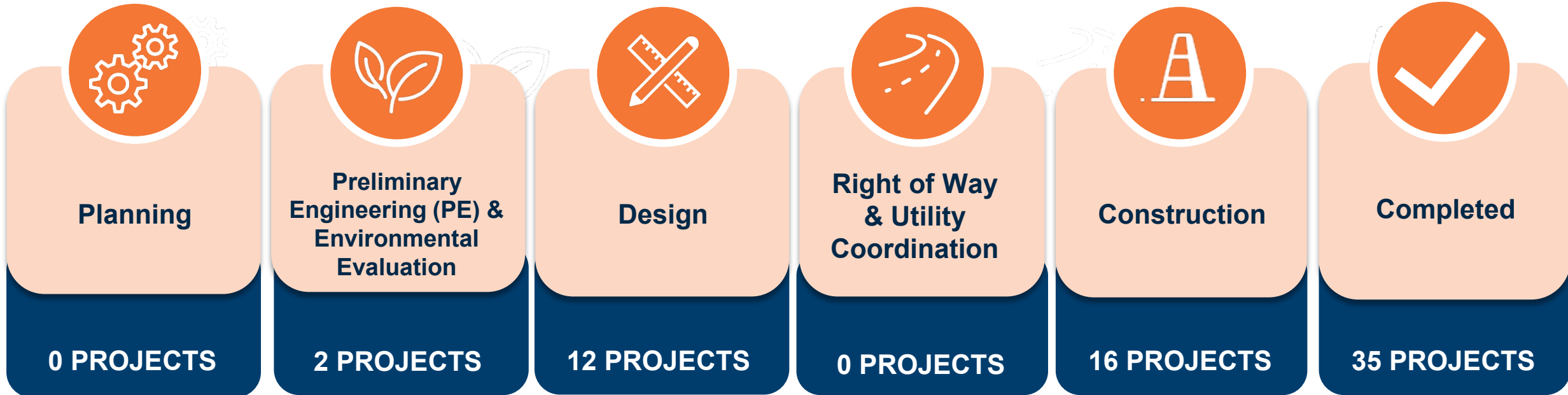
Capital Projects

Projects	Status	Anticipated Completion
Improved Incident Clearance 	Complete	N/A
Safety Service Patrol Expansion 	Complete	N/A
Additional Cameras (51) 	Complete	N/A
Additional Digital Message Signs (30) 	Complete	N/A
Arterial and Signal Upgrades 	Underway	June 2025
Completed Projects (35) 	Complete	N/A
Active Construction Projects (16) 	Underway	March 2031
Remaining capital projects (14) 	Upcoming Projects	All complete by 2035

Project Development Process (Capital Projects)

Project Status Today (65 Projects)

* Note – Due to the addition of the southbound Exit 137 to Exit 128 project in Salem District, there are now 65 Capital Improvement Projects within the Program.



Project Status October 2023 (64 Projects)



Bristol District Project Status (Capital Projects)

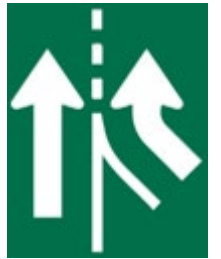
Completed Projects:

- Exit 26 SB Acceleration Lane Extension (Emory)
- Exit 26 SB Deceleration Lane Extension (Emory)
- Exit 67 Deceleration Lane Extension (South of Wytheville)
- Exit 19 Deceleration Lane Extension (Abingdon)
- Exit 84 SB Deceleration Lane Extension (North of Fort Chiswell)
- Bundle project (Exit 39 NB Decel, Exit 47 SB Accel, Exit 39 SB Decel, Exit 43 SB Accel)
- Exit 39 SB Acceleration Lane Extension (Seven Mile Ford)
- Exit 47 NB Acceleration Lane Extension, single phase DB (Marion)
- Exit 54 SB Auxiliary Lane - (South of Rural Retreat)
- Exit 17 SB Acceleration Lane Extension (Abingdon)
- MM 39.5 to MM 40.8 NB Truck Climbing Lane (Chilhowie)
- Four curve improvements (chevron signs in Wytheville and Abingdon)

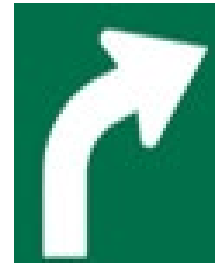
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+1



+4



+1



Bristol District Project Status (Capital Projects)

Projects Under Construction:

- **MM 32.2 to MM 33.5 NB Truck Climbing Lane (Chilhowie) – Completion June 2025**
- **MM 34 to MM 33 SB Truck Climbing Lane (Washington County) – Completion June 2025**
- **Exit 81 SB Extend Deceleration Lane (Wythe County) – Completion November 2025**
- **Exit 10 to Exit 7 SB Widening (Bristol) – Completion November 2025**
- **Auxiliary Lane SB Exit 73 to Exit 72 – Completion November 2026**
- **I-77 NB Extend Deceleration Lane (Wytheville) – Completion November 2026**
- **Exit 72 NB Extend Deceleration Lane (Wytheville) – Completion November 2027**
- **Auxiliary Lane I-77 Exit 40 to I-81 Exit 72 (Wytheville) – Completion November 2027**

Salem District Project Status (Capital Projects)

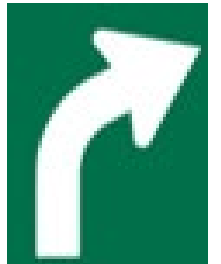
Completed Projects:

- Exit 89 NB Acceleration Lane Extension (Pulaski)
- Troutville Rest Area SB Entrance and Exit Extension (2 projects) - Troutville
- Three curve improvements (chevron signs south of Draper and south of Natural Bridge)

+3



+3



Projects Under Construction:

- Exit 137 to Exit 141 Widening NB and SB (Design-Build, 2 projects bundled) – Salem
 - Completion January 2026
- Exit 143 to Exit 150 Widening NB and SB (Design-Build) – Roanoke to Troutville
 - Completion March 2031

Staunton District Project Status (Capital Projects)

Completed Projects:

- Exit 302 NB Accel, Exit 302 SB Decel, Exit 283 SB Accel,
- Exit 269 NB Decel, Exit 279 SB Accel
- Exit 291 NB Accel, Exit 296 SB Accel, Exit 304 NB Accel
- Exit 205 SB Accel, Exit 205 NB Accel (Raphine)
- One curve improvement (chevron signs at Mount Jackson)

+10



+1



Projects Under Construction:

- Exit 221 to Exit 220 SB Auxiliary Lane – Completion October 2025
- Exit 221 to Exit 225 NB and SB Widening – Completion June 2027
- MM 299 to MM 296 SB Widening – Completion September 2027
- Weyers Cave Truck Climbing Lanes (NB & SB, 2 Projects) – Complete 2028

Upcoming Capital Projects (Corridor-wide)

Bristol District	Project Description	Anticipated Construction Start
	Exit 45 NB Deceleration Lane Extension (Marion)	2025

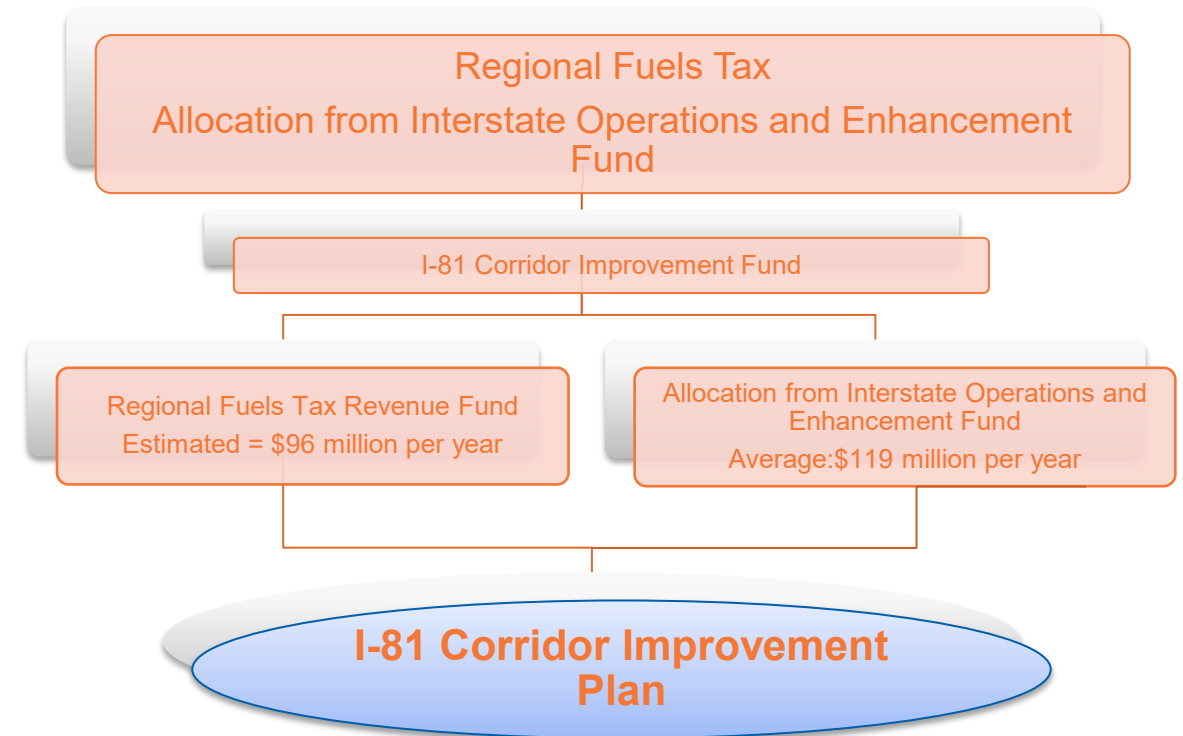
Salem District	Project Description	Anticipated Construction Start
	Exit 94 SB Acceleration Lane, Exit 105 NB Acceleration Lane, Exit 162 NB Acceleration Lane	2025
	Exit 128 to Exit 137 Widening NB and SB (Ironto to Salem) – 2 Projects	2025/2026
	MM 116 to Exit 128 Widening NB Only (Christiansburg to Ironto)	2028

Staunton District	Project Description	Anticipated Construction Start
	MM 242 to MM 248 NB and SB Widening (Harrisonburg)	2025
	Exit 313 to Exit 317 NB and SB Widening – Construction 2028 (Winchester)	2028
	Mount Sidney Rest Area (SB Deceleration Lane, SB Acceleration Lane, NB Acceleration Lane)	2028
	Exit 205 to Exit 200 SB Widening (Raphine to Fairfield)	2028
	Exit 188 NB Acceleration Lane	2025

Financial Update

Funding Sources and Structure

- **Dedicated funding for the I-81 Program is deposited in the I-81 Corridor Improvement Fund and includes:**
 - Regional Fuels Tax along the I-81 Corridor
 - Share of statewide revenues from allocation of the IOEP
- **Regional Fuels Tax**
 - July 1, 2019 through June 30, 2020, additional 2.1% tax on gasoline and diesel sold by a distributor to a retail dealer
 - Effective July 1, 2020, changed to a per gallon rate subject to annual CPI-U adjustment
 - Current tax rate as of July 1, 2024: 9.0 cents/gallon gasoline; 9.1 cents/gallon diesel
 - Can be leveraged for debt service and paygo
- **Allocation from IOEP**
 - I-81 receives allocation equal to ratio of Vehicle Miles Traveled (VMT) on I-81 by vehicles Class 6 or higher to total VMT on all Interstate highways
 - Can provide funding only for paygo



Additional Funding

- **Chapter 2 Budget Bill (HB 6001, 2024 Special Session I)**
 - Provided \$70 million of General Fund from the first year (FY 2025) to support the advancement of projects in the Interstate 81 Corridor
- **Federal Earmark**
 - Provided \$42 million from Highway Infrastructure Programs (HIP) Community Project Grant for I-81 Corridor Improvements
- **General Fund Surplus from FY 2024**
 - To provide \$175 million to support continue advancement of projects in the Interstate 81 Corridor
 - Subject to appropriation during the 2025 General Assembly Session

Total of \$287 million of directed funding to Interstate 81

Sources – Revenue Performance and Projections

Sources	Actuals Through FY 2024	FY 2025*	FY 2026**	FY 2027	FY 2028	FY 2029	FY 2030	Total
Regional Fuels Tax	\$380.3	\$90.2	\$93.2	\$95.2	\$97.3	\$99.5	\$101.6	\$957.3
Interstate Operations and Enhancement Program Allocation	354.8	84.5	114.7	118.7	123.2	133.3	138.5	1,067.7
Other Sources Prior to FY 2021/Other	29.3	112.0	175.0	-	-	-	-	316.3
Prior Year Revenue Adjustment	-	-	-	-	-	-	-	-
Interest Income	29.9	-	-	-	-	-	-	29.9
Total	\$794.3	\$286.7	\$382.9	\$213.9	\$220.5	\$232.8	\$240.1	\$2,371.2
Planned Debt for Construction	199.4	199.4	-	334.2	-	-	266.9	1,000.0
Total	\$993.7	\$486.1	\$382.9	\$548.1	\$220.5	\$232.8	\$507.0	\$3,371.2

Estimate Sources:

Regional Fuels Tax estimate provided by the Virginia Department of Taxation, December 2023

Interstate Operations and Enhancement Program, Commonwealth Transportation Fund Six-Year Financial Plan, June 2024

**FY 2025 Other Sources is the General Fund commitment and the federal Highway Infrastructure Programs Community Project Grant*

***FY 2026 Other Sources is the FY 2024 General Fund Surplus dedicated to I-81 (subject to future appropriation)*

Uses - Support I-81 Corridor Improvement Program

Uses (in millions)	Through FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
Debt Service	\$12.3	\$5.3	\$14.0	\$9.7	\$25.2	\$22.9	\$22.9	\$112.3
Funding Available for Construction	780.7	280.1	367.1	202.4	193.9	208.5	216.8	2,249.5
Administration and Financing Costs	1.2	1.3	1.8	1.8	1.4	1.4	0.4	9.3
Total	\$794.3	\$286.7	\$382.9	\$213.9	\$220.5	\$232.8	\$240.1	\$2,371.2
Planned Debt to support Construction	199.4	199.4	-	334.2	-	-	266.9	1,000.0
Total with Planned Debt	\$993.7	\$486.1	\$382.9	\$548.1	\$220.5	\$232.8	\$507.0	\$3,371.2

*As of June 30, 2024; unaudited

FY 2026 Funding available for Construction includes the FY 2024 General Fund Surplus dedicated to I-81 (subject to future appropriation)

I-81 Corridor Program – Project Costs

- **The estimated cost of all improvements totals \$3.6 billion, with projects funded through 2035 (based on the current revenue assumptions and debt model)**
 - **Based on recommendations from the Advisory Committee, the CTB added the Southbound MM 137-128 Widening to the I-81 CIP to advance with Northbound and prioritized the remaining planned widening segments on corridor in December 2023**
 - **CTB supported adding the remaining two projects in the original prioritized list in the following order, when revenue assumptions support their inclusion:**
 - UPC 116281 Widen to 3 lanes northbound and southbound from MM 312 to MM 318 (Winchester)
 - UPC 116196 Add northbound lane from MM 116 to MM 128 (Christiansburg)

This prioritization was recommended to prevent a continuous work zone for 21 miles for a period of 4 to 5 years

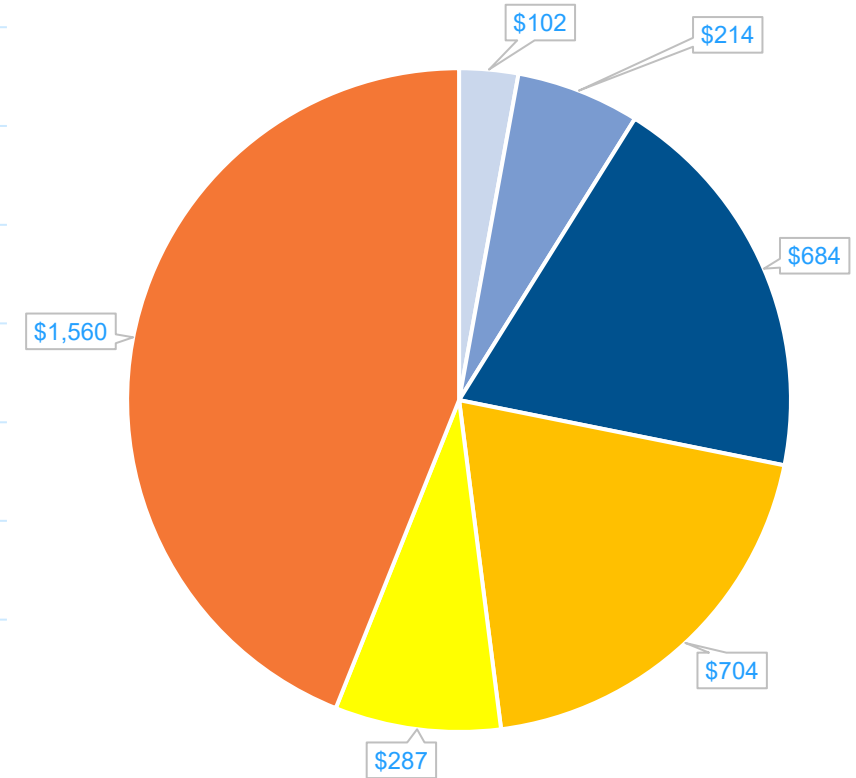
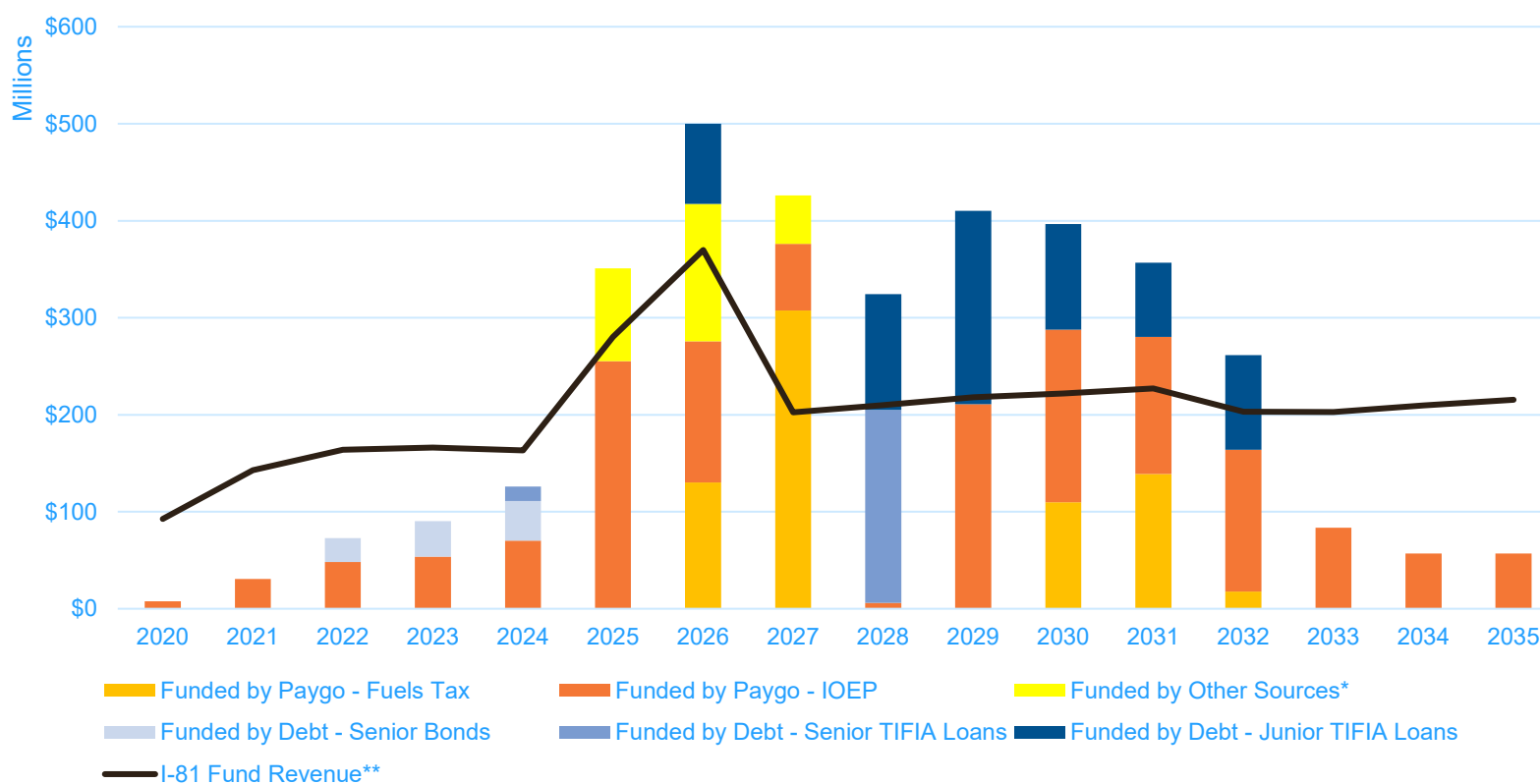
Project Status in SYIP – I-81 Corridor Plan

- **Because of the flexibility provided by Chapter 2 (2024 Special Session I), the two remaining candidate projects were added to the current SYIP funding PE and RW activities:**
 - **UPC 116196 Add northbound lane from MM 116 to MM 128 (Christiansburg, current estimate: \$459 million)**
 - **UPC 116281 Widen to 3 lanes northbound and southbound from MM 312 to MM 318 (Winchester, current estimate: \$480 million)**
- **Current revenue projections can support funding the completion of the current I-81 program by 2035 with some residual funds**
 - **Construction schedules for the remaining widenings may extend beyond the 2035 horizon**

Extended Financial Outlook for I-81 Program

Preliminary Funding by Year and Source

- The current I-81 Program of \$3.6 billion is fully funded by a mix of IOEP and fuels tax pay-go as well as multi-lien fuels tax debt



* including \$42 million Federal Earmark, \$70 million General Fund appropriated in FY 2025, and \$175 million General Fund Surplus dedicated to I-81 (subject to future appropriation)

** net of financing payments

Potential Additional Candidate Projects

- **The 2018 CIP identified 106 projects for consideration—64 projects were prioritized for funding**
- **Five additional candidate projects were identified beyond the original 64—these were the most complex, highest risk segments of the remaining capital projects from the CIP**
- **CTB took action to add one of the additional candidate projects to the SYIP—southbound widening between Exits 137 to 128; this resulted in a \$70M cost savings on the delivery of that project as well as avoiding the creation of a bottleneck**

Funding Plan for Additional Candidate Projects

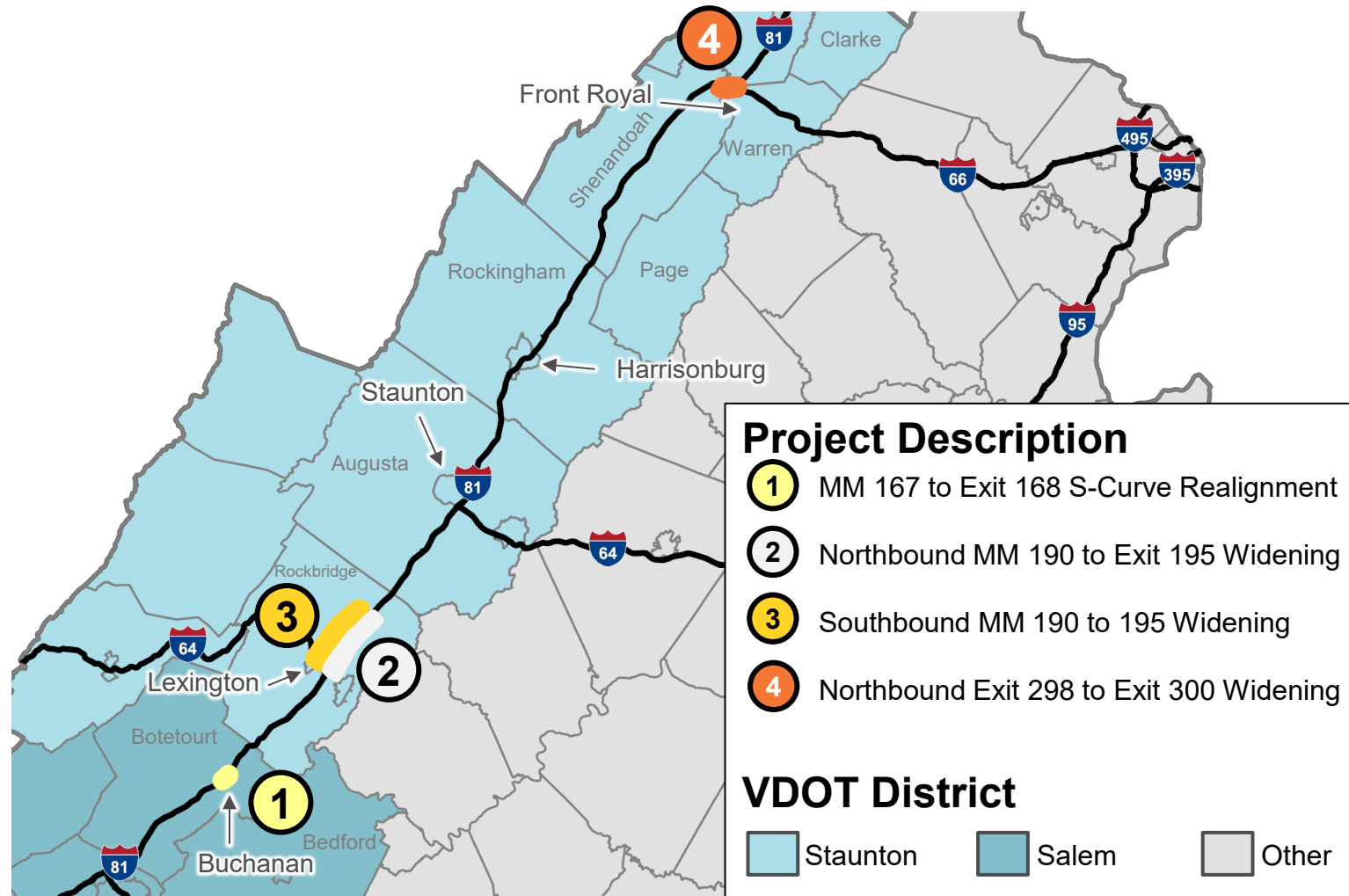
- The existing I-81 Program of 65 projects totaling \$3.6 billion should be fully funded by FY 2035
- After funding the existing Program scope, there are residual I-81 Fund revenues that can advance the additional candidate projects
- Four Additional Candidate Projects from the CIP have been identified, and their current cost estimates in 2024 dollars are \$656 million

Project	District	Description	2024 Estimate Midpoint (in millions)
1	Staunton	NB Widening MM 190-195	\$110.0
2	Staunton	SB Widening MM 190-195	172.0
3	Staunton	NB Widening MM 298-300	100.0
4	Salem	NB/SB S-Curves MM 167-168	274.0
Total Cost			\$656.0

- Not advancing the candidate projects could incur inflation costs of \$20 million and growing per annum*

* Assumes an annual 3.0% inflation rate

Project Map – Additional Candidate Projects



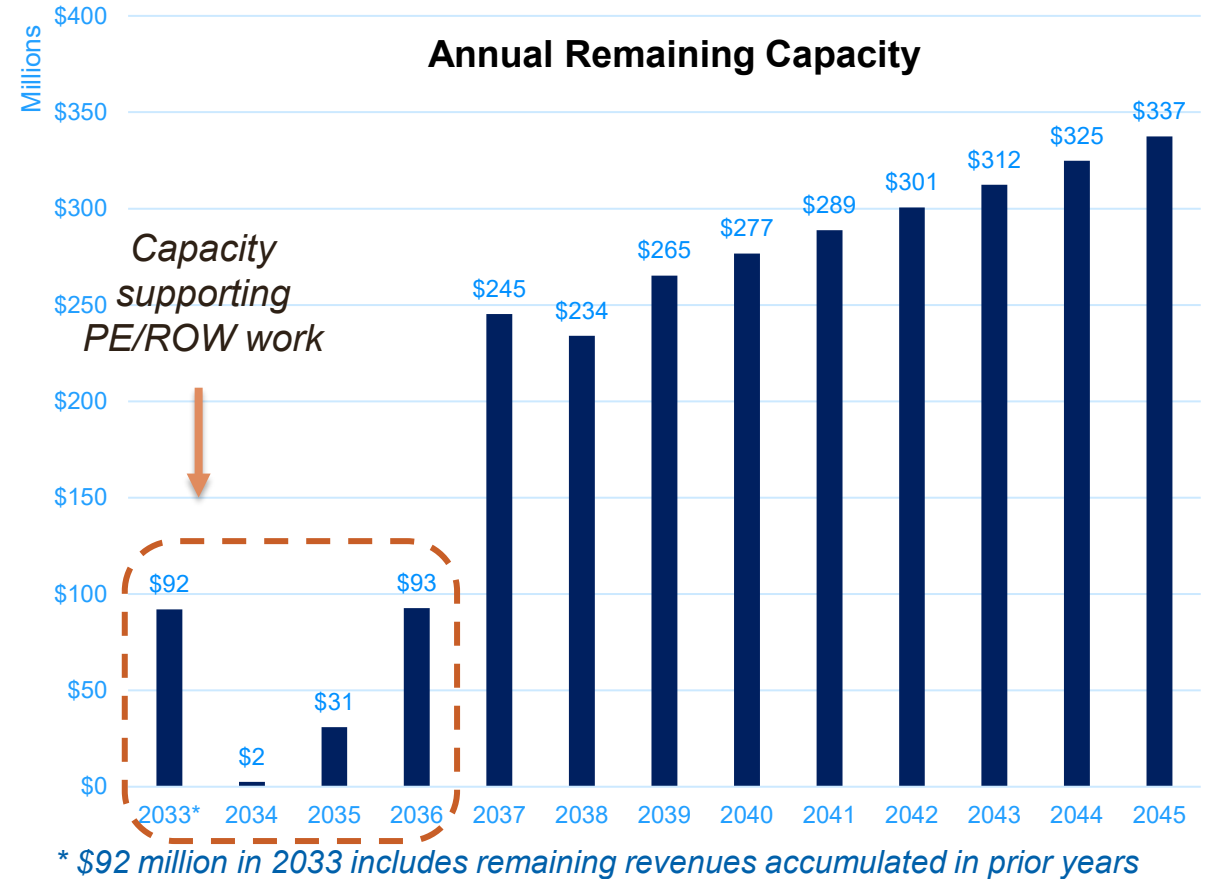
Additional Candidate Projects Advanced Schedules

- The preliminary analysis indicates that the residual revenues can support implementing the Four Additional Candidate Projects to complete in mid 2030s
- There could be multiple combinations of when each of the Four Additional Candidate Projects can be completed. Below is an example:

Project	District	Description	Example Schedule	
			Completion	Cost (in millions)
1	Staunton	NB Widening MM 190-195	FY 2036	\$146.3
2	Staunton	SB Widening MM 190-195	FY 2036	228.8
3	Staunton	NB Widening MM 298-300	FY 2034	125.4
4	Salem	NB/SB S-Curves MM 167-168	FY 2036	364.4
Total Cost				\$864.9

Remaining Capacity

- After funding the existing I-81 Program and the Four Additional Candidate Projects, there are remaining revenue capacities starting FY 2033 to support more projects
- PE and ROW work could be implemented from FY 2033 to FY 2036, while construction can commence in FY 2038 when a greater amount of annual revenues become available



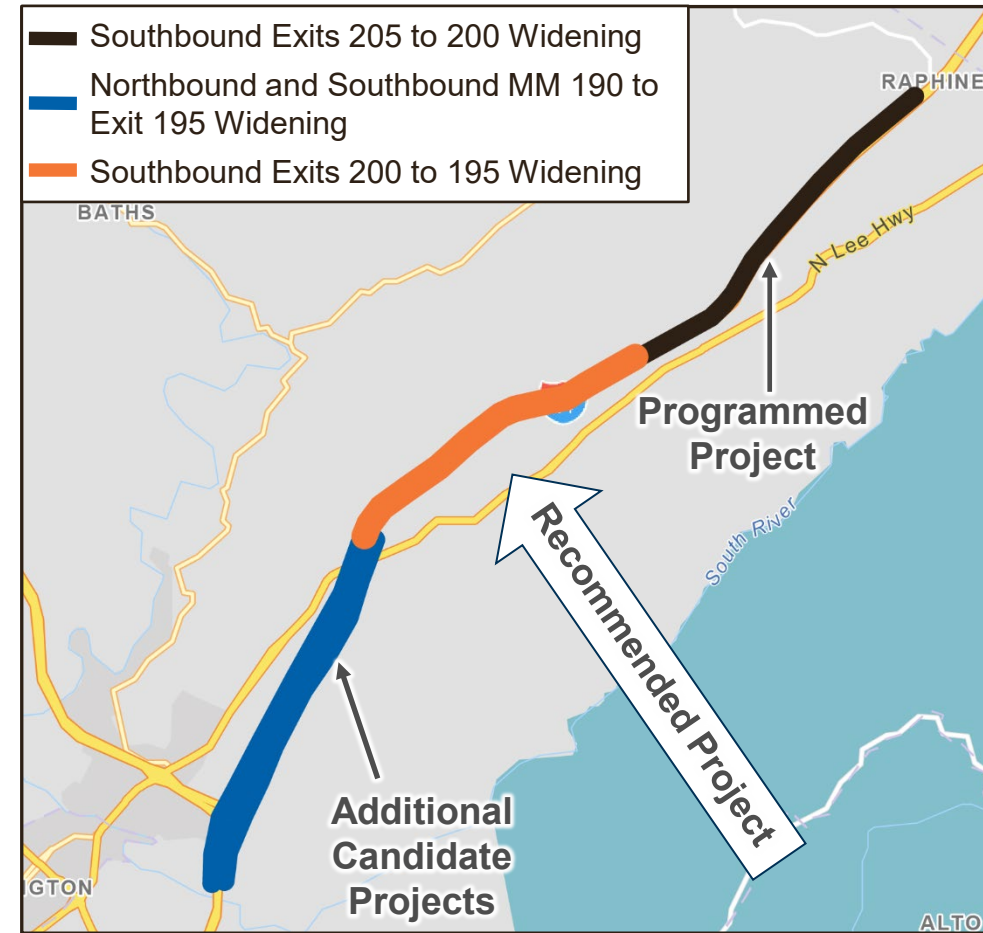
Planning for Further Improvements on Interstate 81

Recommended Project

- Reviewed remaining 2018 CIP projects and identified recommended project
- Addresses safety and “gap”
- Opportunity to include this project with existing project(s) to achieve economy of scale and reduce costs

Description	Direction	Range*	
Widening Exit 200 to Exit 195	Southbound	\$176.0 M	\$195.0 M

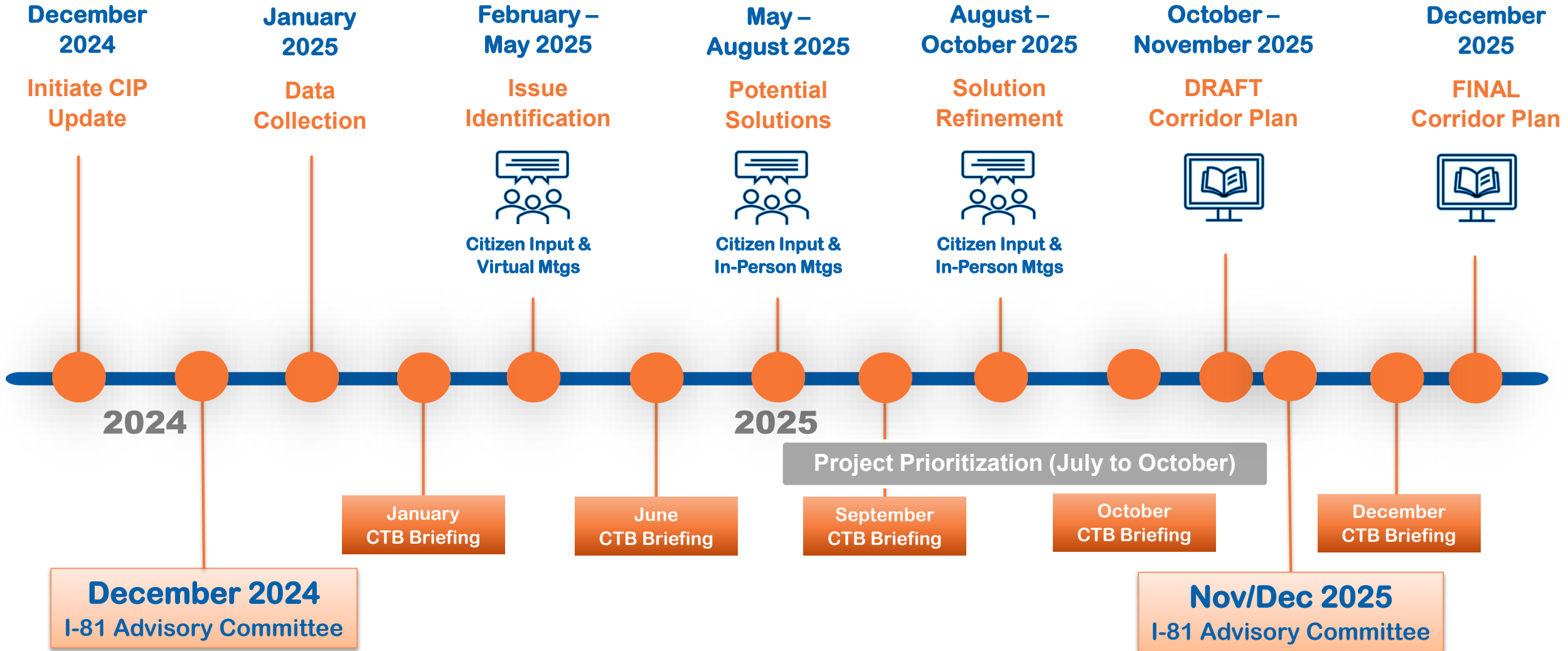
* Estimates are in uninflated 2024 dollars



Update to Corridor Improvement Plan

- **Current financial outlook allows for additional projects for inclusion in the program**
- **New tranche of I-81 projects to be added to the program need to be identified**
- **Remaining 36 projects from the original CIP will be re-evaluated in the update**
- **Corridor Improvement Plan update to begin in 2025**
- **CIP update will include:**
 - **Problem identification**
 - **Potential solutions identification**
 - **Recommended priorities**
 - **Public outreach**
 - **I-81 Advisory Committee briefings**
 - **CTB briefings**

Tentative CIP Schedule: November 2024 – December 2025



Public Outreach Anticipated

Virtual Meetings and Citizen Input

- Supporting issue identification
- All in-person meetings will include a virtual component

In-Person Public Meetings (8: 2 sets of 4 meetings)

- Supporting potential project solutions (4) and project refinement and prioritization (4)
- Locations: Bristol, Salem, and Staunton (north and south)

Five CTB Briefings

Two Advisory Committee Briefings

Recommendations and Next Steps

- **Recommendations:**
 - **Move forward with advancing the last five 2018 CIP projects to the Six-Year Improvement Program as funding becomes available**

Project	District	Description
1	Staunton	NB Widening MM 190-195
2	Staunton	SB Widening MM 190-195
3	Staunton	NB Widening MM 298-300
4	Salem	NB/SB S-Curves MM 167-168
5	Staunton	SB Widening MM 195-200

- **Initiate update of the next I-81 CIP in accordance with the Code of Virginia § 33.2-3604**

Summary

- **Updates to project estimates (to reflect market conditions), refined project scoping, and debt assumptions extended delivery of the original program of projects**
- **Revenue and allocations that support Interstate 81 Improvements continue to remain strong to support project delivery**
- **Capacity for additional projects will begin to be available from the program's current funding sources sooner, as a result of recent infusions**