



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

SEPTEMBER 21, 2022

MOTION

Made By: Mr. Stant **Seconded By:** Mr. Coleman
Action: Motion carried, unanimously

Title: Interstate 64 Hampton Roads Express Lanes Network Toll Facility Revolving Account (TFRA) Funding Authorization

WHEREAS, the Virginia Department of Transportation (VDOT) has made briefings to the Commonwealth Transportation Board (CTB), Hampton Roads Transportation Accountability Commission (HRTAC), and Hampton Roads Transportation Planning Organization (HRTPO), demonstrating the operational benefits of the Hampton Roads Express Lane (HREL) Network providing for continuous HOT lanes travel on Interstate 64 in Hampton Roads between the interchange of Interstate 64 and Jefferson Avenue in Newport News and the interchange of Interstates 64, 264, and 664 in the Bowers Hill section of Chesapeake; and

WHEREAS, on May 21, 2020, the HRTPO identified and adopted the Regional Express Lanes Network, consistent with the HREL Network concept, "as a component of the Regional Priority Projects... identified by the HRTPO in its 2040 Long Range Transportation Plan to collectively provide the greatest impact on reducing congestion for the greatest number of citizens residing in Hampton Roads", recommending the HRTAC pursue funding, development, and implementation for the network; and

WHEREAS, on May 28, 2020, HRTAC voted to endorse inclusion of the HREL Network in the FY21-FY26 Plan of Finance – Six Year Operating and Capital Program and at their June 18, 2020 meeting approved the HRTAC Debt Management Plan to fund the HREL Network; and

WHEREAS, the CTB and HRTAC developed and adopted the HREL Network concept of operation and VDOT, the CTB and HRTAC have entered into the Master Agreement for

Development and Tolling of Hampton Roads Express Lanes Network (MTA), dated August 18, 2020, to address both development and tolling of the HREL Network; and

WHEREAS, pursuant to Article 4 of the MTA, VDOT is responsible to perform certain tolling duties and functions before the Transition Date (the date after which HRTAC will be responsible for tolling operation and maintenance duties) and among those duties, VDOT may contract for the provision of such services in a manner consistent with its past practice, subject to certain conditions; and

WHEREAS, in accord with the MTA, VDOT issued a request for proposals (RFP) on October 6, 2020 seeking proposals from qualified firms for the purpose of establishing a contract to provide for design, integration, implementation, on-going maintenance and operation of a system for the dynamic tolling on, and that meets VDOT's business and system requirements for, the I-64 Hampton Roads Express Lanes (HREL Tolling System and Services) and in response, received three proposals; and

WHEREAS, after evaluating the proposals and engaging in negotiations, VDOT determined, based on the evaluation factors included in the RFP, that one offeror, fully qualified to deliver the HREL Tolling System and Services and whose proposal provides good value, should be awarded the contract for the HREL Tolling System and Services (Contract); and

WHEREAS, VDOT, after completion of mandatory reviews by the Virginia Information Technologies Agency and the Office of the Attorney General, issued a Notice of Intent to Award the Contract on May 17, 2021; and

WHEREAS, On May 19, 2021, the CTB authorized the Commissioner of Highways (i) to award the Contract and to execute the Contract and all other documents necessary to effectuate the award of the Contract and (ii) to exercise any and all options pursuant to the Contract, including but not limited to options for development and implementation of tolling on additional segments of the HREL Network; and

WHEREAS, On June 23, 2021, the CTB affirmed and ratified the Commissioner of Highways' award and execution of the Contract for the HREL Tolling System and Services, and reiterated its authorization for the Commissioner of Highways to exercise any and all options under the Contract; and

WHEREAS, the CTB is authorized to allocate funding, whereby such funds allocated shall be considered as an advance of funding, from the Toll Facility Revolving Account (TFRA) pursuant to §33.2-1529 of the Code of Virginia to support these tolling-related construction and tolling integration efforts; and

WHEREAS, on September 20, 2017, the CTB advanced an amount of up to \$10,000,000 from the TFRA and allocated the same (TFRA Allocation) to pay the costs associated with work necessary to begin the engineering, analysis and construction of the needed tolling infrastructure and related services on Segment 2 of what is now the HREL Network, and directed that requests for additional funding from the TFRA or other sources for tolling infrastructure and related services be presented to the CTB for its approval; and

WHEREAS, on January 15, 2020, the CTB authorized an additional amount of up to \$28,000,000 to be advanced from the TFRA and allocated (TFRA Allocation) to support the construction and tolling integration on Interstate 64 from the I-664/I-264 Interchange to Interstate 264, including tolling integration costs for the High Rise Bridge, and related efforts for a regional Express Lanes Network in Hampton Roads; and

WHEREAS, on May 19, 2021, the CTB authorized the use of remaining TFRA funds from the September 20, 2017 TFRA Allocation and the January 15, 2020 TFRA Allocation in the amount of \$12,786,320 to fund the HREL Tolling System and Services Contract; and

WHEREAS, VDOT has determined that the estimated cost to complete the needed tolling infrastructure and related services on Interstate 64 beginning in the vicinity of the I-664/264 Interchange and extending to the vicinity of the I-264 Interchange (“Segment 2”) is approximately \$2,900,000.

NOW THEREFORE, BE IT RESOLVED by the CTB, that pursuant to §33.2-1529, an amount of up to \$2,900,000 be advanced from the TFRA and allocated to support tolling-related construction on Interstate 64 for the HREL Network in Hampton Roads,.

BE IT FURTHER RESOLVED by the CTB that the toll revenues collected from the HREL Network will be used in accord with § 33.2-309, and the MTA, including the reimbursement of funding advanced from the Toll Facilities Revolving Account authorized herein in accord with § 33.2- 1529 of the Code of Virginia.

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CTB Decision Brief

Interstate 64 Hampton Roads Express Lanes Network Toll Facility Revolving Account (TFRA) Funding Authorization

Issue: Issue: The Virginia Department of Transportation (VDOT) has initiated steps to develop and implement a dynamic tolling system for the Hampton Roads Express Lane Network in accord with the Master Agreement for Development and Tolling of Hampton Roads Express Lanes Network (MTA), entered into by VDOT, the Commonwealth Transportation Board (CTB) and the Hampton Roads Transportation Accountability Commission (HRTAC) and dated August 18, 2020. Supplemental TFRA Allocations are needed to complete the tolling infrastructure work on Interstate 64 in the vicinity of I-264 and the High Rise Bridge.

Facts:

- VDOT has made briefings to the CTB, HRTAC, and Hampton Roads Transportation Planning Organization (HRTPO), demonstrating the operational benefits of the HREL Network providing for continuous HOT lanes travel on Interstate 64 in Hampton Roads between the interchange of Interstate 64 and Jefferson Avenue in Newport News and the interchange of Interstates 64, 264, and 664 in the Bowers Hill section of Chesapeake.
- On May 21, 2020, the HRTPO identified and adopted the Regional Express Lanes Network, consistent with the HREL Network concept, “as a component of the Regional Priority Projects... identified by the HRTPO in its 2040 Long Range Transportation Plan to collectively provide the greatest impact on reducing congestion for the greatest number of citizens residing in Hampton Roads”, recommending the HRTAC pursue funding, development, and implementation for the network.
- On May 28, 2020, HRTAC voted to endorse inclusion of the HREL Network in the FY21-FY26 Plan of Finance – Six Year Operating and Capital Program and at their June 18, 2020 meeting approved the HRTAC Debt Management Plan to fund the HREL Network.
- The CTB and HRTAC developed and adopted the HREL Network concept of operation and VDOT, the CTB and HRTAC have entered into the MTA to address both development and tolling of the HREL Network.

Toll Facilities Revolving Account Allocation

- On September 20, 2017, the CTB advanced an amount of up to \$10,000,000 from the Toll Facility Revolving Account (TFRA) and allocated the same to pay the costs associated with work necessary to begin the engineering, analysis and construction of the needed tolling infrastructure and related services on Segment 2 of what is now the HREL Network, and directed that requests for additional funding from the TFRA or other sources for tolling infrastructure and related services be presented to the CTB for its approval.
- On January 15, 2020, the CTB authorized an additional amount of up to \$28,000,000 to be advanced from the TFRA and allocated to support the construction and tolling integration on Interstate 64 from the I-664/I-264 Interchange to Interstate 264, including tolling

integration costs for the High Rise Bridge, and related efforts for a regional Express Lanes Network in Hampton Roads, and directed that the advance funding provided by the TFRA be repaid with toll revenues from the network of Express Lanes contemplated, or any portion thereof, or such other funds as may be identified and made available by the CTB.

- On May 19, 2021 the CTB also authorized the use of remaining TFRA funds from the September 20, 2017 TFRA Allocation and the January 15, 2020 TFRA Allocation in the amount of \$12,786,320 to fund the HREL Tolling System and Services Contract.
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- VDOT has determined that the estimated cost to complete the needed tolling infrastructure and related services on Interstate 64 beginning in the vicinity of the I-664/264 Interchange and extending to the vicinity of the I-264 Interchange (“Segment 2”) is approximately \$2,900,000.
- It is anticipated that once tolling commences on the Hampton Roads Express Lanes Network, tolling revenues will be used to pay the costs associated with operation and maintenance of the Tolling System and serve as a source of funding to repay the TFRA funding in accordance with the Revenues Waterfall defined in the Master Tolling Agreement.

Recommendation: VDOT recommends, pursuant to §33.2-1529, that an additional amount of up to \$2,900,000 be advanced from the TFRA and allocated to support the tolling-related construction and tolling integration on Interstate 64 and related efforts for a regional Express Lanes Network in Hampton Roads, noting that the Mater Tolling Agreement, pursuant to the Revenues Waterfall and other provisions, provides for repayment of the advance funding provided by the TFRA with toll revenues from the network of Express Lanes

Action Required by the CTB: The CTB will be presented with a resolution for a formal vote to authorize the allocation and use of the additional TFRA Allocations in the amount of \$2,900,000 to pay for the additional work necessary to complete the tolling infrastructure, integration and related services on Interstate 64 from the I-664/I-264 Interchange to Interstate 264.

Result, if Approved: The tolling infrastructure on Interstate 64 from the I-664/I-264 Interchange to Interstate 264 will be completed.

Options: Approve, Deny or Defer

Public Comments/Reactions: N/A