



## COMMONWEALTH of VIRGINIA

### *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

### **AGENDA**

## **MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD**

Courtyard by Marriott Fredericksburg Historic District  
620 Caroline Street  
Fredericksburg, Virginia 22401

September 21, 2016  
8:30 a.m.

or upon adjournment of the September 20, 2016 Workshop Meeting.

### **Public Comments:**

### **Approval of Minutes July 28, 2016**

### **MAINTENANCE DIVISION:**

***Presenting: Branco Vlacich***  
***Division Administrator***

1. Action on Commemorative Naming of the Bridge on Old Route 58, Dr. Thomas Walker Road, over Martin's Creek in Lee County, Located in the Bristol District as the "PFC Claude B. Keys Memorial Bridge".
2. Action on Commemorative Naming of the Bridge on Route 640, Shaffers Ford Road over Shafer Creek in Lee County, Located in the Bristol District as the "Reed Williams Memorial Bridge".
3. Action on Commemorative Naming of US Route 50, Northwestern Pike in Frederick County located in the Staunton District as the "Korean War Veterans Memorial Highway".

### **INFRASTRUCTURE INVESTMENT DIVISION:**

***Presenting: Kimberly Pryor***  
***Division Director***

4. Action on Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2017-2022.

Agenda

Meeting of the Commonwealth Transportation Board

September 21, 2016

Page 2

5. Action on FY17-22 Six-Year Improvement Program Transfers For June 25, 2016 through August 23, 2016.

**LOCAL ASSISTANCE DIVISION:**

***Presenting: Julie Brown***  
***Division Administrator***

6. Action on Economic Development Access to Patton Park Development Project 9999-026-639, M501, Dinwiddie County Located in the Richmond District.
7. Action on Revenue Sharing Reallocation, Specifically DC Caney Ridge Road, County of Dickenson Located in the Bristol District.

**OPERATIONS DIVISION:**

***Presenting: Dean Gustafson***  
***Division Administrator***

8. Action on Statewide Advanced Traffic Management Systems Contract Award.

**HAMPTON ROADS DISTRICT:**

***Presenting: James Utterback***  
***District Administrator***

9. Action on Authorization for the Commissioner of Highways to Enter into a Project Agreement Between VDOT and the Hampton Roads Transportation Accountability Commission Regarding I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692).

**RIGHT OF WAY AND UTILITIES DIVISION:**

***Presenting: Richard Walton***  
***Chief of Policy***

10. Action on Limited Access Control Changes, Specifically, Route 267 Extended (Dulles Greenway), Loudoun County Located in the Northern Virginia District.

**LOCATION AND DESIGN DIVISION:**

***Presenting: Richard Walton***  
***Chief of Policy***

11. Action on Limited Access Break and Control Changes Interstate 81 and Route 311 (Exit 140) Interchange, County of Roanoke Located in the Salem District.

**FEDERAL PROGRAMS MANAGEMENT DIVISION:**

***Presenting: John Lawson***  
***Chief Financial Officer***

12. Action on Utilization of Available Federal Funds and Obligation Authority.

**FINANCIAL PLANNING DIVISION:**

***Presenting: John Lawson***  
***Chief Financial Officer***

13. Action on Approval of Revised Program Overview, Guidelines and Selection Criteria for the Virginia Transportation Infrastructure Bank.
  
14. Action on Authorizing the Issuance and Sale of Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016A, in an aggregate principal amount not to exceed \$381 million.

**SCHEDULING AND CONTRACT:**

***Presenting: Don Silies***  
***Director of Contracts***

15. Bids.  
  
Threshold

**NEW BUSINESS:**

**ADJOURNMENT:**

###



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item #1*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

**Title: "PFC Claude B. Keys Memorial Bridge"**  
**Commemorative Naming of the bridge on Old Route 58,**  
**Dr. Thomas Walker Road, over Martin's Creek, Lee County**

**WHEREAS**, the Lee County Board of Supervisors wants to memorialize the brave service and sacrifice of PFC Claude B. Keys; and

**WHEREAS**, in accordance with § 33.2-213 of the *Code of Virginia*, the Lee County Board of Supervisors has requested, by resolution, that the Commonwealth Transportation Board, to memorialize the life and sacrifice of PFC Claude B. Keys, name the bridge on Old Route 58, Dr. Thomas Walker Road, over Martin's Creek, Lee County as the "PFC Claude B. Keys Memorial Bridge"; and

**WHEREAS**, the Board of Supervisors of Lee County has agreed to reimburse the costs associated with providing and installing the necessary signs.

**NOW, THEREFORE, BE IT RESOLVED**, pursuant to § 33.2-213 of the *Code of Virginia*, the Commonwealth Transportation Board hereby names the bridge on Old Route 58, Dr. Thomas Walker Road, over Martin's Creek, Lee County as the "PFC Claude B. Keys Memorial Bridge"; and

**BE IT FURTHER RESOLVED**, the Department of Transportation is hereby directed to fabricate and erect appropriate signs and to invoice Lee County for the costs related to this commemorative naming.

#####

## CTB Decision Brief

### Bridge Naming: “PFC Claude B. Keys Memorial Bridge”

**Issue:** Commemorative naming of the bridge on Old Route 58, Dr. Thomas Walker Road, over Martin’s Creek, Lee County.

**Facts:** Mr. Claude B. Keys was born in 1915 in Rose Hill, Virginia and attended Rose Hill High School before moving to Tennessee in 1940 for employment and the opportunity to play minor league baseball.

In 1942 he enlisted in the United States Army and completed his military training at Fort Oglethorpe in Georgia. He was assigned to the 82<sup>nd</sup> Airborne Division, 507<sup>th</sup> Parachute Regiment, 1<sup>st</sup> Battalion Headquarters Company as a Private First Class.

On June 6, 1944 at 02:44 hours, as part of the Normandy invasion, PFC Keys boarded a C-47 Transport at Fulbeck Airfield, England as part of the 9<sup>th</sup> A.F. – IX Troop Carrier Command, Mission BOST, whose target was the Utah Beach Area, Drop Zone T. PFC Keys was reported Missing in Action as noted by Missing Air Crew Report #42-92415 and was later confirmed Killed in Action on June 6, 1944.

PFC Claude B. Keys was interned in the Normandy American Cemetery, Colleville-sur-Mer, France, Plant H, Row 14, Grave 33.

On July 19, 2016, the Lee County Board of Supervisors, wishing to commemorate the brave service and sacrifice of PFC Claude B. Keys to county and countrymen, passed a resolution requesting the bridge located on Old Route 58, Dr. Thomas Walker Road, over Martin’s Creek, be named the “PFC Claude B. Keys Memorial Bridge”.

**Recommendations:** The Virginia Department of Transportation (VDOT) recommends this request be approved.

**Action Required by CTB:** The *Code of Virginia* requires a majority of the CTB members to approve a resolution naming the bridge. A resolution will be provided for the Board’s consideration.

**Result if Approved:** The bridge located on Old Route 58, Dr. Thomas Walker Road, over Martin’s Creek, will be known and signed as the “PFC Claude B. Keys Memorial Bridge”.

In accordance with law, the County will reimburse the costs associated with providing and installing the necessary signs and VDOT will invoice accordingly.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** VDOT is not aware of any opposition to this proposal.

P. O. Box 60  
Wise, Virginia 24293  
Phone (276) 321-6456  
Fax (276) 328-1016

Virginia Department  
of Transportation

# Memo

**To:** Brack Dunn  
**From:** Jeff Sams  
**CC:** File  
**Date:** August 18, 2016  
**Re:** Bridge Naming Requests

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Attached please find a letter and two resolutions from the Lee County Board of Supervisors requesting the naming of two bridges for deceased individuals from the county.

The first is Resolution 16-026 pertaining to Structure #1011 on Old Route 58/Dr. Thomas Walker Road over Martin Creek east of Rose Hill. A section of the Lee County highway map is attached that shows the location.

The second is Resolution 16-027 pertaining to Structure #6398 on State Route 640 that crosses Shafer Creek east of Jonesville. A section of the Lee County highway map is attached that shows this location as well.

A field review shows no evidence that neither structure has been previously named, and our records do not indicate any previous naming either.

The Board commits in the cover letter to be held responsible for the costs of fabrication, installation and maintenance of the signs.

If any additional information is required please contact me.

Thank you very much.

*Jeff Sams*



**Lee County Board of Supervisors**

**LEE COUNTY**  
P.O. Box 367  
Jonesville, Virginia 24283-0367

**COUNTY ADMINISTRATOR**  
Telephone 276-346-7714  
Fax 276-346-7712  
www.leecova.org

July 20, 2016

Allen Sumpter  
Residency Administrator  
P.O. Box 60  
Wise, VA 24293

Dear Mr. Sumpter:

Enclosed please find copies of Resolution 16-026 regarding "PFC Claude B. Keys Memorial Bridge" and Resolution 16-027 regarding "Reed Williams Memorial Bridge" adopted by the Lee County Board of Supervisors on July 19, 2016.

The Lee County Board of Supervisors agrees to provide the cost of installation and maintenance of the signage.

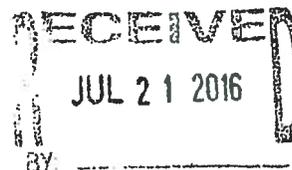
If you should need anything further at this time, please contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Tony Hughes".

Tony Hughes  
Administrative Assistant

Enclosures





**RESOLUTION  
16-026**

**WHEREAS, Claude B. Keys was born in 1915 in Rose Hill, Virginia, one of ten children born to Daniel Sheffey Keys and Dailey Shackelford Keys; and**

**WHEREAS, Mr. Keys attended Rose Hill High School before moving to Tennessee in 1940 for employment and the opportunity to play minor league baseball; and**

**WHEREAS, Mr. Keys enlisted in the United States Army on February 13, 1942 and completed his military training at Fort Oglethorpe, Georgia; and**

**WHEREAS, Mr. Keys was assigned to the 82<sup>nd</sup> Airborne Division, 507<sup>th</sup> Parachute Regiment, 1<sup>st</sup> Battalion Headquarters Company as a Private First Class; and**

**WHEREAS, on June 6, 1944 at 02:44 hours, as part of the Normandy invasion, PFC Keys boarded a C-47 Transport at Fulbeck Airfield, England as part of the 9<sup>th</sup> A.F. – IX Troop Carrier Command, Mission BOST whose target was the Utah Beach Area – Drop Zone T; and**

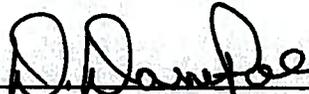
**WHEREAS, PFC Keys was reported Missing in Action as noted by Missing Air Crew Report #42-92415 and was later confirmed as Killed in Action on June 6, 1944; and**

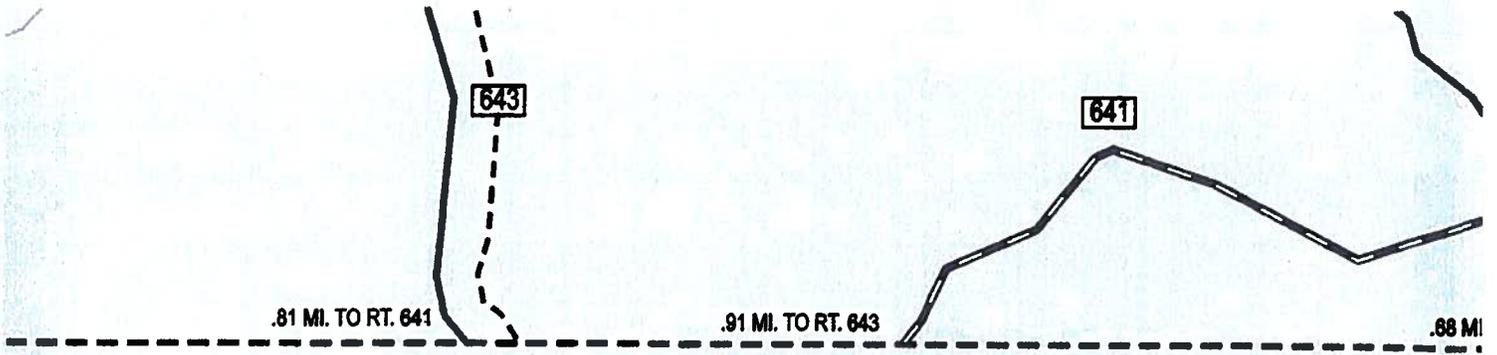
**WHEREAS, PFC Claude B. Keys was interred in the Normandy American Cemetery, Colleville-sur-Mer, France, Plant H, Row 14, Grave 33;**

**NOW, THEREFORE, BE IT RESOLVED, to commemorate the brave service and sacrifice of PFC Claude B. Keys to country and countrymen, the Lee County Board of Supervisors respectfully requests the Commonwealth Transportation Board and the Virginia Department of Transportation formally designate the Old Route 58 (Dr. Thomas Walker Road) bridge over Martin's Creek in the eastern portion of Rose Hill, Virginia as the "PFC Claude B. Keys Memorial Bridge".**

Adopted this the 19<sup>th</sup> day of July, 2016.

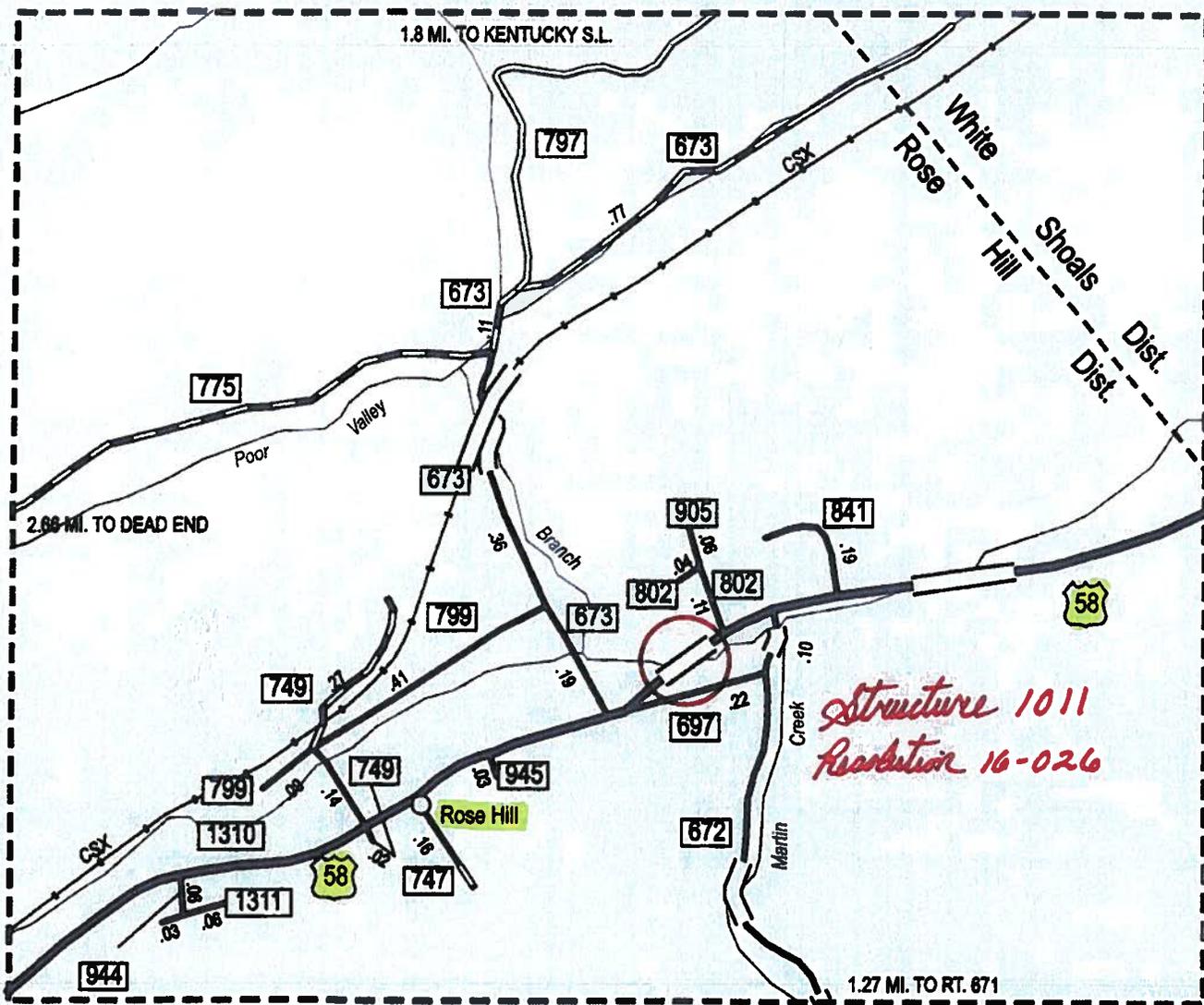


  
\_\_\_\_\_  
CLERK OF THE BOARD



1

**PENNINGTON GAP AREA**  
 six times map scale  
 see notation on map cover for distance annotation



3

**ROSE HILL AREA**  
 four times map scale  
 see notation on map cover for distance annotation





# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

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Fax: (804) 786-2940

*Agenda item # 2*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By: Seconded By:**

**Action:**

**Title: “Reed Williams Memorial Bridge” Commemorative Naming of the bridge on  
Route 640, Shaffers Ford Road, over Shafer Creek, Lee County**

**WHEREAS**, the Lee County Board of Supervisors wants to commemorate the life of Reed Williams; and

**WHEREAS**, in accordance with § 33.2-213 of the *Code of Virginia*, the Lee County Board of Supervisors has requested, by resolution, that the Commonwealth Transportation Board, to commemorate and honor the life and contributions of Reed Williams, name the bridge on Route 640, Shaffers Ford Road, over Shafer Creek, Lee County, be named the “Reed Williams Memorial Bridge”; and

**WHEREAS**, the Board of Supervisors of Lee County has agreed to reimburse the costs associated with providing and installing the necessary signs.

**NOW, THEREFORE, BE IT RESOLVED**, pursuant to § 33.2-213 of the *Code of Virginia*, the Commonwealth Transportation Board hereby names the Bridge on Route 640, Shaffers Ford Road, over Shafer Creek, Lee County, the “Reed Williams Memorial Bridge” ; and

**BE IT FURTHER RESOLVED**, the Department of Transportation is hereby directed to fabricate and erect appropriate signs and to invoice Lee County for the costs related to this commemorative naming.

####

## CTB Decision Brief

### Bridge Naming: "Reed Williams Memorial Bridge"

**Issue:** Commemorative naming of the bridge on Route 640, Shaffers Ford Road, over Shafer Creek, Lee County.

**Facts:** Mr. Reed Williams was born in 1940 near Jonesville, Virginia. He graduated from Jonesville High School in 1957 and joined the United States Army serving in the 82<sup>nd</sup> Airborne, 504<sup>th</sup> Parachute Infantry, obtaining the rank of Sergeant before his honorable discharge in 1963.

During his military service he sent money home to his parents to help care for his handicapped brother Howard White Williams. He continued his care for the handicapped throughout his lifetime by making numerous charitable contributions. He established the Howard White Williams Scholarship Fund at Mountain Empire Community College, Milligan College and the University of Virginia-College at Wise for handicapped students in memory of his brother.

After operating a construction business in northern Virginia, he returned home to Lee County in 1981 to establish Old Virginia Hand Hewn Log Homes, Inc. with his wife Judy Huff Williams, delivering over 1,500 homes and donating fellowship halls to two local churches. Old Virginia is headquartered in Pennington Gap and employs 30 local residents.

Mr. Williams also established Axehandle, LLC, a land development company whose profits were donated to Shriners Hospital for Crippled Children in Greenville, Tennessee.

Mr. Williams was also instrumental in the design, fundraising and construction of the Lee County Veterans Memorial Wall. Mr. Williams was a member of numerous military, civic and charitable organizations as well. He departed this life on January 24, 2016.

On July 19, 2016, the Lee County Board of Supervisors, wishing to commemorate and honor the life of Reed Williams, passed a resolution requesting that the bridge located on Route 640, Shaffers Ford Road, over Shafer Creek, Lee County, be named the "Reed Williams Memorial Bridge".

**Recommendations:** The Virginia Department of Transportation (VDOT) recommends this request be approved.

**Action Required by CTB:** The *Code of Virginia* requires a majority of the CTB members to approve a resolution naming the bridge. A resolution will be provided for the Board's consideration.

**Result if Approved:** The Bridge located on Route 640, Shaffers Ford Road, over Shafer Creek, Lee County, will be named the "Reed Williams Memorial Bridge".

In accordance with law, the County will reimburse the costs associated with providing and installing the necessary signs and VDOT will invoice accordingly.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** VDOT is not aware of any opposition to this proposal.

P. O. Box 60  
Wise, Virginia 24283  
Phone (276) 321-6456  
Fax (276) 328-1016

Virginia Department  
of Transportation

# Memo

**To:** Brack Dunn  
**From:** Jeff Sams  
**CC:** File  
**Date:** August 18, 2016  
**Re:** Bridge Naming Requests

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A field review shows no evidence that neither structure has been previously named, and our records do not indicate any previous naming either.

The Board commits in the cover letter to be held responsible for the costs of fabrication, installation and maintenance of the signs.

If any additional information is required please contact me.

Thank you very much.

*Jeff Sams*



**Lee County Board of Supervisors**

**LEE COUNTY**  
P.O. Box 367  
Jonesville, Virginia 24263-0367

**COUNTY ADMINISTRATOR**  
Telephone 276-346-7714  
Fax 276-346-7712  
www.leeova.org

July 20, 2016

**Allen Sumpter**  
Residency Administrator  
P.O. Box 60  
Wise, VA 24293

Dear Mr. Sumpter:

Enclosed please find copies of Resolution 16-026 regarding "PFC Claude B. Keys Memorial Bridge" and Resolution 16-027 regarding "Reed Williams Memorial Bridge" adopted by the Lee County Board of Supervisors on July 19, 2016.

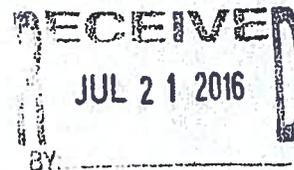
The Lee County Board of Supervisors agrees to provide the cost of installation and maintenance of the signage.

If you should need anything further at this time, please contact this office.

Sincerely,

**Jeny Hughes**  
Administrative Assistant

Enclosures





Virginia Department of Transportation  
Maintenance Division  
CTB Meeting September 21, 2016

Lee County  
Proposed Bridge Naming:  
**"Reed Williams Memorial Bridge"**

 Proposed Bridge Naming

**RESOLUTION**  
**16-027**

**WHEREAS, Reed Williams was born March 5, 1940 near Jonesville, Virginia, the son of George E. "Babe" Williams and Ola DeVault Williams; and**

**WHEREAS, Mr. Williams graduated from Jonesville High School in 1957 and joined the United States Army serving in the 82<sup>nd</sup> Airborne, 504<sup>th</sup> Parachute Infantry obtaining the rank of Sergeant before his honorable discharge in 1963; and**

**WHEREAS, during his military service, Mr. Williams joined the paratroopers to earn the extra "jump pay" in order to send this money home to his parents for the care of his handicapped brother Howard White Williams. Mr. Williams continued his passion for the care of the handicapped throughout his lifetime by making numerous charitable contributions and for 15 years gave his brother a birthday party featuring "Jim & Jesse & the Virginia Boys". He also established the Howard White Williams Scholarship Fund at Mountain Empire Community College, Milligan College and The University of Virginia-College at Wise for handicapped students only in memory of his brother; and**

**WHEREAS, Mr. Williams operated a construction contractor business in northern Virginia for many years before returning home to Lee County in 1981 to establish Old Virginia Hand Hewn Log Homes, Inc. with his wife Judy Huff Williams, delivering over 1,500 homes to 35 states and donating fellowship halls to two local churches as well as restoration work for others. Old Virginia is currently headquartered in Pennington Gap and employs approximately 30 local residents. Mr. Williams also established Axehandle, LLC, a land developing company, whose profits were donated to the Shriners Hospital for Crippled Children in Greenville, Tennessee; and**

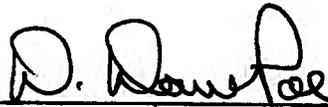
**WHEREAS, Mr. Williams remained supportive of the United States military throughout his lifetime and was instrumental in the design, fundraising, and construction of the Lee County Veterans Memorial Wall located at Cumberland Bowl Park in Jonesville, Virginia. Over \$300,000 was raised for this project which displays the names of 197 service men from Lee County killed in service to their country as well as nearly 2,000 bricks with the names of Lee Countians who have served their country; and**

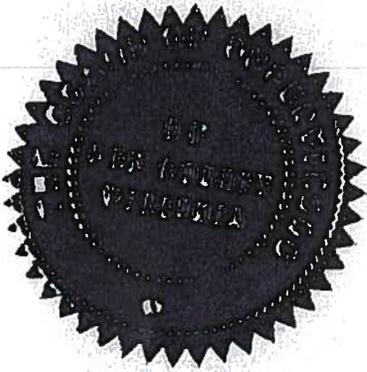
**WHEREAS, Mr. Williams was a member of numerous military, civic and charitable organizations including the 82<sup>nd</sup> Airborne Association, 504 Parachute Infantry Regiment Association, Preston Lodge #47, Miles Lodge #167, Martin Station Lodge #188, McPherson Lodge #99, Powell Valley Shrine Club, Jericho Shrine Temple, Kazim Shrine Temple, Order of Easter Star Powell Valley #13, Sons of Confederate Veterans, American Legion, Lee County Optimist Club, Woodway Ruritan Club, Lions Club, VFW Bugler and others; and**

**WHEREAS, Mr. Williams departed this life on January 24, 2016;**

**NOW, THEREFORE, BE IT RESOLVED**, to commemorate the life of Reed Williams, the Lee County Board of Supervisors respectfully requests the Commonwealth Transportation Board and the Virginia Department of Transportation formally designate the Route 640 bridge over Shafer Creek just east of Route 643 as the "Reed Williams Memorial Bridge".

Adopted this the 19<sup>th</sup> day of July, 2016.

  
CLERK OF THE BOARD







# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item #3*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

#### **Title: "Korean War Veterans Memorial Highway" Commemorative Naming of US Route 50, Northwestern Pike, Frederick County**

**WHEREAS**, the Frederick County Board of Supervisors wants to commemorate and honor the lives of the men and women who served in the Korean War; and

**WHEREAS**, in accordance with § 33.2-213 of the *Code of Virginia*, the Frederick County Board of Supervisors has requested, by resolution, that the Commonwealth Transportation Board, to commemorate and honor the lives of the men and women who served in the Korean War, name US Route 50, Northwestern Pike, from State Route 37 to the West Virginia State line, Frederick County as the "Korean War Veterans Memorial Highway"; and

**WHEREAS**, the Board of Supervisors of Frederick County has agreed to reimburse the costs associated with providing and installing the necessary signs.

**NOW, THEREFORE, BE IT RESOLVED**, pursuant to § 33.2-213 of the *Code of Virginia*, the Commonwealth Transportation Board hereby names US Route 50, Northwestern Pike, from State Route 37 to the West Virginia State line, Frederick County as the "Korean War Veterans Memorial Highway"; and

**BE IT FURTHER RESOLVED**, the Department of Transportation is hereby directed to fabricate and erect appropriate signs and to invoice Frederick County for the costs related to this commemorative naming.

#####

## CTB Decision Brief

### Highway Naming: “Korean War Veterans Memorial Highway”

**Issue:** Commemorative naming of US Route 50, Northwestern Pike, from State Route 37 to the West Virginia State line, Frederick County.

**Facts:** On June 22, 2016, the Frederick County Board of Supervisors, wishing to commemorate and honor the brave men and women who have served this country and given their lives in the Korean War, passed a resolution requesting that US Route 50, Northwestern Pike, from State Route 37 to the West Virginia State line, Frederick County, be named the “Korean War Veterans Memorial Highway”.

As a matter of note, all of Interstate 64 in Virginia is named the “Korean War Veterans Memorial Highway” and Interstate 295 from Interstate 64 in Henrico County to Interstate 95 in Prince George County is named the “Korean War Veterans Memorial Highway”.

**Recommendations:** The Virginia Department of Transportation (VDOT) recommends this request be approved.

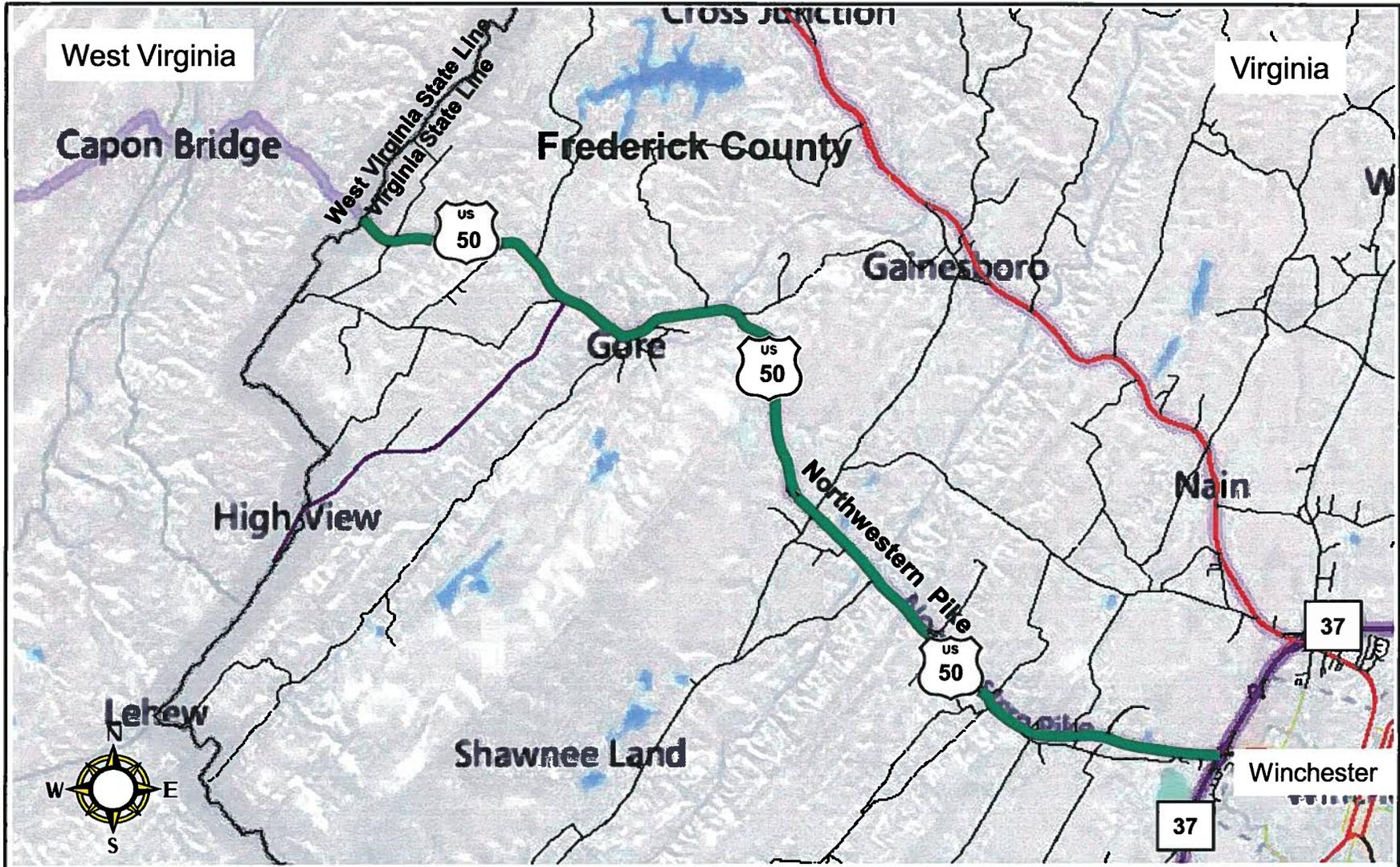
**Action Required by CTB:** The *Code of Virginia* requires a majority of the CTB members to approve a resolution naming the highway. A resolution will be provided for the Board’s consideration.

**Result if Approved:** The section of US Route 50, Northwestern Pike, from State Route 37 to the West Virginia State line, Frederick County, will be known and signed as the “Korean War Veterans Memorial Highway”.

In accordance with law, the County will reimburse the costs associated with providing and installing the necessary signs and VDOT will invoice accordingly.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** VDOT is not aware of any opposition to this proposal.



Maintenance Division  
September 21, 2016

Frederick County  
Proposed Highway Segment Naming:  
**“Korean War Veterans Memorial Highway”**

 Proposed Highway Naming



**COUNTY of FREDERICK**

**Board of Supervisors**  
540/665-6382  
540/667-0370 Fax

**Charles S. DeHaven, Jr. – Chairman**  
**Gene E. Fisher – Vice Chairman**  
Shawnee District  
Gary A. Lofton  
Back Creek District  
Robert A. Hess  
Gainesboro District

**Robert W. Wells**  
Opequon District  
**Blaine P. Dunn**  
Red Bud District  
**Judith McCann-Slaughter**  
Stonewall District

July 27, 2016

**Randolph Kiser**  
Virginia Department of Transportation  
811 Commerce Road  
Staunton, VA 24401

Dear Mr. Kiser:

Our Board has recently been contacted by the Korean War Veterans Chapter 313 with a request that the Board support them in a request to have Route 50, from Route 37 to the West Virginia state line, designated as a Korean War Veterans Memorial Highway.

On June 22, 2016 our Board unanimously voted to support their request. Please forward this letter to the Commonwealth Transportation Board as the request from the Frederick County Board of Supervisors to designate Route 50, from Route 37 to the West Virginia state line, as a Korean War Veterans Memorial Highway. It is our desire that this designation take place as soon as reasonably possible as we work to honor those who participated in the Korean War.

Should you need any additional assistance or information, please do not hesitate to contact our staff or myself.

Sincerely,

**Charles S. Dehaven Jr.**  
Chairman  
Frederick County Board of Supervisors

**RECEIVED**  
AUG 01 2016

BY: \_\_\_\_\_

cc: **Dixon Whitworth – Commonwealth Transportation Board Member, Staunton District**  
**Clifton Balderson – VDOT Edinburg Residency Administrator**  
**John Bishop – Assistant Director - Transportation**



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item # 4*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By:**

**Seconded By:**

**Action:**

#### **Title: Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2017-2022**

**WHEREAS**, Section 33.2-214(B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1<sup>st</sup> of each year a Six-Year Improvement Program (Program) of anticipated projects and programs and that the Program shall be based on the most recent official revenue forecasts and a debt management policy; and

**WHEREAS**, after due consideration the Board adopted a Final Fiscal Years 2017-2022 Program on June 14, 2016; and

**WHEREAS**, the Board is required by Sections 33.2-214(B) and 33.2-221(C) of the *Code of Virginia* to administer and allocate funds in the Transportation Trust Fund; and

**WHEREAS**, Section 33.2-214(B) of the *Code of Virginia* provides that the Board is to coordinate the planning for financing of transportation needs, including needs for highways, railways, seaports, airports, and public transportation and is to allocate funds for these needs pursuant to Sections 33.2-358 and 58.1-638 of the *Code of Virginia*, by adopting a Program; and

Resolution of the Board  
Addition of Projects to the SYIP  
September 21, 2016  
Page Two

**WHEREAS**, Section 58.1-638 authorizes allocations to local governing bodies, transportation district commissions, or public service corporations for, among other things, capital project costs for public transportation and ridesharing equipment, facilities, and associated costs; and

**WHEREAS**, the projects shown in Appendix A were not included in the FY 2017-2022 Program adopted by the Board on June 14, 2016; and

**WHEREAS**, the Board recognizes that the projects are appropriate for the efficient movement of people and freight and, therefore, for the common good of the Commonwealth.

**NOW, THEREFORE, BE IT RESOLVED**, by the Commonwealth Transportation Board, that the projects shown in Appendix A are added to the Six-Year Improvement Program of projects and programs for Fiscal Years 2017 through 2022 and are approved.

####

## CTB Decision Brief

### Addition of Projects to the Six-Year Improvement Program for Fiscal Years 2017 - 2022

**Issue:** Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program) and allocations in accordance with the statutory formula.

**Facts:** The CTB must adopt a Program of anticipated projects and programs by July 1<sup>st</sup> of each year in accordance with Section 33.2-214(B) of the *Code of Virginia*. On June 14, 2016, after due consideration, the CTB adopted a Final FY 2017-2022 Program. The projects shown in Appendix A were not in the Final FY 2017-2022 Program adopted by the CTB.

**Recommendations:** The Virginia Department of Transportation (VDOT) recommends the addition of the projects in Appendix A to the Program for FY 2017–2022.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to add the projects listed in Appendix A to the Program for FY 2017–2022 to meet the CTB’s statutory requirements.

**Result, if Approved:** If the resolution is approved, the projects listed in Appendix A will be added to the Program for FY 2017-2022.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None

**Appendix A  
Amendments to the FY2017-2022 SYIP**

Row	UPC	District	Jurisdiction	Route	Project Description	Total Cost	Total Allocation	Balance	Major Fund Source	System	Fully Funded
6	109731	Lynchburg	Amherst County	60	Route 60 HSIP Guardrail PM3A-17 Amherst County	\$200,000	\$200,000	\$0	HSIP	Primary	Yes
11	109193	Richmond	Henrico County	9999	CRAC CNG Bus Purchase	\$140,000	\$140,000	\$0	CMAQ	Miscellaneous	Yes
10	109812	Northern Virginia	Prince William County	840	Innovation Technolgy Park Trails/Sidewalks	\$2,980,000	\$2,980,000	\$0	CMAQ, RSTP	Urban	Yes
NA	109146	Northern Virginia	Loudoun County	28	Route 28 Northbound Widening - Area 5 (PE Only)	\$2,250,000	\$2,250,000	\$0	Accounts Receivable	Primary	Yes
NA	109177	Northern Virginia	Fairfax County	28	Route 28 Northbound Widening - Area 4 (PE Only)	\$1,803,000	\$1,803,000	\$0	Accounts Receivable	Primary	Yes
13	108275	Salem	Franklin County	220	HSIP - Shoulder Widening/Guardrail Improvements	\$900,000	\$900,000	\$0	HSIP	Primary	Yes
<b>Total</b>	<b>Total</b>					<b>\$8,073,000</b>	<b>\$8,073,000</b>	<b>\$0</b>			



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

1401 East Broad Street
Richmond, Virginia 23219

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Agenda item # 5

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

September 21, 2016

MOTION

Made By: Seconded By:

Action:

Title: FY17-22 Six-Year Improvement Program Transfers
For June 25 through August 23, 2016

WHEREAS, Section 33.2-214(B) of the Code of Virginia requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (Program) of anticipated projects and programs. On June 14, 2016, a resolution was approved to allocate funds for the Fiscal Years 2017 through 2022 Program; and

WHEREAS, the Board authorized the Commissioner, or his designee, to make transfers of allocations programmed to projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2017 through 2022 to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2017 through 2022 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project; and

Table with 2 columns: Total Cost Estimate and Threshold. Rows include categories like <\$5 million, \$5 million to \$10 million, and >\$10 million with corresponding allocation increase thresholds.

Resolution of the Board

FY17-22 Six-Year Improvement Program Transfers For June 25 through August 23, 2016

September 21, 2016

Page Two

**WHEREAS**, the Board directed that (a) the Commissioner shall notify the Board on a monthly basis should such transfers or allocations be made; and (b) the Commissioner shall bring requests for transfers of allocations exceeding the established thresholds to the Board on a monthly basis for its approval prior to taking any action to record or award such action; and

**WHEREAS**, the Board is being presented a list of the transfers exceeding the established thresholds attached to this resolution and agrees that the transfers are appropriate.

**NOW, THEREFORE, BE IT RESOLVED**, by the Commonwealth Transportation Board, that the attached list of transfer requests exceeding the established thresholds is approved and the specified funds shall be transferred to the recipient project(s) as set forth in the attached list to meet the Board's statutory requirements and policy goals.

#####

## CTB Decision Brief

### FY2017-2022 Six-Year Improvement Program Transfers For June 25 through August 23, 2016

**Issue:** Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program) in accordance with statutes and federal regulations. Throughout the year, it may become necessary to transfer funds between projects to have allocations available to continue and/or initiate projects and programs adopted in the Program.

**Facts:** On June 14, 2016, the CTB granted authority to the Commissioner of Highways (Commissioner), or his designee, to make transfers of allocations programmed to projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2017 through 2022 to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2017 through 2022 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

<b>Total Cost Estimate</b>	<b>Threshold</b>
<\$5 million	up to a 20% increase in total allocations
\$5 million to \$10 million	up to a \$1 million increase in total allocations
>\$10 million	up to a 10% increase in total allocations up to a maximum of \$5 million increase in total allocations

In addition, the CTB resolved that the Commissioner should bring requests for transfers of allocations exceeding the established thresholds to the CTB on a monthly basis for its approval prior to taking any action to record or award such action.

The CTB will be presented with a resolution for formal vote to approve the transfer of funds exceeding the established thresholds. The list of transfers from June 25 through August 23, 2016 is attached.

**Recommendations:** VDOT recommends the approval of the transfers exceeding the established thresholds from donor projects to projects that meet the CTB's statutory requirements and policy goals.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to adopt changes to the Program for Fiscal Years 2017 – 2022 that include transfers of allocated funds exceeding the established thresholds from donor projects to projects that meet the CTB's statutory requirements and policy goals.

**Result, if Approved:** If approved, the funds will be transferred from the donor projects to projects that meet the CTB's statutory requirements and policy goals.

CTB Decision Brief  
FY17-22 Six-Year Improvement Program Transfers For June 25 through August 23, 2016  
September 21, 2016  
Page Two

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None

**Six-Year Improvement Program Allocation Transfer Threshold Report  
September 2016**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocations	Total Estimate	Transfer Percent	Comment
1	Bristol	Bridge (Fed Id 19247) Rte 23 Business Over Indian Creek; Rte. 158 over Toms Creek VA Struc. No. 1029 FED ID 19301; Ruby's Rd over Little Walker Creek #6 (Fed. ID 3040)	86596; 90176; 103556	Bristol	Bridge Replacement Rte 627 over Copper Ck (VA Str 6140)	101379	CTB Formula:Bridge - State; STP:Bridge - Federal; STP:BROS - Federal; STP:BROS - Soft Match; STP:STP Bridge - Soft Match	573,344	2,630,000	2,630,000	27.9%	Transfer of surplus funds recommended by the District and Structure and Bridge Division from underway projects to a scheduled project.
2	Hampton Roads	COUNTYWIDE PIPE & ENTRANCE; RTE 615 - PAVED SHOULDER ALONG ROUTE 615 & ROUTE 681	-2903; 71616	Hampton Roads	Pocahontas Trail Reconstruction	102980	CMAQ:Federal; Secondary Formula:Federal/State	280,000	3,080,000	18,000,000	10.0%	Transfer of surplus funds recommended by District and MPO from a cost center and completed project to fund a scheduled project.
3	Hampton Roads	HAMPTON ROADS MPO CMAQ BALANCE ENTRY	70714	Hampton Roads	Chesapeake Signal Timing - Phase 1	106997	CMAQ:MPO - Federal; CMAQ:MPO - State Match	35,000	185,000	150,000	23.3%	Transfer of surplus funds recommended by District and MPO from the CMAQ balance entry to a scheduled project.
4	Lynchburg	RTE 265 - FRANKLIN TURNPIKE CONNECTOR	13511	Lynchburg	RTE 501 - CONSTRUCT LEFT & RIGHT TURN LANES AT RTE 642	104951	Minimum Guarantee:Federal	425,763	2,436,203	2,436,203	21.2%	Transfer of surplus funds recommended by District from a completed project to a scheduled project.
5	Lynchburg	DISTRICTWIDE - SYSTEMIC RD COUNTERMEASURES W/ RESURFACING	-17676	Lynchburg	PM3A17 AMHERST COUNTY - RTE 60 - HSIP GUARDRAIL	109731	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match	200,000	200,000	200,000	>100%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the district safety balance entry to a new project.
6	Lynchburg	DANVILLE - BONNER MS - SRTS PROJECT	93169	Lynchburg	CITY OF LYNCHBURG - SRTS - LINKHORNE/BASS ES - BIKE/PED IMP	105246	Safe Routes to School:Federal	147,699	444,707	444,704	49.7%	Transfer of surplus funds recommended by District and Transportation & Mobility Planning Division from a completed project to a scheduled project.
7	Lynchburg	DANVILLE - BONNER MS - SRTS PROJECT	93169	Lynchburg	SAFE ROUTES TO SCHOOL - TC MILLER ELEMENTARY SCHOOL	102830	Safe Routes to School:Federal	43,203	191,198	191,198	29.2%	Transfer of surplus funds recommended by District and Transportation & Mobility Planning Division from a completed project to a completed project.
8	Northern Virginia	BUS SHELTER INSTALLATION AT VARIOUS LOCATIONS - COUNTY-WIDE; BUS STOP SHELTERS AT FOUR LOCATIONS; CMAQ COUNTY ADMINISTERD; Columbia Pike Streetcar Project; CONSTRUCT BUS SHELTERS AT VARIOUS LOCATIONS; Formula Fund Balance Entry - Northern Virginia	-11515; 60879; 61212; 61217; 64841; 100471	Northern Virginia	IMPLEMENTATION OF RTE 1 MULTIMODAL ALTERNATIVES ANALYSIS	106921	CMAQ:Federal; CMAQ:MPO - Federal; CMAQ:MPO - State Match; Districtwide:Federal	2,451,613	19,226,933	NA	14.6%	Transfer of surplus funds recommended by District and MPO from completed projects to a scheduled project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
September 2016**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocations	Total Estimate	Transfer Percent	Comment
9	Northern Virginia	Glenkirk Road Sidewalk Project; Kettle Run Road and Vint Hill Road Sidewalks; RT 28 WIDEN TO 6 LNS & RT 215 REALIGN (Ph1) & TO 4 LNS (Ph2); RTE 234 BUS - PROVIDE SIGNALIZED CROSSWALKS	92080; 102897; 71721; 100390	Northern Virginia	INNOVATION TECH. PARK TRAILS/SIDEWALKS	109812	CMAQ:Federal; CMAQ:MPO - Federal; CMAQ:MPO - State Match; CMAQ:State Match; RSTP (STP Regional):MPO - Federal; RSTP (STP Regional):MPO - State Match	2,980,000	2,980,000	2,980,000	>100%	Transfer of surplus funds recommended by District and MPO from a scheduled, underway and completed projects to a new project.
10	Richmond	CRAC - Conversion & Purchase of Alt Fuel Shuttle Buses; REALIGN INTERSECTION OF RTE 33 & RTE 54; RTE 295 - EXTEND NB I-295 OFF-RAMP TO NB NUCKOLS ROAD	18948; 72199; 90352	Richmond	CRAC CNG BUS PURCHASE	109193	CMAQ:Federal; CMAQ:State Match	140,150	140,150	140,000	>100%	Transfer of surplus funds recommended by District and MPO from complete projects to a new project.
11	Richmond	REALIGN INTERSECTION OF RTE 33 & RTE 54; RTE 1 - SIGNAL MODIFICATION - PE ONLY; RTE 295 - EXTEND NB I-295 OFF-RAMP TO NB NUCKOLS ROAD; RTE 73 - CREATE EASTBOUND AND WESTBOUND DUAL LEFT TURN LANES	18948; 50021; 72198; 72199	Richmond	LABURNUM AVENUE SIDEWALK	109190	CMAQ:Federal; CMAQ:State Match	541,042	833,973	781,000	>100%	Transfer of surplus funds recommended by District and MPO from a complete projects to a scheduled project.
12	Salem	RTE 58 - Improve Horizontal-Vertical Alignment Upgrade GR; RTE. 100 South - Safety Improvements; RTE 24 - Install Guardrail along Rt 24 in Bedford; Improve sight distance at N. Main and Red Maple Drive	100655; 104673; 100664; 100657	Salem	HSIP - Shoulder Widening/Guardrail Improvements	108275	Highway Safety Improvements:Federal; Highway Safety Improvements:State Match	900,000	900,000	900,000	100.0%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to fund a new project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
September 2016**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocations	Total Estimate	Transfer Percent	Comment
A	Bristol	Bridge (Fed ID 18493) Rte. 102 Over Laurel Creek; ROUTE 19 STR 1135 OVER NSRR & WRIGHTS VALLEY CREEK - 18461	103502; 109504	Bristol	#SGR Rte. 58 Over Peggy Branch (Fed. ID 8727)	101376	STP:Bridge - Federal; STP:STP Bridge - Soft Match	376,617	5,108,617	5,108,617	8.0%	Transfer of surplus funds recommended by the District and Structure and Bridge Division from an underway and completed project to fund a scheduled project.
B	Bristol	BRISTOL DISTRICT BRIDGE BALANCE ENTRY	-16982	Bristol	Bridge Replacement Rte 609 over Little River (Fed ID 18548)	104773	STP:Bridge - Federal; STP:STP Bridge - Soft Match	2,078	2,010,000	2,010,000	0.1%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the Bridge Balance Entry line item to a scheduled project.
C	Bristol	Ruby's Rd over Little Walker Creek #6 (Fed. ID 3040)	86596	Bristol	Bridge Repl-Water St over Beaver Dam Creek (Fed ID 19212)	104994	CTB Formula:Bridge - State	22,151	1,930,000	1,929,999	1.2%	Transfer of surplus funds recommended by District from an underway project to a scheduled project.
D	Bristol	Bridge (Fed ID 18493) Rte. 102 Over Laurel Creek	103502	Bristol	Bridge Replacement Rte 606 Over Copper Creek (Va Str 6011)	101375	STP:Bridge - Federal; STP:STP Bridge - Soft Match	14,265	489,265	489,265	3.0%	Transfer of surplus funds recommended by District and Structure and Bridge Division from an underway project to an underway project.
E	Culpeper	BRIDGE REPLACE DICKERSON RD OVER NORTH FORK RIVANNA RIVER	82123	Culpeper	Route 635 Bridge Replacement - Orange County	87954	STP:Bridge - Federal; STP:STP Bridge - Soft Match	27,557	4,327,546	4,451,232	0.6%	Transfer of surplus funds recommended by District and Structure and Bridge Division from a scheduled project to fund a scheduled project.
F	Culpeper	RTE 608-RURAL RUSTIC ROAD (SURFACE TREAT NON-HARDSURFACE RD)	104830	Culpeper	RTE 602 - RURAL RUSTIC RD (SURFACE TREAT NON-HARDSURFACE RD)	-18182	District Grant Program (50/50):DG Unpaved	35,385	337,462	635,000	11.7%	Transfer of surplus funds recommended by District from a scheduled project to fund a scheduled project.
G	Fredericksburg	FREDERICKSBURG DISTRICT BRIDGE BALANCE ENTRY	-16987	Fredericksburg	Rte. 1 over South River, Bridge Replacement, Ex Fed ID 04358	102937	CTB Formula:Bridge - State	169,467	3,300,000	3,300,000	5.4%	Transfer of surplus funds recommended by District and Structure & Bridge Division from the District Bridge Balance Entry to a scheduled project.
H	Lynchburg	RTE 460 - RECONSTRUCT TO FULL INTERCHANGE	10185	Lynchburg	RTE 29/460 - ACCESS MANAGEMENT	64773	Primary Formula:Federal; Primary Formula:State Match	22,625	20,711,567	20,711,567	0.1%	Transfer of surplus funds recommended by District from a completed project to a scheduled project.
I	Lynchburg	GR UPGRADE - ROUTE 29 CORRIDOR; RTE 6/151 - CONSTRUCT LEFT TURN LANE AT RTE 635	92576; 104676	Lynchburg	RTE 6/151 - CONSTRUCT LEFT TURNS LANE AT RTE 638	104677	Federal Formula STP:Federal; Federal Formula STP:State Bond Match; Highway Safety Improvements:Federal; Highway Safety Improvements:State Match	214,413	2,624,953	2,624,953	8.9%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project and underway project to a scheduled project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
September 2016**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocations	Total Estimate	Transfer Percent	Comment
J	Lynchburg	RTE 265 - FRANKLIN TURNPIKE CONNECTOR	13511	Lynchburg	RTE 501 - CONSTRUCT RIGHT TURN LANES AT RTE 40 & RTE 632	104945	Primary Formula:State	78,599	2,134,666	2,134,666	3.8%	Transfer of surplus funds recommended by District from completed project to cover deficit on underway project.
K	Statewide	STATEWIDE RAIL SAFETY BALANCE ENTRY	70704	Lynchburg	CITYWIDE - FLASHING LIGHTS, GATES, & CWT PREDICTORS	105609	Rail Highway Crossings:Statewide - Federal; Rail Highway Crossings:Statewide - Soft Match	33,226	675,942	675,942	5.2%	Transfer of surplus funds recommended by District and Traffic Engineering Division from Statewide Rail Safety Balance Entry line item to a completed project.
L	Northern Virginia	SR 286 Install High Tension Cable "Guardrail" in Median; SR 641 @ SR 2418 Westridge Dr_Upgrade Sgnl; SR 641@SR 2000 Smoketown Rd_Upgrade Signal, Xing & ADA Ramps	98378; 98380; 104002	Northern Virginia	Roadway improvements including align, lane, shldr, guardrail	93568	Highway Safety Improvements:Federal; Highway Safety Improvements:State Match	181,000	5,304,344	5,302,193	3.5%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to an underway project.
M	Northern Virginia	SPRINGFIELD CBD COMMUTER PARKING GARAGE	106274	Northern Virginia	MANASSAS INCIDENT MANAGEMENT VARIABLE MESSAGE BOARDS	82843	CMAQ:MPO - State Match	6,461	397,309	336,173	1.7%	Transfer recommended by District and MPO from a scheduled project to a completed project.
N	Fredericksburg; Lynchburg; Richmond	DISTRICTWIDE BUCKLE-UP SIGNING IMPROVEMENT - FREDERICKSBURG; REPLACE BUCKLE-UP SIGNS - DISTRICTWIDE; RTE 151 - SHOULDER WIDENING / RUMBLE STRIPES / GR UPGRADES; RTE 95 - INSTALL ITS DEVICES	107102; 107664; 107772; 109593	Richmond	RTE 95 - INSTALL ITS DEVICES	106938	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match; Open Container Funds:Statewide	350,000	3,350,000	3,350,000	11.7%	Transfer of surplus funds recommended by District and Traffic Engineering Division from underway a and scheduled projects to fund a underway project.
O	Richmond; Statewide	RTE 5 - VIRGINIA CAPITAL TRAIL - VARINA PHASE; STATEWIDE PRE-MAP21 DMV Open Container Balance Entry	70698; 86280	Richmond	RTE 5 - VIRGINIA CAPITAL TRAIL - SHERWOOD FOREST PHASE	81562	Open Container Funds:Bike/Ped; Primary Formula:State	108,013	13,656,393	13,646,268	0.8%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item and an underway project to a completed project.
P	Statewide	STATEWIDE PRE-MAP21 DMV Open Container Balance Entry	70698	Richmond	AMELIA COUNTY - SIDEWALKS, PARKING, STREETLIGHTS, BIKE RACKS	81760	Open Container Funds:Statewide	10,856	133,750	133,750	8.8%	Transfer of surplus funds recommended by District and Traffic Engineering Division from the Statewide Safety Balance Entry line item to a completed project.
Q	Richmond	RICHMOND DISTRICT BRIDGE BALANCE ENTRY	-16985	Richmond	#SGR RTE 703 - REPLACE BRIDGE OVER ROWANTY CREEK (Fed ID 610	101235	STP:Bridge - Federal; STP:STP Bridge - Soft Match	246,108	2,589,108	2,589,108	10.5%	Transfer of surplus funds recommended by District and Structure and Bridge Division from the District Bridge Balance Entry line item to a scheduled project.

**Six-Year Improvement Program Allocation Transfer Threshold Report  
September 2016**

Row	Donor District	Donor Description	Donor UPC	Recipient District	Recipient Description	Recipient UPC	Fund Source	Transfer Amount	Total Allocations	Total Estimate	Transfer Percent	Comment
R	Salem; Statewide	Rt 58 & 680 Patrick County - Safety Improvements; RTE. 100 South - Safety Improvements; RTE. 220 Corridor Shoulder Widening & GR Install/Upgrades	102738; 104673; 107067	Salem	Rt. 122 Franklin County - Safety Improvements	107049	Highway Safety Improvements:Federal; Highway Safety Improvements:Soft Match; Highway Safety Improvements:State Match	272,639	2,422,639	2,368,369	12.7%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to fund a scheduled project.
S	Northern Virginia; Statewide	I-95 PARKING MANAGEMENT SYSTEM - PILOT; I-95N CORR CONGESTION IMPROV MM101 TO 178 INCL I-395 & I-495; I-95S CORR CONGEST IMPROV MM 0 TO 101 INCL I-295, I-195, 288; ROUTE 1 TRAVEL TIMES; STATEWIDE CONSTRUCTION BALANCE ENTRY	105378; 105379; 105382; 105385	Statewide	INTERSTATE ITTF TECHNOLOGY - EQUIPMENT UPGRADES	104591	CTB Formula:ITS - Federal; CTB Formula:ITS - Soft Match; High Priority Projects:State	371,202	44,748,641	19,248,771	0.8%	Transfer of surplus funds recommended by District and Traffic Engineering Division from completed projects to the Statewide Interstate ITTF Technology-Equipment Upgrade line item.
T	Staunton	Construct RT & LT Turn Lanes on SR 608 @ 648 (aka Dump Rd)	93347	Staunton	Staunton Districtwide Guardrail Upgrades For Paving Projects	101699	Highway Safety Improvements:Federal; Highway Safety Improvements:State Match	16,377		6,478,908	0.3%	Transfer of surplus funds recommended by District and Traffic Engineering Division from a completed project to fund a completed project.



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

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### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**Agenda Item #6**

**September 21, 2016**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

**Title: Economic Development Access to  
Patton Park Development  
Project 9999-026-639, M501, Dinwiddie County**

**WHEREAS**, § 33.2-1509 of the *Code of Virginia* provides a fund to "...be expended by the Board for constructing, reconstructing, maintaining or improving access roads within localities to economic development sites on which manufacturing, processing, research and development facilities, distribution centers, regional service centers, corporate headquarters, or other establishments that also meet basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Small Business and Supplier Diversity will be built under firm contract or are already constructed ..." and, "in the event there is no such establishment or... firm contract, a locality may guarantee to the Board by bond or other acceptable device that such will occur and, should no establishment or airport acceptable to the Board be constructed or under firm contract within the time limits of the bond, such bond shall be forfeited."; and

**WHEREAS**, the Dinwiddie County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to provide adequate access to serve eligible property within the development of Patton Park Development, off of U. S. Highway 1 (Boydton Plank Road), between Route 615 (Blue Tartan Road) and Route 670 (Duncan Road), and said access is estimated to cost approximately \$1,370,000; and

**WHEREAS**, Dinwiddie County proposes to construct a new roadway to VDOT standards extending from U. S. Highway 1, and continuing southward to the proposed entrance of the site development that will be accepted into the secondary highway system upon completion; and.

**WHEREAS**, it appears that this request falls within the intent of Section 33.2-1509 of the *Code of Virginia* and complies with the provisions of the Commonwealth Transportation Board's (CTB) policy on Economic Development Access.

**NOW, THEREFORE, BE IT RESOLVED**, that \$650,000 (\$500,000 unmatched, \$150,000 matched) of the Economic Development, Airport and Rail Access Fund be allocated to provide adequate access to eligible property within Patton Park Development, located off of U. S. Highway 1, Project 9999-026-639, M501, contingent upon:

1. All right of way, environmental assessments and remediation, and utility adjustments being provided at no cost to the Commonwealth; and
2. Execution of an appropriate contractual agreement between the County of Dinwiddie (LOCALITY) and the Virginia Department of Transportation (VDOT), to provide for the:
  - a. Design, administration, construction and maintenance of this project; and
  - b. Payment of all ineligible costs, and of any eligible costs in excess of this allocation, from sources other than those administered by VDOT; and
  - c. Provision by the LOCALITY of either i) documentation of a least \$3,250,000 of eligible capital outlay attributed to qualifying business on property served exclusively by this project, or ii) should documentation of capital outlay be insufficient, an appropriate bond or other acceptable surety device by the LOCALITY to VDOT, not to expire before December 21, 2021, without written permission of VDOT. Such surety device shall provide for reimbursement to VDOT of any expenses incurred by the Economic Development, Airport and Rail Access Fund for this project's construction not justified by the eligible capital outlay of establishments served by the project. If, by September 21, 2021, at least \$3,250,000 of eligible capital outlay on property served exclusively by this project has not been expended or committed by firm contract by a qualified establishment or establishments, then an amount equal to 20% of the eligible capital outlay of up to \$3,250,000 will be credited toward the project's Economic Development Access Program allocation utilized in the project's construction and the balance of the utilized allocation not justified by eligible capital outlay will be returned to VDOT and the Economic Development, Airport and Rail Access Fund. This surety may be released or reduced accordingly at an earlier date upon provision of documentation of eligible capital outlay by a qualified establishment, or establishments; and
  - d. Provision of the required matching funds, up to \$150,000, by the LOCALITY for appropriately documented eligible project costs; and

Resolution of the Commonwealth Transportation Board  
Economic Development Access Program – Patton Park Development – Dinwiddie County  
September 21, 2016  
Page Three

3. Determination by VDOT of eligible capital outlay in accordance with current policy and procedures for administering the Economic Development Access Program.

####

## CTB Decision Brief

### Economic Development Access – Dinwiddie County Patton Park Development

**Issue:** Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Dinwiddie County Board of Supervisors has requested funds from the Economic Development Access (EDA) Program to assist in constructing road access to eligible property located within Patton Park Development. Allocation of the requested funds by the CTB is sought.

**Facts:** § 33.2-1509 of the *Code of Virginia* authorizes the CTB to expend funds set aside for constructing access roads to economic development sites on which certain establishments as prescribed by the *Code* or other establishments that meet the basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Small Business and Supplier Diversity will be built under firm contract or are already constructed. In the event there is no such establishment already constructed or construction of such establishment is not under firm contract, a locality may guarantee to the CTB by bond or other acceptable device that such will occur.

On June 20, 2012 the Commonwealth Transportation Board (CTB) adopted the Economic Development Access Fund Policy (CTB Policy) that sets forth certain criteria which must be met for projects to be eligible for such funding and directed the Commonwealth Transportation Commissioner (now Commissioner of Highways) to establish administrative procedures to administer to assure adherence to the CTB Policy and legislative requirements. The Commissioner established such administrative procedures in the Economic Development Access Program Guide (Guide) administered by the Local Assistance Division of the Virginia Department of Transportation (VDOT).

Dinwiddie County plans to develop approximately 81-acres located southwest of the City of Petersburg, off of U. S. Highway 1, between (Blue Tartan Road (Route 615) and Duncan Road (Route 670). The property does not have adequate, unrestricted access to a public road system. The County proposes to construct a new roadway extending from U. S. Highway 1, and continuing southward to the proposed entrance of the site development. Following the County's resolution in request of the project, Dinwiddie County finalized its negotiations with the grocery retail company ALDI which plans to build a 500,000 square-foot division headquarters and distribution center on the subject 81-acre site. Dinwiddie County will administer design and construction of the proposed access road project.

The Virginia Economic Development Partnership (VEDP) has determined that the ALDI development is a qualifying establishment warranting the use of Economic Development Access Program funds.

The proposed access road is planned to provide for a 24-foot wide asphalt roadway with curb and gutter and sidewalks within a 50-foot right of way, extending from U. S. Highway 1 (Boydton Plank Road) and continuing south approximately 0.21 mile in length to provide appropriate and adequate access to the planned operation's entrance. VDOT District staff recommends the project and have estimated project costs for eligible items and quantities to be \$1,370,000. Dinwiddie County will be responsible for financial arrangements to provide for all project costs

exceeding the state EDA Program allocation. Documentation of qualifying capital investments of \$3,250,000 or receipt of appropriate bonding from the County will be required.

**Recommendations:** VDOT recommends that the maximum allocation of \$650,000 from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies as set forth in the accompanying resolution.

**Action Required by the CTB:** The *Code of Virginia* and the CTB's Economic Development Access Fund Policy specify that the CTB shall approve of the allocation of funds for the construction of the access road project. A resolution is provided for formal vote.

**Result, if Approved:** VDOT and the County of Dinwiddie will proceed with the Economic Development Access road project.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None

# County of Dinwiddie Board of Supervisors

## MINUTES

**Regular Meeting – August 16, 2016, 3:02 PM**  
Board Meeting Room, Pamplin Administration Building  
14016 Boydton Plank Road, Dinwiddie, Virginia

Supervisors Present:

Brenda Ebron-Bonner, *Chair*  
Harrison A. Moody, *Vice Chair*  
Dr. Mark E. Moore  
William D. Chavis  
Daniel D. Lee

Election District 5  
Election District 1  
Election District 2  
Election District 3  
Election District 4

Administration Present:

W. Kevin Massengill, *County Administrator*  
Anne Howerton, *Deputy County Administrator,*  
*Finance and General Services*  
Tyler Southall, *County Attorney*

**Extract:**

**7.A. ACTION ITEMS: RESOLUTION: ECONOMIC DEVELOPMENT ACCESS PROGRAM PARTICIPATION**

*Upon motion of Mr. Lee, seconded by Mr. Moody,*

**RESOLUTION OF THE BOARD OF SUPERVISORS OF DINWIDDIE COUNTY, VIRGINIA  
AUTHORIZING PARTICIPATION IN THE VIRGINIA DEPARTMENT OF TRANSPORTATION'S  
ECONOMIC DEVELOPMENT ACCESS (EDA) PROGRAM BONDED PROJECT**

WHEREAS, the County of Dinwiddie, Virginia desires to assist in the development of property for the purpose of economic development located off of Boydton Plank Road (U.S. Route One) in the County of Dinwiddie, Virginia, within the Patton Park Development; and

WHEREAS, this property is expected to be the site of new private capital investment in land, building, and manufacturing equipment which will provide substantial employment; and

WHEREAS, the subject property has no access to a public street or highway and will require the construction of a new roadway to connect with Boydton Plank Road (U.S. Route One); and

WHEREAS, the County of Dinwiddie hereby guarantees that the necessary environmental analysis, mitigation, fee simple right of way and utility relocations or adjustments, if necessary, for this project will be provided at no cost to the Economic Development, Airport and Rail Access Fund; and

WHEREAS, the County of Dinwiddie acknowledges that no land disturbance activities may occur within the limits of the proposed access project prior to appropriate notification from the Department of Transportation; and

WHEREAS, the County of Dinwiddie hereby acknowledges that the Virginia Department of Transportation's Economic Development Access (EDA) Program may provide up to a maximum of \$650,000 for a project and requires matching funding, up to \$150,000, from the County of Dinwiddie, for estimated eligible project costs over \$500,000, up to \$800,000.

WHEREAS, the County of Dinwiddie hereby guarantees that financing of all ineligible project costs, project costs exceeding the EDA Program project allocation, EDA Program required locality matching funds, if applicable, and all costs not justified by eligible capital outlay will be provided from sources other than those administered by the Virginia Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED THAT: The Dinwiddie County Board of Supervisors hereby requests that the Commonwealth Transportation Board provide Economic Development Access Program funding to provide adequate road access to this property; and

BE IT FURTHER RESOLVED THAT: The Dinwiddie County Board of Supervisors hereby agrees to provide a surety or bond, acceptable to and payable to the Virginia Department of Transportation, in the full amount of the Commonwealth Transportation Board's allocation less eligible private capital outlay credit as determined by VDOT; this surety shall be exercised by the Department of Transportation in the event that sufficient qualifying capital investment does not occur on Tax Map Numbers 21-100 and 21-102, within five years of the Commonwealth Transportation Board's allocation of funds pursuant to this request; and

BE IT FURTHER RESOLVED THAT: The County Administrator and/or his designee(s) be authorized to act on behalf of the Board of Supervisors to execute any and all documents necessary to secure funding sought through the Economic Development Access Program; and

BE IT FURTHER RESOLVED THAT: The County of Dinwiddie Board of Supervisors hereby requests that the new roadway so constructed will be added to and become a part of the secondary system of state highways in the County of Dinwiddie pursuant to Section 33.2-1509, paragraph C., of the *Code of Virginia*.

AYES: Mr. Moody, Dr. Moore, Mr. Chavis, Mr. Lee, Ms. Ebron-Bonner

NAYS: None

A Copy TESTE:

  
\_\_\_\_\_  
W. Kevin Massengill  
County Administrator, Clerk to the Board



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item 7*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 21, 2016

#### MOTION

**Made By:** \_\_\_\_\_ **Seconded By:** \_\_\_\_\_

**Action:** \_\_\_\_\_

**Title: Revenue Sharing Reallocation**  
**County of Dickenson – DC Caney Ridge Road**

**WHEREAS**, Section 33.2-357 of the *Code of Virginia* (1950), as amended (“*Code*”) prescribes that from funds made available by the General Assembly, the Commonwealth Transportation Board (CTB) may make an equivalent matching allocation to any locality for the improvement, construction, reconstruction or maintenance of the highway systems within such locality; and

**WHEREAS**, the governing body of the County of Dickenson elected to participate in this program for fiscal year 2013 and, with the Virginia Department of Transportation (VDOT), identified specific eligible items of work to be financed from the special fund account; and

**WHEREAS**, the governing body of the County of Dickenson has, by appropriate resolution, requested the DC Caney Ridge Road (UPC 86726) project to be established as a revenue sharing project; and

**WHEREAS**, the governing body of the County of Dickenson has, by appropriate resolution, requested that the funds set forth herein be transferred from two projects that were for performing reconstruction of asphalt on various coal truck routes throughout the county (UPC 101118 and UPC 102726) to the DC Caney Ridge Road Project (UPC 86726) for specific eligible items of work, as indicated herein; and

**WHEREAS**, these items of work fall within the intent of § 33.2-357 of the *Code*, and comply with the CTB’s guidelines for the use of such funds.

Resolution of the Commonwealth Transportation Board  
 Reallocation of Revenue Sharing Program Funds  
 County of Dickenson, DC Caney Ridge Rd  
 September 21, 2016  
 Page Two

**NOW, THEREFORE, BE IT RESOLVED**, that the Commonwealth Transportation Board hereby approves the transfer of these funds as indicated herein.

**Reallocation of Funds Pursuant to  
 Section 33.2-357 of the Code of Virginia**

Fiscal Year of Revenue Sharing Allocation	Locality Match	State Match	Original Project Number (UPC)	New Project Number (UPC)	Scope of Work for New Project
<b>County of Dickenson</b>					
2012-13	\$202,532	\$202,533	101118	86726	Reconstruction
2012-13	\$358,556	\$358,556	102726	86726	Reconstruction

#####

## CTB Decision Brief

### Revenue Sharing Reallocation – County of Dickenson DC Caney Ridge Road Project

**Issue:** The County of Dickenson has requested that an existing Secondary Six-Year Plan project be approved as a revenue sharing project and that revenue sharing funds be reallocated to that project.

**Facts:** Section 33.2-357 of the *Code of Virginia* authorizes the Commonwealth Transportation Board (CTB) to make matching allocations to any city, town or county for highway projects. The CTB approves each project and scope of work, and the program funds are distributed and administered in accordance with guidelines established by the CTB.

The revenue sharing program guidelines stipulate that funds may be transferred from a revenue sharing project to an existing project in the Secondary Six-Year Plan if approved by the CTB. In addition, such transfers require that either the funds are needed to meet the approved federal obligation schedule or the funds are needed to ensure that a scheduled advertisement or award date can be met or accelerated. The transfer request must also include a resolution from the locality establishing the project as a revenue sharing project.

The County of Dickenson requests that the Virginia Department of Transportation (VDOT) reallocate funds from two (2) existing revenue sharing projects that were for reconstruction of various coal truck routes county-wide, (UPC 101118 and UPC 102726)) to a project in the Secondary Six-Year Plan, DC Caney Ridge Road project – UPC 86726, which currently is not being funded with revenue sharing funds. The County of Dickenson, by resolution, has established the DC Caney Ridge Road – UPC 86726 project as a revenue sharing project and has requested, by resolution, to have revenue sharing funds transferred from the various coal truck route county-wide (UPCs 101118 and 102726) projects which have all been completed and have a surplus of funds. This transfer will accelerate the DC Caney Ridge Road project – UPC 86726 from an advertisement date of December 2020 to July 2017. The transfer will not affect the overall allocation of the revenue sharing program.

**Recommendations:** VDOT recommends that DC Caney Ridge Road – UPC 86726 project in the Secondary Six-Year Plan be established as a revenue sharing project and the proposed reallocation be approved.

**Action Required by CTB:** A resolution is presented for CTB approval to establish the DC Caney Ridge Rd – UPC 86726 project as a revenue sharing project and document CTB approval of the reallocation.

**Result, if Approved:** Revenue Sharing Program funding will be reallocated in accordance with the Board of Supervisors' request to the CTB. VDOT and the County of Dickenson will be able to accelerate advertisement of the DC Caney Ridge Road project.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** N/A

# DICKENSON COUNTY BOARD OF SUPERVISORS

Board of Supervisors

SHELBY WILLIS, CHAIRWOMAN  
KENADY DISTRICT

RON PETERS, VICE-CHAIRMAN  
SANDLICK DISTRICT

DAVID PERRY  
CLINTWOOD DISTRICT

DAVID YATES  
ERVINTON DISTRICT

JASON COMPTON  
WILLIS DISTRICT



County Administrator  
G. DAVID MOORE, JR.

P.O. Box 1098  
Clintwood, Virginia 24228  
Telephone: 276/926-1676  
Fax: 276/926-1649  
Email: [dmoore@dickensonva.org](mailto:dmoore@dickensonva.org)

June 22, 2016

Jackie Christian  
VDOT  
P.O. Box 60  
Wise, VA 24293

Dear Jackie:

Enclosed please find a Resolution adopted by the Dickenson County Board of Supervisors at their regular meeting on June 21, 2016 requesting a project be designated as an eligible revenue sharing project.

If you have any questions please contact me.

Sincerely,

G. David Moore, Jr.  
County Administrator

Enclosure



The Board of Supervisors of Dickenson County Virginia, in regular meeting on the 21ST day of JUNE, 2016, adopted the following:

**RESOLUTION REQUESTING THE FOLLOWING PROJECT BE DESIGNATED AS AN ELIGIBLE REVENUE SHARING PROJECT:**

UPC 86726; Project: 0649-025-713 – DC Caney Ridge Rd. – Fr.: 0.077 Mi. N. Wise Co. Line, To: 0.326 Mi. N. Wise Co. Line; 0.25 mi.

**WHEREAS**, the Dickenson County Board of Supervisors (Board) has previously passed a resolution to include project 0649-025-713, UPC 86726, as the first priority on their existing 2015-2016 through 2020-2021 Secondary Six Year Improvement Plan, and it will remain the County's first priority on their 2016-2017 through 2021-2022 Secondary Six Year Improvement Plan, and

**WHEREAS**, said project has an estimate of \$2,650,000, is not fully funded through Construction and is in need of an additional \$1,122,177, and,

**WHEREAS**, the Board has dedicated monies to the following VDOT Administered Revenue Sharing projects in Dickenson County which are complete and have surplus funding as follows, and,

UPC 101118 9999-025-R55 (RS)     \$405,065 (\$202,532 state match/\$202,533 local match)

UPC 102726 9999-025-R62 (RS)     \$717,112 (\$358,556 state match/\$358,556 local match)

**WHEREAS**, the Board wishes to utilize the available surplus Revenue Sharing funds indicated above to advance the advertisement of and construct VDOT administered Project 0649-025-713 UPC 86726, and,

**NOW, THEREFORE BE IT RESOLVED**, by the Board that Project 0649-025-713, UPC 86726, be considered and designated as a Revenue Sharing Project; and that surplus Revenue Sharing funds be transferred from Revenue Sharing projects UPC 101118 9999-025-R55 and UPC 102726 9999-025-R62, in order to fully fund Project 0649-025-713 UPC 86726; and that these actions be placed on the agenda of the next meeting of the Commonwealth Transportation Board for their approval of this Resolution adopted by the Dickenson County Board of Supervisors, and,

**BE IT FURTHER RESOLVED**, that a certified copy of this Resolution be forwarded to the Residency

Administrator for the Virginia Department of Transportation.

Recorded Vote

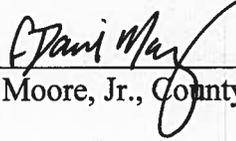
Moved by: DAVID YATES

Seconded by: RON PETERS

Yeas: 5

Nays: 0

A Copy Teste:



G. David Moore, Jr., County Administrator



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

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*Agenda item # 8*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

#### **Title: Statewide Advanced Traffic Management Systems (ATMS) Contract Award**

**WHEREAS**, VDOT currently operates five regional Transportation Operations Centers (TOCs) throughout the state, utilizing the Q-Free Open Roads OpenTMS system in its Salem, Staunton, Northern Virginia and Richmond TOCs, and the Kapsch DYNAC system in its Hampton Roads TOC; and

**WHEREAS**, each TOC monitors and manages traffic and disseminates real-time traffic/roadway conditions to the traveling public, supporting agencies and media outlets, with maintenance for the existing systems currently provided under two Transportation Operations Technology Support Services (TOTSS) contracts that expire in September 2016; and

**WHEREAS**, in order to promote efficiency, improve communication, and enhance consistency, VDOT proposes to consolidate all of its transportation operational systems into a single statewide ATMS that will be available to all of VDOT's TOCs, providing TOC interoperability, reducing the number of systems and infrastructure, and allowing for critical technology upgrades needed to improve and enhance current functionality and integration; and

**WHEREAS**, VDOT has determined that Open Roads Consulting, Inc. dba Q-Free, a Virginia Corporation, (hereinafter "Q-Free") is currently the only practically available provider of the software upgrades and consulting services needed to maintain existing operations while simultaneously consolidating functions, eliminating legacy systems, and enhancing operational capabilities; and

**WHEREAS**, VDOT recommends award of the Contract for this Project to Q-Free as a sole source provider of software and consulting services, subject to the contingencies set out below; and

**WHEREAS**, Commonwealth Transportation Board (CTB) approval of this contract is required by § 33.2-209 of the *Code of Virginia* as a contract for "...construction, maintenance, and improvement of the highways comprising systems of state highways...in excess of \$5 million..."

**NOW, THEREFORE, BE IT RESOLVED**, that the CTB hereby concurs with VDOT's recommendation and hereby agrees to award the Contract for this Project to Q-Free, subject to the following:

- (1) VITA approval is received for the sole source procurement.
- (2) Agreement between the Commissioner and Q-Free on final terms and conditions for the contract.

**BE IT FURTHER RESOLVED**, by the CTB, that the Commissioner of Highways, or his designee, is granted the authority to execute the Contract and all other documents necessary to effectuate the award of this Contract to Q-Free once these conditions have been met.

####

## CTB Decision Brief

### Statewide Advanced Traffic Management Systems (ATMS) Contract Award

**Issue:** The Virginia Department of Transportation (VDOT) seeks to consolidate the transportation management systems at its five Transportation Operations Centers (TOCs) and other statewide systems into one, consolidated statewide management system. After a failed attempt by its contractor in 2013 to accomplish this task, VDOT has identified a solution that involves a sole source procurement for software and IT consulting services under a single contract with Open Roads Consulting, Inc. dba Q-Free with a total value of approximately \$25.8 Million. VDOT is seeking Commonwealth Transportation Board (CTB) approval of the contract award pursuant to § 33.2-209 of the *Code of Virginia*.

**Facts:** VDOT currently operates five regional TOCs throughout the state. Four of the TOCs operate on the Q-Free Open Roads OpenTMS system, which is an Advanced Traffic Management System (ATMS) customized to meet the specific needs of each TOC. The Hampton Roads TOC uses the Kapsch DYNAC system. Currently, each TOC monitors and manages traffic and disseminates real time traffic/roadway conditions to the traveling public, supporting agencies and media outlets. Services to maintain the existing systems are currently provided under two Transportation Operations Technology Support Services (TOTSS) contracts, one with Q-Free, and one with Kapsch. Both are sole-source contracts that expire in September 2016.

Over the past 15 years, VDOT has invested millions of dollars customizing the existing Open Roads suite of products to meet VDOT's specific needs at four of its TOCs, and provide statewide systems that report roadway conditions, manage requested lane closures, collect transportation-related information from 911 dispatch centers and deliver information to VDOT's 511 traveler information service. In order to promote efficiency, improve communication and enhance consistency, VDOT proposes to consolidate all of its regional and statewide transportation operational systems into one statewide ATMS that will be available to all of VDOT's TOCs. This consolidation will provide for TOC interoperability, reduce the number of systems and infrastructure, and allow for critical technology upgrades needed to improve and enhance current functionality and integration.

In fact, several of the customized programs created for VDOT will either be integrated into or replaced by the upgraded, statewide version of the Open Roads software, allowing all TOCs to utilize these capabilities from a single, hosted solution. This enables a consistent approach to training and operations across all five TOCs and will allow for the functionality of all traffic devices across the Commonwealth. The capability of the ATMS to interface or integrate with traffic devices, such as the Afton Mountain Fog System and other roadway systems and sensors, is of particular importance to public safety. There are over four thousand traffic devices that currently interface or integrate with the existing software applications.

In 2013, VDOT signed a contract that included provision of a new Statewide ATMS. The proposal in that contract was to combine all of the TOCs onto a consolidated platform utilizing the iNET system from Delcan. Neither the contractor nor its subcontractor was able to successfully deliver the ATMS and the contract was eventually terminated. One critical failure of the new system was the inability to successfully interface with key traffic devices around the state.

Q-Free has developed the suite of existing custom systems through a methodical systems engineering process to identify and address Virginia's unique transportation operations needs. Under the proposed contract, all of the individual elements that currently comprise the Open Roads suite of products will be combined into a single, statewide system benefitting the entire Commonwealth. Furthermore, additionally needed functionality will be included to meet the current needs of VDOT. Ultimately, this contract will allow the TOTSS contracts to expire as all services will be provided through the new statewide ATMS contract.

Experience gained from the previous solicitation and the experience with the previous contract makes it clear that utilization of a contractor offering a different system at this point in the evolution of the ATMS is likely to lead to interruptions of service in critical traffic control devices as well as significant costs for a new contractor to learn VDOT's requirements for its existing systems. Based on these considerations, VDOT has determined that Q-Free is currently the only practically available provider of the software upgrades and consulting services needed to maintain existing operations while simultaneously consolidating functions, eliminating legacy systems and enhancing operational capabilities.

For this reason, VDOT has pursued this contract as a sole source procurement. VDOT is currently seeking VITA approval for the sole source procurement.

All work under this agreement will be performed during an initial four-year term under the terms of the contract as currently drafted. While negotiations are continuing with the contractor, it is not anticipated that there will be any significant changes in the final contract. CTB approval of this contract is required by § 33.2-209 of the *Code of Virginia* as a contract for "...construction, maintenance, and improvement of the highways comprising systems of state highways...in excess of \$5 million..." The total value of the proposed contract with Q-Free is \$25,782,347.

**Recommendation:** It is recommended that the CTB authorize the Commissioner to execute the contract with Q-Free once negotiations are final and VITA approval is received.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote.

**Result, if Approved:** The Commonwealth Transportation Commissioner will enter into an agreement with Q-Free as presented above.

**Public Comments/Reactions:** None solicited.



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item #9*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 21, 2016

#### MOTION

Made By: ,

Seconded By:

#### Action:

**Title: Authorization for the Commissioner of Highways to Enter into a Project Agreement Between VDOT and the Hampton Roads Transportation Accountability Commission Regarding I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692)**

**WHEREAS**, the Virginia General Assembly, pursuant to Chapter 26 of Title 33.2 of the *Code of Virginia*, established the Hampton Roads Transportation Accountability Commission (HRTAC), a political subdivision of the Commonwealth; and

**WHEREAS**, the Virginia General Assembly, pursuant to §33.2-2600 of the *Code of Virginia* also established the Hampton Roads Transportation Fund (HRTF) to fund new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23; and

**WHEREAS**, pursuant to §33.2-2608 the HRTAC may enter into contracts or agreements necessary or convenient for the performance of its duties and the exercise of its powers under Chapter 26; and

**WHEREAS**, §33.2-214 (C) of the *Code of Virginia* empowers the Commonwealth Transportation Board (Board) to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes; and

**WHEREAS**, HRTAC approved use and allocation of \$580,000,000 from the HRTF for Right of Way and Construction of the I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692) (Project) at its June 16, 2016 meeting, authorizing the Executive Director of HRTAC and HRTAC counsel to work with VDOT to prepare

Resolution of the Board

Authorization for the Commissioner of Highways to Enter into a Project Agreement Between VDOT and the Hampton Roads Transportation Accountability Commission Regarding I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692)

September 21, 2016

Page Two

and finalize a Project Agreement for HRTAC's review, consideration and approval at HRTAC's September, 2016 meeting; and

**WHEREAS**, VDOT and HRTAC's Executive Director and counsel prepared a Project Agreement that was considered and approved by HRTAC at its September, 2016 meeting; and

**WHEREAS**, VDOT has requested that the Board authorize the Commissioner to enter into an agreement with HRTAC, attached hereto as Exhibit A, regarding right of way and construction for the I-64 Southside Widening and High Rise Bridge Project-Phase I, using funds from the HRTF provided by HRTAC for said purpose.

**NOW, THEREFORE, BE IT RESOLVED**, the Commonwealth Transportation Board hereby authorizes the Commissioner of Highways to enter into the agreement with HRTAC relating to the use of HRTF funds for right of way and construction for the I-64 Southside Widening and High Rise Bridge Project- Phase I, in substantially the same form as Exhibit A (the Agreement), with such changes and additions as the Commissioner deems necessary.

####

## CTB Decision Brief

Delegation of Authority for the Commissioner of Highways to Enter into a Project Agreement Between VDOT and the Hampton Roads Transportation Accountability Commission Regarding I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692)

**Issue:** The I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692) (Project) will include right of way and construction phases to widen I-64 from four lanes to six beginning east of I-264 to east of I-464 and construction of a four lane capacity fixed span interstate highway bridge adjacent to the existing High Rise Bridge.

The Hampton Roads Transportation Accountability Commission (HRTAC), at its June 16, 2016 meeting, approved use and allocation of \$580,000,000 from the Hampton Roads Transportation Fund (HRTAC Funds) for Right of Way and Construction of the I-64 Southside Widening and High Rise Bridge Project-Phase I (UPC 106692) (Project), and at its September, 2016 meeting, approved a Project Agreement between VDOT and HRTAC relating to the use of said funds for the Project. The Virginia Department of Transportation (VDOT) seeks from the Commonwealth Transportation Board (Board) approval of and authority for the Commissioner to enter into said Agreement between VDOT and HRTAC.

**Facts:** The General Assembly established the Hampton Roads Transportation Fund, set forth in § 33.2-2600 of the *Code of Virginia*, which is to be funded by revenues from the new taxes imposed in Planning District 23 pursuant to Chapter 766 of the 2013 Acts of Assembly. In 2014, the Virginia General Assembly established HRTAC (see § 33.2-2601 of the *Code of Virginia*), a political subdivision of the Commonwealth, which among its various responsibilities, is to approve use of HRTAC funds for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23.

Section 33.2-214(C) of the *Code of Virginia* empowers the CTB to enter into contracts (agreements) with local districts, commissions, agencies or other entities created for transportation purposes.

HRTAC, in its June 2016 meeting, provided approval of \$580,000,000 in HRTAC funding to pay the costs of right of way and construction phases of the Project, and authorized the Executive Director of HRTAC and HRTAC counsel to work with VDOT to prepare and finalize a Project Agreement for HRTAC's review, consideration and approval at HRTAC's September, 2016 meeting. VDOT and HRTAC's Executive Director and counsel prepared a Project Agreement that was considered and approved by HRTAC at its September, 2016 meeting.

**Recommendation:** VDOT recommends that the Board delegate to the Commissioner the authority to enter into an agreement with HRTAC relating to the use of HRTAC funds for right of way and construction of the I-64 Southside Widening and High Rise Bridge Project-Phase I.

**Action Required by the CTB:** Approve by majority vote the resolution providing the authorization recommended herein.

**Result, if Approved:** The Commissioner will be authorized to enter into an agreement between VDOT and HRTAC, for use of HRTAC Funds to pay the costs of right of way and construction of the I-64 Southside Widening and High Rise Bridge Project-Phase I.

**Options:** Approve, Deny or Defer

**Public Comments/Reactions:** N/A

EXHIBIT A

**Standard Project Agreement for Funding and Administration  
between  
Hampton Roads Transportation Accountability Commission  
and  
Virginia Department of Transportation**

HRTAC Project Number: \_\_\_\_\_

This Standard Project Agreement for Funding and Administration (the "Agreement") is made and executed in duplicate on this \_\_\_\_ day of \_\_\_\_\_, 2015, as between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT").

**WITNESSETH**

WHEREAS, Chapter 766 of the 2013 Acts of Assembly established the Hampton Roads Transportation Fund (the "HRTF"), and provides that moneys deposited in the HRTF are to be used solely for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, Chapter 678 of the 2014 Acts of Assembly (now codified in Section 33.2-2600 *et seq.* of the Code of Virginia, as amended) (the "HRTAC Act") created HRTAC as a political subdivision of the Commonwealth of Virginia, and moved the responsibility to determine the projects that will be funded by the HRTF from the Hampton Roads Transportation Planning Organization to HRTAC;

WHEREAS, under Sections 33.2-2606 and 33.2-2607 of the Code of Virginia, HRTAC is also authorized to issue bonds and other evidences of debt, and to impose and collect certain tolls;

WHEREAS, Section 33.2-2611 of the Code of Virginia requires HRTAC to use all moneys it receives (the "HRTAC-Controlled Moneys"), which include, without limitation, moneys from the HRTF as well as any bond proceeds and collections from any tolls imposed by HRTAC, solely for the benefit of those counties and cities that are embraced by HRTAC, and in a manner that is consistent with the purposes of the HRTAC Act;

WHEREAS, VDOT is the Virginia state agency responsible for building, maintaining and operating the interstate, primary, and secondary state highway systems ("VDOT Highways");

WHEREAS, in light of VDOT's responsibilities with respect to VDOT Highways, and HRTAC's responsibilities with respect to the application of the HRTAC-Controlled Moneys, VDOT and HRTAC entered into a Memorandum of Agreement dated March 30, 2015 (the "MOA");

WHEREAS, the MOA contemplates that HRTAC may from time to time enter into Project Agreements for Funding and Administration of projects that HRTAC selects and HRTAC requests VDOT to administer and/or develop with HRTAC Controlled Moneys;

WHEREAS, HRTAC has determined that it desires to proceed with the project set forth and described on Appendix A to this Agreement (the "Project"), and that the Project would benefit the cities and counties that are embraced by HRTAC and it otherwise satisfies the requirements of the HRTAC Act;

WHEREAS, VDOT agrees to administer and/or develop the Project in accordance with the budget (the "Project Budget") and cashflow and construction schedule (the "Project Schedule") set forth and described on Appendix B to this Agreement (this Agreement and its appendices may be amended from time to time by mutual agreement of the parties to address mutually agreed changes relating to, among other things, Project scope, design, funding and regulatory approvals);

WHEREAS, HRTAC desires to provide funding for the administration and/or development of the Project out of HRTAC-Controlled Moneys, subject to the terms, conditions and limitations set forth herein;

WHEREAS, the Commonwealth Transportation Board ("CTB") has the authority, pursuant to Section 33.2-214 of the Code of Virginia, to cause VDOT to enter into this Agreement and has authorized the Commissioner of Highways to enter into agreements with HRTAC for project administration and development purposes, and Section 33.2-2608 of the Code of Virginia authorizes HRTAC to enter into this Agreement; and

WHEREAS, the CTB, by resolution passed on January 14, 2015, resolved that any agreement between VDOT and HRTAC for project services shall provide that overruns or other additional project costs shall be prorated between HRTAC and VDOT so that each party bears a proportionate share of the additional costs based on each party's percentage responsibility of the initial project budget; and

WHEREAS, HRTAC's governing body and the CTB have each authorized that their respective designee(s) execute this Agreement on their respective behalf(s) as evidenced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

1. Complete or perform or cause to be completed or performed all work relating to the Project, as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with (i)

any and all applicable federal, state, and local laws and regulations, and (ii) all terms and conditions of this Agreement, including, without limitation, the Project Budget and Project Schedule reflected in Appendix B, which Project Budget and Project Schedule (A) VDOT represents have been prepared in good faith, in accordance with the practices and procedures that VDOT uses for projects where the state or VDOT bears the cost of the project (including, without limitation, the practices used to price and budget services that may be internally sourced, such as Construction Engineering Inspection/CEI), and (B) the parties acknowledge may be amended pursuant to Section A.8 below or as follows:

- (a) In the event that VDOT determines, after receipt of proposals or bids for any work related to the Project, that the cost of the contract for said work will result in a significant reduction in costs associated with a portion of the Project Budget reflected in Appendix B that is allocated to work covered by the contract, then VDOT shall notify HRTAC's Executive Director of the significant reduction in costs. For purposes of this Section A.1(a), HRTAC and VDOT agree that a "significant reduction in costs" shall mean a reduction in costs that has the effect of reducing, in Appendix B, (x) the costs for the particular portion of the Project Budget allocated to work covered by the contract by more than 20 percent or (y) the entire Project Budget either by more than 10 percent or \$10,000,000, whichever applies. In the event there is a significant reduction in costs, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the effect of the reduction (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state or federal contributions, then the commitment of each funding source would be reduced by its proportionate share of the reduction in costs, which proportionate share will be based on the funding source's proportionate responsibility for the total budgeted costs before the reduction was realized) (for the avoidance of doubt, the amount by which a commitment is reduced shall be considered deobligated from the Project).
- (b) In the event that any federal or state funding not previously available for the Project becomes available for any portion of the Project Budget reflected in Appendix B, then VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to fairly reflect the benefit of the additional funding (by way of example, if the Appendix B costs are to be paid initially from both HRTAC-Controlled Moneys and state contributions, but federal funding subsequently becomes available, then the respective commitments of HRTAC and the state would be reduced by each party's proportionate share of the additional funds, which proportionate share will be based on the party's proportionate responsibility for

the total budgeted cost before the additional funding became available).

2. Without limiting the foregoing,
  - (a) VDOT shall select contractors, contract with contractors, and administer and enforce contracts all in a manner that is consistent in all material respects with the policies, procedures and practices that VDOT uses where the state or VDOT bears the cost of a project; for example, VDOT shall use its customary policies, procedures and practices relating to requesting bids/proposals, negotiating/finalizing terms and conditions of contracts (using, where applicable, standard terms/forms), and monitoring and enforcing performance of contracts;
  - (b) VDOT shall not enter into any contract to perform the work related to the Project if (i) the cost of that contract would exceed the portion of the Project Budget reflected in Appendix B that is allocated to the work covered by that contract, (ii) the cost of that contract, when aggregated with the cost of all other contracts relating to the Project that have been, or are expected to be, entered into would exceed the Project Budget reflected in Appendix B, or (iii) the schedule in the contract for performing and paying for the work related to the Project would be materially different (whether accelerated or delayed) from the Project Schedule set forth in Appendix B; in addition, if the bids or proposals received for any portion of the Project are not qualitatively consistent with VDOT's standards for that work or quantitatively within VDOT's projections for that work, each as determined by VDOT in its good faith judgment, VDOT shall (i) undertake a new procurement, or (ii) recommend alternative measures to HRTAC, and seek HRTAC's advice and consent regarding pursuit of those alternative measures. If HRTAC grants its written consent to a modification to the Project Budget and/or Project Schedule in order to permit VDOT to enter into a contract to perform the work, VDOT and HRTAC will work reasonably and in good faith to amend Appendix B to reflect the modified Project Budget and Project Schedule.
3. Perform or have performed in accordance with VDOT's standards for highways, bridges and tunnels all design and engineering, all environmental work, and all right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions, as is required by this Agreement or that may be necessary for completion of the Project pursuant to the terms of this Agreement. If VDOT determines that a delay will more likely than not prevent the completion of a material phase of the Project (e.g., PE or ROW acquisition), or the entire Project, in accordance with the Project Schedule,

VDOT shall notify HRTAC in writing and provide HRTAC with such information as HRTAC may reasonably request, including information pertaining to potential corrective measures and remedies against the contractor (if VDOT and HRTAC mutually develop a model notice for such purposes, VDOT's notice will follow the format of the model).

4. Not use any funds provided by HRTAC, including the funds specified on Appendix B, to pay any Project cost if the HRTAC Act does not permit such Project cost to be paid with HRTAC funds.
5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which HRTAC will provide funding for such multiple funding phases (as scheduled on Appendix B), HRTAC may not have sufficient cash flows to permit accelerated funding to VDOT and to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to HRTAC's Executive Director explaining VDOT's reasons why HRTAC should authorize acceleration to the next funding phase. (As used in this Agreement, "Executive Director" shall mean HRTAC's Chairman if at any applicable time, HRTAC has not engaged a dedicated, full-time Executive Director.) HRTAC's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and HRTAC's current and projected cash flow position and make a recommendation to HRTAC whether to authorize VDOT's requested accelerated funding. The foregoing shall not prohibit VDOT from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from HRTAC for having advance funded a future phase of the Project; however, VDOT further recognizes that HRTAC's reimbursement to VDOT for having advance funded a phase of the Project will be dependent upon HRTAC's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which the reimbursement of any such advanced funding is otherwise consistent with the terms of this Agreement, including Appendix B.
6.
  - (a) Permit HRTAC's Executive Director to periodically update HRTAC's cash flow estimates for the Project with the objective toward keeping those estimates accurate throughout the performance of the Project. VDOT shall provide all available information reasonably required by HRTAC so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the performance of the Project as described in Appendix B.
  - (b) Provide HRTAC's Executive Director with the monthly reports described on Appendix D.

7. Provide to HRTAC's Executive Director requests for payment consistent with Appendix C (and the most recently approved HRTAC cash flow estimates) that include (a) HRTAC's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by HRTAC, and (b) certifications that all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by HRTAC, VDOT can expect to receive payment within twenty (20) days upon receipt by HRTAC. Approved payments may be made by means of electronic transfer of funds from HRTAC to or for the account of VDOT.
  
8. (a) Promptly notify HRTAC's Executive Director if VDOT determines that any additional, unbudgeted costs may be incurred to perform and complete the Project ("Additional Costs"), which notice shall include a description of the Additional Costs, an explanation of how they arose and the assumptions in the initial budget regarding those costs, and a detailed estimate of the Additional Costs. VDOT shall make recommendations regarding any curative actions that may be available relating to such Additional Costs, including any potential modification or reduction that may be made to the Project scope or design, or any other action, in order to stay within the initial budget for the Project. If the Additional Costs can be absorbed in the Project Budget by modifying or reducing the scope or design of the Project (or avoided by cancelling the Project or any portion thereof), HRTAC may, in its sole discretion, elect to (i) authorize VDOT to proceed with such modifications or reductions, (ii) authorize the Additional Costs (or if a combination of (i) and (ii) is feasible, HRTAC may elect such combination), or (iii) elect to cancel the Project or a portion thereof; provided, however, in any case, the respective obligations of VDOT and HRTAC, as modified by the elected alternative, shall be set forth in an amendment to this Agreement (VDOT and HRTAC shall work in good faith to finalize and execute such amendment). If the Additional Costs cannot be absorbed in the initial budget by modifying or reducing the scope or design of the Project (and HRTAC elects option (ii) above), then, subject to Section F below, such Additional Costs shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget. In the event that HRTAC elects to cancel the Project (or any portion thereof) pursuant to this Section A.8(a)(iii), (A) all compensation due and owing to any and all contractors for work on the Project that has been completed at the time of cancellation, shall be paid in accord with Appendix B, and (B) subject to Section F, all reasonable costs associated with the cancellation due and owing to

said contractors pursuant to the terms of the contracts with the contractors, which terms shall be consistent with VDOT's standard contract terms relating to contract cancellation and termination, (the "Breakage Compensation"), shall be paid with HRTAC-Controlled Moneys, unless VDOT and HRTAC mutually determine that cancellation of the Project is necessary or warranted, in which case, the Breakage Compensation shall be paid from HRTAC-Controlled Moneys and state and federal funds prorated based on the respective proportionate share of HRTAC-Controlled Moneys and state and federal funds in the Project Budget.

- (b) VDOT shall not include in any contract with a contractor working on the Project any term, condition or remedy in respect of Additional Costs that is more favorable to the contractor than the terms, conditions or remedies VDOT includes in standard contracts where the state or VDOT bears the cost of the project.
- (c) The Additional Costs may include costs incurred by VDOT as a result of contractor claims relating to the Project made pursuant to the VDOT Roads and Bridge Specifications and §§ 33.2-1101 through 33.2-1105 of the Code, as amended. VDOT shall promptly notify HRTAC if any such claims are made or VDOT receives a notice of intent to file a claim or other written communication from a contractor relating to a claim or contractual dispute that could result in increased contract costs, and whether in each such case the claimed amount is expected to become, or result in, Additional Costs (and the estimate thereof) or is expected to have a material adverse effect on the contingency reserves established as part of the Project Budget (and the estimated effect thereon). VDOT shall be responsible to handle all such claims and notices of intent, but VDOT may not settle any claim or notice of intent to file a claim and thereafter submit it as an Additional Cost pursuant to Section A.8(a) unless the settlement has been approved by HRTAC. Funding for the settlement will be prorated based on the respective proportionate share of the HRTAC-Controlled Moneys and state and federal funds in the Project Budget. Should the claim not be settled, any final judgment from a court of competent jurisdiction shall be paid in accordance with the proration rule set forth in the preceding sentence.
- (d) Notwithstanding anything to the contrary set forth herein, if any additional cost (including, without limitation, any additional cost relating to a contractor claim described in Section A.8(c) above) arises out of or results from VDOT's negligence or breach of contract, HRTAC shall not be responsible for such additional costs.

9. Release or return any unexpended funds to HRTAC no later than 90 days after final payment has been made in respect of the Project.
10. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations.
11. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
12. Reimburse HRTAC (or such other entity as may have provided funds) for all funds provided by HRTAC (or on behalf of HRTAC) and, to the extent applicable and permitted by law, with interest earned at the rate earned by HRTAC, that VDOT misapplied, used or requisitioned in contravention of the HRTAC Act or any other applicable law, or any term or condition of this Agreement.
13. Acknowledge that VDOT is solely responsible for the administration and/or development of the Project and all engagements, commitments and agreements with contractors. VDOT shall ensure that VDOT's contractors maintain surety bonds and insurance in amounts and with coverages that VDOT requires under its Road and Bridge Specifications for all work to be performed for the Project, and name HRTAC and its members, officers, employees and, if applicable, any HRTAC bond trustee as additional insureds on any such insurance policy, and present HRTAC with satisfactory evidence thereof before any work on the Project commences.
14. If in connection with the work VDOT engages outside legal counsel approved by the Attorney General (as opposed to utilizing the services of the Office of the Attorney General), VDOT will give HRTAC notice of the engagement so as to ensure that no conflict of interest may arise from any such representation.
15. Subject to and consistent with the requirements of Section F of this Agreement, upon final payment to all contractors for the Project, if the Project is or is part of a VDOT Highway, VDOT will use the Project for its intended purposes for the duration of the Project's useful life. If the Project is or is part of a VDOT Highway, VDOT shall be responsible to operate and/or maintain the Project after its completion (including responsibility to correct any defects or to cause any defects to be corrected), and under no circumstances will HRTAC have any responsibility or obligation to operate and/or maintain the Project (or correct defects with respect to the Project). The provisions in this Section

A.15 will survive the completion of the Project under this Agreement and/or the termination of this Agreement.

16. Comply with all applicable federal, state and local laws and regulations, including without limitation requirements of the Virginia Public Procurement Act.
17. Recognize that VDOT or its contractors are solely responsible for obtaining, and shall obtain, all permits, permissions and approvals necessary to construct and/or operate the Project, including, but not limited to, obtaining all required VDOT and local land use permits, zoning approvals, environmental permits, and regulatory approvals.
18. Recognize that if the Project is being funded, in whole or in part, with federal and/or state funds (in addition to HRTAC Controlled-Moneys), that VDOT shall (a) take any and all necessary actions to satisfy any conditions to such additional federal and/or state funding (provided that such actions are within the control of VDOT) and to enforce any commitments made in connection therewith, (b) comply with all applicable federal and Commonwealth funding requirements within the control or purview of VDOT, and (c) include in its contracts with contractors provisions that permit such contracts to be terminated, without penalty, if the funding is rescinded or otherwise becomes unavailable (for clarification, a provision shall not be deemed to include a penalty solely as a result of terms that require payment of compensation due and owing at the time of cancellation and reasonable costs associated with cancellation provided that such costs are consistent with costs paid pursuant to VDOT's standard contract terms relating to contract cancellation and termination). VDOT acknowledges and agrees that if funding from such an additional federal or state source is rescinded or otherwise becomes unavailable HRTAC (i) shall not be responsible for any amount in excess of its commitment set forth on Appendix B, and (ii) may (A) replace said reduced funding with HRTAC Controlled-Moneys or (B) may request VDOT to immediately suspend or discontinue all work relating to the Project, provided if HRTAC requests suspension HRTAC shall be responsible for the costs reasonably incurred in connection with such suspension. Should HRTAC not replace the reduced funding or request VDOT to suspend or discontinue work, VDOT may reduce the Project scope or take any other actions needed to reduce the Project costs to the Project Budget.
19. Provide a certification to HRTAC no later than 90 days after final payment for the Project that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.

B. HRTAC's Obligations

HRTAC shall:

1. Subject to the limitations as to amounts set forth in Appendix B (and subject to Section F of this Agreement), provide to VDOT the funding authorized by HRTAC for the Project, on a reimbursement basis as set forth in this Agreement and as specified in Appendix B to this Agreement or the most updated amendment thereto, as approved by HRTAC.
2. Assign a person to serve as a Program Coordinator for the Project, who will be responsible for review of the Project on behalf of HRTAC for purposes of ensuring it is being completed in compliance with this Agreement and all HRTAC requirements. HRTAC's Program Coordinator will be responsible for overseeing, managing, reviewing, and processing, in consultation with HRTAC's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. HRTAC's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the scope of the Project as set forth on Appendix A or to the Project Budget and Project Schedule as set forth on Appendix B.
3. Route to HRTAC's assigned Program Coordinator all VDOT payment requisitions and the summaries of actual costs submitted to HRTAC for the Project. After submission to HRTAC, HRTAC's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. HRTAC's Program Coordinator will then make a recommendation to the HRTAC's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is, in HRTAC's reasonable judgment, deemed insufficient, within twenty (20) days from receipt, HRTAC's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed in order to authorize the payment request. Payment will be withheld until all deficiencies identified by HRTAC have been corrected to HRTAC's reasonable satisfaction. Under no circumstances will HRTAC authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the HRTAC Act or this Agreement.
4. Route all of VDOT's accelerated or supplemental requests for funding from HRTAC under Sections A.5 and A.8, respectively, of this Agreement to HRTAC's Executive Director. HRTAC's Executive Director will initially review those requests and all supporting documentation with HRTAC's

CFO. After such initial review, HRTAC's Executive Director will make a recommendation to HRTAC's Finance Committee for its independent consideration and review. HRTAC's Finance Committee will thereafter make a recommendation on any such request to HRTAC for final determination by HRTAC.

5. Conduct periodic compliance reviews scheduled in advance for the Project so as to assess whether the work being performed likely remains within the scope of this Agreement, the HRTAC Act and other applicable law. Such compliance reviews may entail review of VDOT's financial records for the Project and on-Project site inspections.
6. Acknowledge that if, as a result of HRTAC's review of any payment requisition or of any HRTAC compliance review, HRTAC staff determines that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, HRTAC staff will promptly advise HRTAC's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to HRTAC's initial findings. HRTAC's staff will review VDOT's response and make a recommendation to HRTAC's Finance Committee. HRTAC's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to HRTAC. If HRTAC makes a final determination that VDOT is required under Section A.12 of this Agreement to reimburse funds to HRTAC, the parties should engage in dispute resolution as provided in Section D of this Agreement. Pending final resolution of the matter, HRTAC will withhold further funding on the Project. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Upon making final payment to VDOT for the Project, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans, if any, developed pursuant to or in association with the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
8. Be the sole determinant of the amount and source of HRTAC funds to be provided and allocated to the Project and the amounts of any HRTAC funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by HRTAC of this Agreement. If so terminated, HRTAC shall pay for all Project costs incurred in accordance with the terms of this Agreement through the date of termination and all reasonable costs incurred by VDOT to terminate all Project-related contracts. The Virginia General Assembly's failure to appropriate funds to HRTAC as described in Section F of this Agreement and/or repeal or amendment of the legislation establishing the HRTF or HRTAC's powers shall not be considered material breaches of this Agreement by HRTAC if such failure to appropriate or such repeal or amendment eliminates funds in the HRTF to be used for the Project or renders HRTAC without legal authority to provide funding for the Project. Before initiating any proceedings to terminate under this Section, VDOT shall give HRTAC sixty (60) days written notice of any claimed material breach of this Agreement and the reasons for termination; thereby allowing HRTAC an opportunity to investigate and cure any such alleged breach.
3. HRTAC may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to HRTAC all funds HRTAC provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by HRTAC. HRTAC will provide VDOT with sixty (60) days written notice that HRTAC is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, if VDOT has substantially completed the Project or a portion that is severable (meaning it is subject to independent use), VDOT may request that HRTAC excuse VDOT from refunding funds paid in respect of the substantially completed Project or portion, and HRTAC may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds HRTAC provided to VDOT for the substantially completed Project or portion thereof. No such request to be excused from refunding will be allowed where VDOT has either misused or misapplied HRTAC funds in contravention of this Agreement or applicable law.
4. Upon termination and payment of all eligible expenses as set forth in Section C.3 above, VDOT will release or return to HRTAC all unexpended HRTAC funds and, to the extent permitted by law, with interest earned at the rate earned by HRTAC, no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer promptly in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. HRTAC's Executive Director and the Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to HRTAC and

to the Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law or in equity, including all judicial remedies. The foregoing dispute resolution method shall not bar either party's right to seek equitable relief on an emergency basis.

E. HRTAC's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by HRTAC under this Agreement ("Assets") for the designated transportation purposes of the Project and in accordance with applicable law throughout the useful life of each such Asset. If VDOT intends to sell, convey, or dispose any Asset funded with HRTAC funds or intends to use any Asset for a purpose inconsistent with this Agreement, VDOT shall notify HRTAC's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, HRTAC's Executive Director shall notify HRTAC of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Asset(s) so as to ensure compliance with all applicable requirements of the HRTAC Act (without limiting the foregoing, VDOT acknowledges that under the HRTAC Act and applicable law, HRTAC is vested with the right to impose and collect tolls on facilities constructed by the Commission). All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to HRTAC and the Commissioner for their respective approval.

F. Appropriations Requirements

1. Nothing herein shall require or obligate HRTAC to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body for the Project.
2. The parties acknowledge that all funding provided by HRTAC pursuant to the HRTAC Act is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the HRTF pursuant to applicable provisions of the Code of Virginia and any other moneys that the General Assembly appropriates for deposit into the HRTF are subject to appropriation by the General Assembly and (ii) HRTAC's obligations under this Agreement are subject to such moneys being appropriated to the HRTF by the General Assembly.
3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available to VDOT for HRTAC projects.

4. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to HRTAC that such additional funds have been allocated and authorized by the CTB and/or appropriated by the Virginia General Assembly as may be applicable or have been obtained through another independent, lawful source.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: HRTAC, to the attention of its Executive Director and Chairman;  
723 Woodlake Drive  
Chesapeake, VA 23320
- 2) to: VDOT, to the attention of:  
Commissioner, Virginia Department of Transportation  
1401 East Broad Street  
Richmond, VA 23219

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

- (a) This Agreement may not be modified or amended, except pursuant a written agreement that is duly authorized, executed and delivered by both parties.
- (b) If HRTAC is able to obtain a source of funding for the Project that would reduce or replace the amount of HRTAC-Controlled Moneys expended on the Project, VDOT and HRTAC will work in good faith to amend this Agreement so it takes into account that other funding.
- (c) If HRTAC proposes to issue bonds, VDOT and HRTAC will work in good faith to adopt such amendments to this Agreement as VDOT and HRTAC may mutually agree are necessary and desirable in connection with the bond offering, including, without limitation, tax covenants of the type made by VDOT under its Project Agreements with the Northern Virginia Transportation Authority.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, member, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

VDOT represents that it is not acting as a partner or agent of HRTAC; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals and Appendices

The recitals and Appendices to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that the recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

*[Signature page follows]*

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Hampton Roads Transportation Accountability Commission

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Virginia Department of Transportation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX A

### PROJECT

#### NARRATIVE DESCRIPTION OF STANDARD PROJECT SERVICES

HRTAC Project Title: I-64 Southside Widening and High Rise Bridge- Phase I (UPC 106692)

Recipient Entity: Virginia Department of Transportation

VDOT Program Manager Contact Information: Tony Gibson (757) 925-2274

HRTAC Executive Director: Kevin Page (757) 420-8300

#### **Project Scope**

The Standard Project Services are intended to include overall project work and are set forth in more detail below in the Detailed Scope of Services. Generally, the overall project entails roadway widening to increase capacity and improve safety along the I-64 Southside corridor. The project entails widening I-64 from 4 lanes to 6 lanes from east of I-264 to east of I-464, including a new High-Rise bridge over the Elizabeth River that will be built parallel to and to the south of the existing High-Rise bridge. Except at the High-Rise bridge location, the two additional lanes will be built in the existing median. The new lanes will be managed lanes.

#### **Detailed Scope of Services**

The detailed scope of the Standard Project Services addressed by this Agreement (and to which the funding provided thereunder relates) consists of the Right of Way (RW) and Construction (CN) Phases for the overall design build project described above and for which a Request for Qualifications (RFQ) was released in August 2016 and the Request for Proposals (RFP) is currently scheduled to be released in December 2016.

The cost estimate provided in Appendix B was developed using VDOT's Project Cost Estimating System and was current as of the date the Appendix B was executed. Any additional costs for the RW/CN Phases of the Project will be subject to and addressed in accord with the terms of this Standard Project Agreement.

## APPENDIX B

### PROJECT BUDGET, PROJECT SCHEDULE, AND CASHFLOW

**APPENDIX B-PROJECT BUDGET & CASH FLOW**

**PROJECT IDENTIFICATION AND PROPOSED FUNDING**

HRTAC Project Title:	I-64 Southside Widening and High Rise Bridge- Phase I (UPC 106692)
Scope of Project Services:	Standard Project Services to Support RW/CN Phase for I-64 Southside Widening and High Rise Bridge- Phase I (UPC 106692)
Recipient Entity:	Virginia Department of Transportation
VDOT Project Contact:	Tony Gibson (757) 556-7885
Baseline Schedule:	RW: Start Oct 2017, End Oct 2019
	CN: Start Oct 2017, End Feb 2021

**PROJECT COSTS & FUNDING SOURCE**

Project Cost Category	Total Project Costs	HRTAC PayGo Funds	HRTAC Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work			\$ -		\$ -	\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition	\$ 42,000,000.00	\$ 42,000,000.00				
Construction	\$ 538,000,000.00	\$ 538,000,000.00				
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
<b>Total Estimated Cost</b>	<b>\$ 580,000,000.00</b>	<b>\$ 580,000,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**FISCAL YEAR ANNUAL PROJECT CASH FLOW**

Project Phase	Total Fiscal Year 2018		Total Fiscal Year 2019		Total Fiscal Year 2020		Total Fiscal Year 2021	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work								
Engineering								
Environmental Work								
Right-of-Way Acquisition	12,000,000.00		18,000,000.00		12,000,000.00			
Construction	64,000,000.00		152,000,000.00		158,000,000.00		164,000,000.00	
Contract Administration								
Testing Services								
Inspection Services								
Capital Asset Acquisitions								
Other								
<b>Total Estimated Cost</b>	<b>\$ 76,000,000.00</b>	<b>\$ -</b>	<b>\$ 170,000,000.00</b>	<b>\$ -</b>	<b>\$ 170,000,000.00</b>	<b>\$ -</b>	<b>\$ 164,000,000.00</b>	<b>\$ -</b>

Please Note: If additional years are needed, please submit a separate form with additional columns

**FISCAL YEAR ESTIMATED PROJECT CASH FLOW**

	FY 18 Mthly Cash Flow		FY 19 Mthly Cash Flow		FY 20 Qtrly Cash Flow		FY 21 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			14,170,000.00		14,170,000.00		14,170,000.00	
August			14,170,000.00		14,170,000.00		14,170,000.00	
September			14,170,000.00		14,170,000.00		14,170,000.00	
October			14,170,000.00		14,170,000.00		14,170,000.00	
November			14,160,000.00		14,160,000.00		14,160,000.00	
December	\$ 4,000,000.00		14,160,000.00		14,160,000.00		14,160,000.00	
January	\$ 8,000,000.00		14,160,000.00		14,160,000.00		14,000,000.00	
February	\$ 10,000,000.00		14,160,000.00		14,160,000.00		14,000,000.00	
March	\$ 12,000,000.00		14,170,000.00		14,170,000.00		14,000,000.00	
April	\$ 14,000,000.00		14,170,000.00		14,170,000.00		14,000,000.00	
May	\$ 14,000,000.00		14,170,000.00		14,170,000.00		12,000,000.00	
June	\$ 14,000,000.00		14,170,000.00		14,170,000.00		11,000,000.00	
<b>Total per Fiscal Year</b>	<b>\$ 76,000,000.00</b>	<b>\$ -</b>	<b>\$ 170,000,000.00</b>	<b>\$ -</b>	<b>\$ 170,000,000.00</b>	<b>\$ -</b>	<b>\$ 164,000,000.00</b>	<b>\$ -</b>

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Virginia Department of Transportation

Hampton Roads Transportation Accountability Commission

\_\_\_\_\_  
Signature  
Commissioner  
Title

\_\_\_\_\_  
Signature  
HRTAC Chairman  
Title

\_\_\_\_\_  
Date  
Charles A. Kilpatrick, P.E.

\_\_\_\_\_  
Date  
William D. Sessoms, Jr

**APPENDIX C**

**FORM OF PAYMENT REQUISITION**

HRTAC Project Title and Number: \_\_\_\_\_

Project Scope/Services Description: [From Appendix B] \_\_\_\_\_

Draw Request Number: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_

Hampton Roads Transportation Accountability Commission  
723 Woodlake Drive  
Chesapeake, VA 23320

Attention \_\_\_\_\_, Program Coordinator:

This requisition is submitted in connection with the Standard Project Agreement for Funding and Administration for the project services noted above and dated \_\_\_\_\_, 20\_\_\_\_ (the "Agreement") between the Hampton Roads Transportation Accountability Commission ("HRTAC") and the Virginia Department of Transportation ("VDOT"). VDOT hereby requests \$\_\_\_\_\_ of HRTAC funds, to pay the costs of the project services described and set forth in Appendices A and B of the Agreement ("Project Services") and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of VDOT's costs of the Project Services, (ii) VDOT is responsible for payment to vendors/contractors, (iii) VDOT is not in breach or default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in another Appendix to the Agreement, (iv) the representations and warranties made by VDOT in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of VDOT, no condition exists under the Agreement that would allow HRTAC to withhold the requested advance.

**VIRGINIA DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Recommended For Payment**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: HRTAC Program Coordinator

## DETAILED PAYGO REQUEST

Draw Request Number: \_\_\_\_\_ Request Date: \_\_\_\_\_  
 HRTAC Project Number: \_\_\_\_\_ Project Title: \_\_\_\_\_

Cost Category	HRTAC Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
<b>Project Starting Balance</b>	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
<b>Other (please explain)</b>	-	-	-	\$ -
<b>TOTALS</b>	\$ -	\$ -	\$ -	\$ -

### LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
<b>Requisition Amount</b>				\$ -

**Instructions**

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by HRTAC
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

**Instructions-Listing of Attached Invoices: (please list each invoice separately)**

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
3. Column C- Please list the invoice number as it appears on the Invoice
4. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
5. Column E- Please enter the dollar amount listed on the invoice.
6. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

## APPENDIX D

### REPORTS TO BE PROVIDED BY VDOT

1) Monthly Project Expenditure Report which lists, by category of expense (*e.g.*, engineering, ROW, utility relocations, construction), (a) information regarding expenditures to date against the budget, both monthly and for the life of the project, and a statement of the percent completed; and (b) such other information as VDOT customarily provides with monthly expenditure reports

2) Monthly Project Report which provides (a) an overview of progress on major project tasks; (b) information regarding the budget (such as, the baseline planned forecast, any approved changes thereto, the monthly expenditures, the cumulative expenditures, and the cumulative forecasted expenditures); (c) future key tasks; and (d) significant issues.

## **APPENDIX E**

### **OFFICIAL AUTHORIZING DOCUMENTS**



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item # 10*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By:   Seconded By:**

#### **Action:**

**Title: Limited Access Control Changes (LACCs)  
Route 267 Extended (Dulles Greenway)  
Loudoun County**

**WHEREAS**, Toll Road Investors Partnership II, LP (TRIP II) owns and operates a toll road that serves as an extension of Route 267, known as the Dulles Greenway (Greenway), from Route 28 at Washington Dulles International Airport to Route 7/15 in the Town of Leesburg under the terms of the Virginia Highway Corporation Act of 1988 (the Act); and

**WHEREAS**, the CTB, by Resolution dated July 20, 1989, approved the application of Toll Road Corporation of Virginia (precursor to TRIP II) to build the Dulles Greenway under the Act; and

**WHEREAS**, pursuant to the terms of the Act, a Certificate of Authority to build and operate the Greenway was issued to TRIP II by the State Corporation Commission on June 6, 1990 and is currently set to expire on February 15, 2056; and

**WHEREAS**, the CTB, by Resolution dated June 20, 1991, approved the location and design features of the Greenway, including its designation as a Limited Access Highway in Loudoun County; and

**WHEREAS**, The Loudoun County Sanitation Authority d/b/a Loudoun Water has informed TRIP II of sanitary sewer infrastructure projects in development that would require

trenchless crossings of the Dulles Greenway including the Horsepen Run Parallel Sewer (HRPS) which is designed to meet the long term needs of the Loudoun Water Horsepen Run and Indian Creek sewersheds being impacted by the Route 28 Corridor Comprehensive Plan Amendment which allows for greater development density in various locations along the Route 28 Corridor in Loudoun County; and

**WHEREAS**, TRIP II and Loudoun Water have identified and requested two breaks in the limited access control of the Dulles Greenway to allow for the utilization of secured gated access along eastbound Dulles Greenway exit ramp 9A between approximate Station 774+50 (WB Greenway baseline) and approximate Station 774+66 (WB Greenway baseline); and between approximate Station 776+35 (WB Greenway baseline) and 776+51 (WB Greenway baseline) with access points located on either side of the bridge that connects the airport to the westbound Dulles Greenway, by Loudoun Water for the construction and maintenance of the proposed HRPS since alternative access to the HRPS corridor is constrained by existing roadways, the Washington Dulles International Airport, and Horsepen Run; and

**WHEREAS**, the Metropolitan Washington Airports Authority (MWAA), by letter from the Airport Manager, dated October 16, 2015, supports the LACCs to facilitate the gated access to the Dulles Greenway by Loudoun Water; and

**WHEREAS**, the County of Loudoun, by letter from the County Administrator, dated October 28, 2015, supports the LACCs to facilitate the gated access to the Dulles Greenway by Loudoun Water; and

**WHEREAS**, the TRIP II, by letter from the CEO, dated January 6, 2016, does not object to the implementation of the HRPS by Loudoun Water within the Dulles Greenway limited access right of way, provided all work undertaken is in strict accordance with one or more land use permits issued by TRIP II; and

**WHEREAS**, VDOT's Northern Virginia District has determined with the Chief Engineer concurring that the proposed breaks in the limited access control (LACCs) of the Dulles Greenway will not impact the operation of the Greenway right of way, and that the LACCs are appropriate from a safety and traffic control standpoint, thereby satisfying the purpose of a global traffic analysis; and

**WHEREAS**, VDOT's Northern Virginia District has determined the location of the proposed LACCs are within an air quality maintenance or non-attainment area; however the proposed project does not qualify as being regionally significant for air quality purposes, and there will be no adverse environmental impacts; and

**WHEREAS**, public notices of willingness for hearings/comment were posted in the *Washington Post* newspaper and in the *Loudoun Times-Mirror* newspaper on July 7, 2016 and

Resolution of the Board  
Limited Access Control Changes  
Route 267 Extended (Dulles Greenway)  
Loudoun County  
September 21, 2016  
Page Three

July 14, 2016 and in the *El Tiempo Latino* newspaper on July 8, 2016 and July 15, 2016, and closed on July 21, 2016, with no requests for a public hearing received; and

**WHEREAS**, any compensation to be paid by the requestor in consideration of the LACCs shall be determined by the Commissioner of Highways or his designee; and

**WHEREAS**, all right of way, engineering, construction, and necessary safety improvements shall meet all VDOT standards and requirements; and

**WHEREAS**, all costs of engineering and construction, including all necessary safety improvements, will be borne by Loudoun Water; and

**NOW, THEREFORE, BE IT RESOLVED**, in accordance with the provisions of Sections and 33.2-401 of the *Code of Virginia*, as well as the requirements of 24VAC30-401 of the *Virginia Administrative Code*, the CTB hereby finds and concurs with the determinations set forth herein and approves the said LACCs to facilitate the secure, gated access for Loudoun Water, as set forth herein, and subject to the above referred to conditions and restrictions.

**BE IT FURTHER RESOLVED**, the Commissioner of Highways is authorized to take all actions and execute any and all documents necessary to implement such changes.

####

**CTB Decision Brief**  
**Route 267 Extended (Dulles Greenway)**  
**County of Loudoun**  
**Limited Access Control Changes**

**Issues:** Toll Road Investors Partnership II, LP (TRIP II) owns and operates a toll road that serves as an extension of Route 267, known as the Dulles Greenway. The Loudoun County Sanitation Authority d/b/a Loudoun Water has informed TRIP II of sanitary sewer infrastructure projects in development that would require trenchless crossings of the Dulles Greenway including the Horsepen Run Parallel Sewer (HRPS). These projects are designed to meet the long term needs of the Loudoun Water Horsepen Run and Indian Creek sewersheds being impacted by the Route 28 Corridor Comprehensive Plan Amendment which allows for greater development density in various locations along the Route 28 Corridor in Loudoun County. Since alternative access to the HRPS corridor is constrained by existing roadways, the Washington Dulles International Airport, and Horsepen Run, Loudoun Water and TRIP II have identified and requested in writing two breaks in limited access control of the Dulles Greenway. The breaks will allow for the utilization of secured gated access along eastbound Dulles Greenway exit ramp 9A between approximate Station 774+50 (WB Greenway baseline) and approximate Station 774+66 (WB Greenway baseline); and between approximate Station 776+35 (WB Greenway baseline) and 776+51 (WB Greenway baseline) with the access points located on either side of the bridge that connects the airport to the westbound Dulles Greenway. These limited access control changes require approval of the CTB pursuant to § 33.2-401 of the *Code of Virginia* and 24 VAC 30-401 of the *Virginia Administrative Code* (Change of Limited Access Control Regulation or Regulation).

**Facts:**

- VDOT's Northern Virginia District has determined that there will be no impact to the operation of the Dulles Greenway right of way, that the limited access control changes (LACC) are appropriate from a safety and traffic control standpoint, thereby satisfying the purpose of the global traffic analyses required by the Regulation.
- VDOT's Northern Virginia District has determined the location of the proposed limited access control changes are within an air quality maintenance or non-attainment area; however the proposed projects do not qualify as being regionally significant for air quality purposes, and there will be no adverse environmental impacts.
- Public notices of willingness for hearings/comments were posted in the *Washington Post* newspaper and in the *Loudoun Times-Mirror* newspaper on July 7, 2016 and July 14, 2016 and in the *El Tiempo Latino* newspaper on July 8, 2016 and July 15, 2016, and closed on July 21, 2016, with no requests for a public hearing received.
- The Metropolitan Washington Airports Authority (MWAA), by letter from the Airports Manager, dated October 16, 2015, supports the limited access control changes.
- The County of Loudoun, by letter from the County Administrator, dated October 28, 2015, supports the limited access control changes.
- The TRIP II, by letter from the CEO, dated January 6, 2016, does not object to the implementation of the HRPS by Loudoun Water within the Dulles Greenway right of way, provided all work undertaken is in strict accordance with one or more land use permits issued by TRIP II.
- Any compensation to be paid by the requestor in consideration of the LACCs will be determined by the Commissioner of Highways or his designee and will take into consideration that the changes are being requested for public purposes/ a public utilities project. Notwithstanding VDOT has been or will be reimbursed for expenses incurred by the Department in considering the request including expenses in completing the required reviews, posting notices, approvals, and any other steps involved

CTB Decision Brief  
Limited Access Control Changes  
Route 267 Extended (Dulles Greenway)  
County of Loudoun  
September 21, 2016  
Page Two

- All right of way, engineering, construction, and necessary safety improvements shall meet all VDOT standards and requirements.
- All costs of any engineering, construction or safety improvements will be borne by Loudoun Water.

**Recommendation:** VDOT recommends the approval of the proposed LACCs, as set forth in the resolution, and subject to the referenced conditions and facts.

**Action Required by CTB:** The *Code of Virginia* requires a majority vote of the Commonwealth Transportation Board (CTB) approving the recommended LACCs. The CTB will be presented with a resolution for a formal vote.

**Result, if Approved:** The Commissioner of Highways will be authorized to take all actions necessary to comply with this resolution.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION  
1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219 2000

**Charles A. Kilpatrick, P.E.**  
Commissioner

September 1, 2016

The Honorable Aubrey L. Layne, Jr.  
The Honorable Charles A. Kilpatrick, P. E.  
The Honorable Jennifer Mitchell  
The Honorable Henry "Hap" Conners, Jr.  
The Honorable Jerry L. Stinson II  
The Honorable Gary Garczynski  
The Honorable Alison DeTuncq  
The Honorable Shannon Valentine  
The Honorable F. Dixon Whitworth, Jr.  
The Honorable Carlos M. Brown  
The Honorable William H. Fralin, Jr.  
The Honorable Greg Yates  
The Honorable E. Scott Kasprowicz  
The Honorable Mary Hughes Hynes  
The Honorable John Malbon  
The Honorable Court G. Rosen  
The Honorable Marty Williams

**Subject: Approval of Limited Access Control Changes (LACCs) for Route 267 Extended (Dulles Greenway), County of Loudoun**

Dear Commonwealth Transportation Board Members:

The Department has received a request for your consideration from Loudoun County Sanitation Authority d/b/a Loudoun Water for two breaks in the limited access control along Route 267 Extended (Dulles Greenway), to accommodate secured gated access for the construction and maintenance of two trenchless crossings of their planned sanitary sewer infrastructure project. The Department's staff has determined there will be no operational changes to Route 267 Extended and that the proposed LACCs are appropriate from a design, safety and traffic control standpoint.

The request meets the engineering criteria and guidelines set forth in Title 24, Section 30, Chapter 401 of the Virginia Administrative Code. I have reviewed the Staff's recommendations, and determined that approving these breaks in the limited access control will not adversely affect the safety or operation of the affected highway network. I have determined that this request should be considered by the Board.

Sincerely,

A handwritten signature in black ink that reads "Garrett W. Moore".

Garrett W. Moore, P.E.  
Chief Engineer

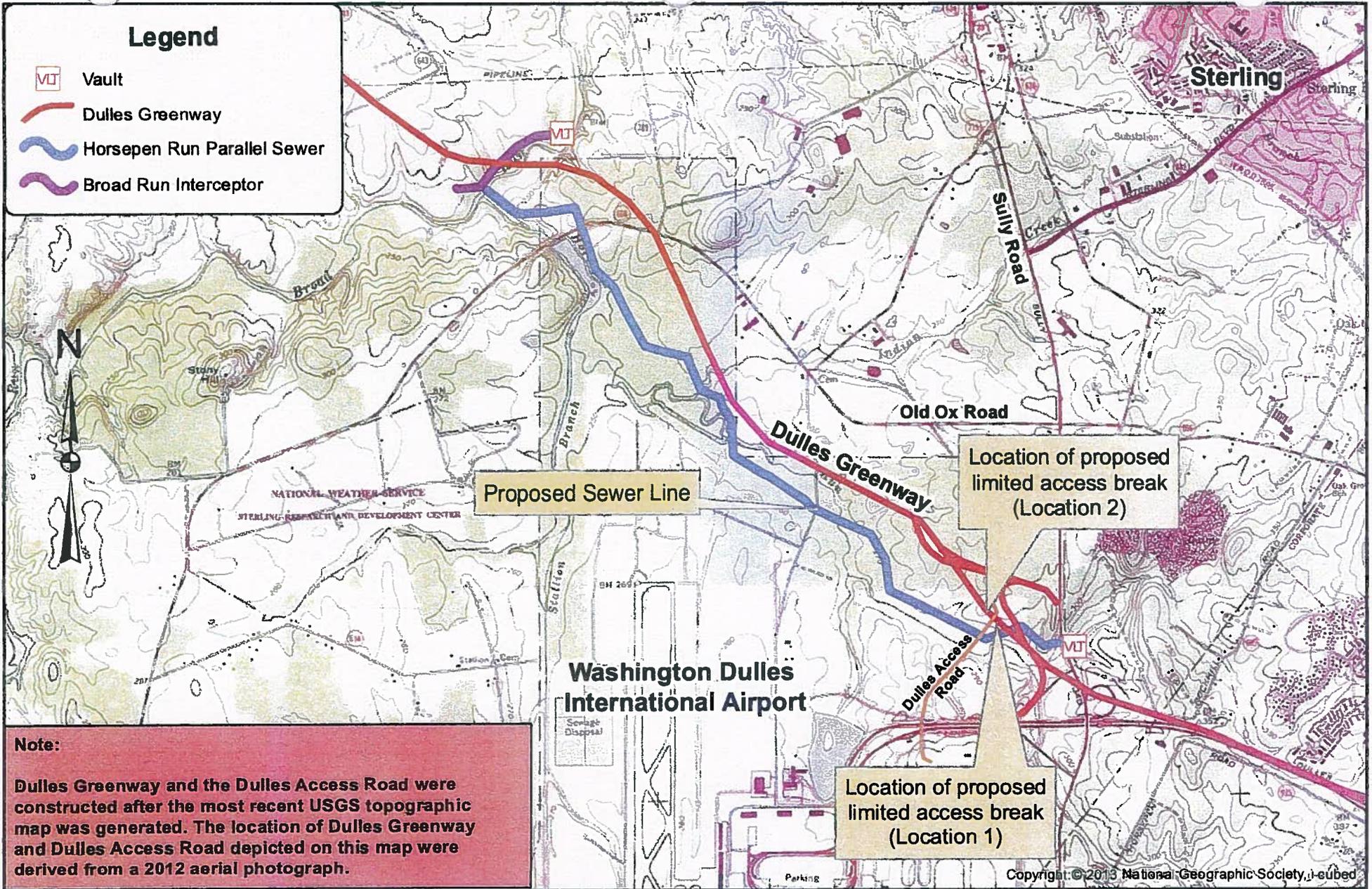
VirginiaDOT.org  
WE KEEP VIRGINIA MOVING





**Legend**

-  Vault
-  Dulles Greenway
-  Horsepen Run Parallel Sewer
-  Broad Run Interceptor



**Note:**  
 Dulles Greenway and the Dulles Access Road were constructed after the most recent USGS topographic map was generated. The location of Dulles Greenway and Dulles Access Road depicted on this map were derived from a 2012 aerial photograph.

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**NOT TO SCALE**



**HAZEN AND SAWYER**  
 Environmental Engineers & Scientists

**LOUDOUN WATER**

**Figure 1**

**Site Location Map**

HORSEPEN RUN PARALLEL SEWER & BROAD RUN INTERCEPTOR PARALLEL TO THE POTOMAC INTERCEPTOR PHASE V PROJECT

Source: USGS Topographic Map-Hemdon, Virginia

**A G E N D A**

**MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD**

**Board Room, Virginia Port Authority  
600 World Trade Center, Norfolk, Virginia**

**July 20, 1989  
10:00 a.m.**

1. **Public Comment**
2. **Action on Minutes of Meeting of May 18, 1989**
3. **Action on Permits Issued and Canceled from June 15, 1989 to July 19, 1989**
4. **Action on Discontinuances from the Secondary System: Lee and Scott Counties**
5. **Action on Additions, Abandonments or Other Changes in the Secondary System from June 1, 1989 through June 30, 1989**
6. **Action on Additions, Abandonments, Discontinuances and Transfers in the Primary System due to Relocation and Construction: Dickenson, Henrico, Northampton and Rappahannock Counties**
7. **City Street Mileage**
8. **Action on Bids Received June 27, 1989**
9. **Consultant Agreement: Route 234 - Prince William County  
Proj. 6234-076-112, PE100  
Fr: 0.23 Mi. West of EBL (Route 66)  
To: 3.907 Mi. E. of EBL (Route 28)  
Sverdrup Corporation  
Engineering Services**
10. **Consultant Agreement: Statewide Right of Way Consultant Services  
Amtex Engineering Co. of Mechanicsville, VA  
Coates Field Service Inc. of Oklahoma City,  
Oklahoma  
D. E. McGillem & Associates, of  
Indianapolis, Indiana  
Diversified Energy Services, Inc. of  
Atlanta, Georgia  
Ford, Bacon & Davis of Monroe, Louisiana**

7/20/89

Moved by Dr. Thomas, seconded by Mr. Kelly, that

WHEREAS, the Department conducts a mandatory program of prequalification for contracting companies desiring to bid as prime contractors on highway improvement projects in the Commonwealth; and

WHEREAS, companies wishing to perform as subcontractors may do so at present without the direction of any regulatory process of the Department; and

WHEREAS, a proposed Subcontractor Registration Program has been developed to clarify requirements for subcontractors wishing to work on publicly-financed highway projects; provide a mechanism by which the Department may address problems resulting from failure of subcontractors to perform satisfactorily, and provide information helpful to the Department in determining the full capacity of the contracting industry; and,

WHEREAS, in the judgment of the Commonwealth Transportation Board the administration of the highway construction program will be strengthened by the registration program and that the program will not cause undue hardship on firms performing as subcontractors;

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board approves the Subcontractor Registration Program and directs the Department to proceed with its implementation.

Motion carried.

Moved by Mr. Waldman, seconded by Mr. Beyer, that

WHEREAS, the need for an extension of the Dulles Toll Road from Route 28 to Leesburg has long been recognized by the Department of Transportation and the localities served by such extension; and

WHEREAS, on August 30, 1988, a location hearing for the construction of an extension of the Dulles Toll Road by the Virginia Department of Transportation was held; and

7/20/89

WHEREAS, on November 19, 1988, the Commonwealth Transportation Board approved the location of an extension of the Dulles Toll Road from Route 28 to Leesburg; and

WHEREAS, in 1988 the General Assembly passed legislation titled the "Virginia Highway Corporation Act of 1988" (the Act) which Act of the General Assembly found that there was a compelling public need for rapid construction of safe and efficient highways for the purpose of travel within the Commonwealth and that it was in the public interest to encourage construction of additional, safe, convenient, and economic highway facilities by private parties, provided that adequate safeguards are provided against default in the construction and operation obligations of the operators of roadways; such public interest to include without limitation the relative speed and relative cost efficiency of private construction of the project; and

WHEREAS, the Act provides that the State Corporation Commission shall examine the toll structure, financing costs, and rate of return proposed by the operator of a private toll road and determine that approval of the application is in the public interest including without limitation the relative speed and relative cost efficiency of private construction of the project; and

WHEREAS, the Act provided that the Commonwealth Transportation Board shall approve the project, the project construction costs, the location and design of the roadway, and its connection with any road under the jurisdiction of the Board, at proper and convenient places, in order to provide for the convenience of the public; and

WHEREAS, the Board was further charged under the Act with approving the project and its interconnections with other roads if there is a public need for a road project of the type proposed and the project and its interconnections are compatible with the existing road network; it shall approve the project construction cost if reasonable; and, in making its determinations, the Board shall keep in mind the public interest, which may include, without limitation, such considerations as the relative speed of the construction of the project and the allocation of the technical, financial and human resources of the Department; and

7/20/89

WHEREAS, the approval of the Board is contingent and conditioned by law upon subsequent compliance by the applicant with a comprehensive agreement to be entered into between the operator of the private toll road and the Department of Transportation; and

WHEREAS, the Toll Road Corporation of Virginia (TRCV) has submitted an application to the Commonwealth Transportation Board for the construction of a private toll road at a cost of \$155 million to be open to traffic by December 31, 1991; and

WHEREAS, on May 25, 1989, sufficient information had been received from TRCV in order for the Commonwealth Transportation Board to comply with the terms of the Act and to consider the approval of the application subject to entering into the Comprehensive Agreement provided by the Act; and

WHEREAS, on May 31 and June 1, 1989, information meetings were held in Fairfax and Loudoun Counties, Virginia to discuss the construction of the extension of the Dulles Toll Road by a private operator; and

WHEREAS, on June 6 and June 7, 1989, public hearings were held in Fairfax and Loudoun Counties to receive input from the public as to the construction of an extension of the Dulles Toll Road by the TRCV; and

WHEREAS, the Commonwealth Transportation Board has further reviewed the application at several meetings prior to the date of this action; and

WHEREAS, after approval of the application by the Commonwealth Transportation Board, TRCV must still seek and obtain approval of the State Corporation Commission prior to constructing and operating a private toll road; and

7/20/89

WHEREAS, in the event the State Corporation Commission does not approve the application of the TRCV to construct and operate a private toll road, the Department of Transportation is prepared to build the Dulles Toll Road Extension with all due speed; and

WHEREAS, resolutions have been received from the Town of Leesburg, the County of Loudoun and the Metropolitan Washington Airport Authority and testimony from the County of Fairfax relative to the application submitted by TRCV;

NOW, THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board that the project, the project construction costs, the project location, and the project design of the Dulles Toll Road Extension, and its connections with other roads under the jurisdiction of the Commonwealth Transportation Board are hereby approved subject to: (1) the review and approval of a Comprehensive Agreement containing terms satisfactory to the Department; (2) approval by the State Corporation Commission of Virginia; and (3) further compliance with all the terms of the Act.

BE IT FURTHER RESOLVED, in addition to the requirement of the Comprehensive Agreement, and pursuant to provisions set out in §56-549 of the Code of Virginia, the following provisions shall be met by TRCV:

1. TRCV is authorized to use VDOT permit coordination review process. Use of VDOT permit coordination review process requires TRCV to coordinate project permits with the inter-agency coordination committee prior to approval of the plans by VDOT.

2. TRCV shall have construction of the Dulles Toll Road Extension substantially complete and open to traffic no later than December 31, 1991, unless delays in such construction are beyond the control of the Toll Road Corporation of Virginia, but within statutory limitations.

7/20/89

3. Any minor change from the specific alignment shown by TRCV on plans of May 25, 1989, submitted with this application must be approved by VDOT and any shift in such alignment in excess of 1,000 feet from the centerline shall be submitted to the Commonwealth Transportation Board for review and approval prior to the submission of a complete application by TRCV to the State Corporation Commission.

4. TRCV design should incorporate to the extent possible the concerns of Loudoun County, Fairfax County, the Town of Leesburg, and the Metropolitan Washington Airport Authority not further specified in this resolution. The Department will coordinate the development of the Comprehensive Agreement with the appropriate jurisdictions.

5. a. The interchange at Route 7/15 shall be constructed as a free flow directional interchange.

b. A partial cloverleaf interchange shall be constructed at Route 654.

c. The Route 659 interchange shall be designed to provide for full free flow movements equivalent to a cloverleaf. The initial construction shall employ ramps which provide for high capacity for turning movements and cross traffic flow.

d. A spread diamond interchange shall be constructed at Route 606 to accommodate future cloverleaf construction.

e. The interchanges at the eastern terminus shall provide: 1) connections to and from the west to Dulles Airport satisfactory to the Metropolitan Washington Airport Authority; and 2) a full movement interchange with Route 28 and connections to the existing Dulles Toll Road with provisions for either the collection of tolls by TRCV on behalf of the Commonwealth or for the design and construction of the necessary facilities for the collection of tolls by the Commonwealth for traffic from the Dulles Extension using the existing Dulles Toll Road satisfactory to the Department.

7/20/89

f. All other interchanges shall provide for full movements and the design shall provide for reservation of sufficient right of way to accommodate left-turning traffic to minimize interference to cross traffic flow on the connecting roadways.

6. TRCV project costs shall not exceed \$155 million except as may be necessary to satisfy the additional requirements of this Resolution or other agents of jurisdiction. Provisions shall be included in the Comprehensive Agreement for the Department's review and approval of design changes and increases in construction costs.

7. TRCV shall secure and maintain a public liability policy or policies sufficient to indemnify VDOT and the Commonwealth Transportation Board from any and all liability, if TRCV enters into an agreement whereby VDOT performs construction, operation or maintenance activities on behalf of TRCV on the Dulles Toll Road Extension.

BE IT FURTHER RESOLVED, that the approval by the Commonwealth Transportation Board is subject to the reimbursement of all costs incurred by VDOT which are reimbursable pursuant to the Act. Such reimbursement shall be made within 90 days after a certificate of authority is granted by the State Corporation Commission or upon placement of the initial construction financing whichever comes first.

Motion carried.

Mr. Waldman offered for consideration a resolution authorizing staff of the Department of Transportation to take the necessary actions to amend the Memorandum of Understanding between the Commonwealth Transportation Board and the Treasury Board dated February 1, 1987 regarding the Commonwealth of Virginia \$57,100,000 Transportation Facilities Refunding Bonds, Series 1987A (Dulles Toll Road Refunding Bonds). Action on the resolution was deferred until the August meeting to allow sufficient time for staff to respond to questions from members of the Board.

**T E N T A T I V E**

**A G E N D A**

**MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD**

**Richmond, Virginia**

**June 20, 1991**

**10:00 a.m.**

1. **Public Comment**
2. **Action on Permits Issued and Canceled from May 1, 1991 through May 31, 1991**
3. **Action on Additions, Abandonments or Other Changes in the Secondary System from April 16, 1991 to May 24, 1991**
4. **Action on Discontinuances in the Secondary System: Buchanan, Henry, Lee, Roanoke and Wythe Counties**
5. **Action on Transfer in the Secondary System: Scott County**
6. **Action on Abandonments and Transfers in the Primary System: Botetourt and Henry Counties**
7. **Action of City Street Mileage**
8. **Action on Bids Received May 22 and June 5, 1991**
9. **Consultant Agreement: City of Richmond  
Proj. U000-127-109, PE101  
Supplemental Agreement # 2 for revision  
in scope of services  
American Engineers**  
**Consultant Agreement: Route 28 - Counties of Fairfax and Loudoun  
Proj. 0028-029-111, PE100  
0028-053-104, PE100  
Supplemental Agreement # 6 for revision  
in scope of services  
Dewberry and Davis**  
**Consultant Agreement: Route 250 - City of Charlottesville and  
Albemarle County  
Proj. 0250-104-102, PE101  
0250-002-105, PE101  
Supplemental Agreement # 3 for revision  
in scope of services  
T. Y. Lin International of Alexandria**

6/20/91

Moved by Mr. Bacon, seconded by Mrs. Kincheloe,  
that

WHEREAS, the need for an extension of the Dulles Toll Road from Route 28 to Leesburg has long been recognized by the Department of Transportation and the localities served by such extension; and

WHEREAS, in 1968 the General Assembly passed legislation titled the "Virginia Highway Corporation Act of 1968" (the Act) which Act of the General Assembly found that there was a compelling public need for rapid construction of safe and efficient highways for the purpose of travel within the Commonwealth and that it was in the public interest to encourage construction of additional, safe, convenient, and economic highway facilities by private parties, provided that adequate safeguards are available against default in the construction and operation obligations of the operators of roadways; such public interest to include without limitation the relative speed and relative cost efficiency of private construction of the project; and

WHEREAS, the Act provides that the State Corporation Commission shall examine the toll structure, financing costs, and rate of return proposed by the operator of a private toll road and determine that approval of the application is in the public interest including without limitation the relative speed and relative cost efficiency of private construction of the project; and

WHEREAS, the Act provides that the Commonwealth Transportation Board shall approve the project, the project construction costs, the location and design of the roadway, and its connection with any road under the jurisdiction of the Board, at proper and convenient places, in order to provide for the convenience of the public; and

WHEREAS, the Board was further charged under the Act with approving the project and its interconnections with other roads if there is a public need for a road project of the type proposed and the project and its interconnections are compatible with the existing road network; it shall approve the project construction cost if reasonable; and, in making its determinations, the Board shall keep in mind the public interest, which may include, without

6/20/91

limitation, such considerations as the relative speed of the construction of the project and the allocation of the technical, financial and human resources of the Department; and

WHEREAS, the approval of the Board is contingent and conditioned by law upon subsequent compliance by the applicant with a Comprehensive Agreement to be entered into between the operator of the private toll road and the Department of Transportation; and

WHEREAS, on August 30, 1988, a location hearing for the construction of an extension of the Dulles Toll Road by the Virginia Department of Transportation was held; and

WHEREAS, on November 19, 1988, the Commonwealth Transportation Board approved the location of an extension of the Dulles Toll road from Route 28 to Leesburg; and

WHEREAS, on May 31 and June 1, 1989, information meetings were held in Fairfax and Loudoun Counties, Virginia to discuss the construction of the extension of the Dulles Toll Road by a private operator; and

WHEREAS, on June 6 and June 7, 1989, public hearings were held in Fairfax and Loudoun Counties to receive input from the public as to the construction of an extension of the Dulles Toll Road by the Toll Road Corporation of Virginia (TRCV); and

WHEREAS, Resolutions have been received from the Town of Leesburg, the County of Loudoun and the NWA and testimony from the County of Fairfax relative to the application submitted by TRCV; and

WHEREAS, the Commonwealth Transportation Board approved on July 20, 1989, by Resolution, the application of the TRCV to construct and operate the Dulles Toll Road Extension (DTRE) from Route 28 to Leesburg; and

WHEREAS, such resolution was amended at the request of TRCV on May 17, 1990; and

WHEREAS, the State Corporation Commission, acting pursuant to section 56-539 of the Act, issued a Certificate of Authority to TRCV on July 6, 1990 to build and operate the DTRE; and

5/20/91

WHEREAS, TRCV desires to make certain changes in the design and location of the DTRE in order to comply with its needs and the conditions of the Metropolitan Washington Airports Authority (MWAA), the United States Army Corps of Engineers regarding wetlands, and other governmental requirements, and TRCV desires to defer the date of completion of construction of DTRE, and has and will incur additional costs in order to comply with such changes; and

WHEREAS, TRCV desires a change in alignment that exceeds 1,000 feet due to the flood plain involvement and wetland impact in the area of Horsepen Run, located on the Dulles Airport Property, a shift in the roadway position to the northeast for a distance of approximately 1,200 feet beyond that originally shown; and

WHEREAS, the Commonwealth Transportation Board has further reviewed the application at several meetings prior to the date of this action;

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that the project, the project construction costs as specified in following paragraph 5, as well as the project location, and the project design of the Dulles Toll Road Extension, and its connections with other roads under the jurisdiction of the Commonwealth Transportation Board all as shown in concept on 200-scale preliminary plans designated VDOT Project No. 0267-053-102-101, dated May 1, 1991, revised May 16, 1991 by Dewberry & Davis are hereby approved subject to: (1) the review and approval by VDOT of a Comprehensive Agreement containing terms satisfactory to the Department; and (2) further compliance with all terms of the Act and the laws of the Commonwealth.

BE IT FURTHER RESOLVED, in addition to the requirement of the Comprehensive Agreement, and pursuant to provisions set out in Section 56-549 of the Code of Virginia, the following provisions shall be met by TRCV:

1. TRCV shall use all reasonable efforts to have construction of the Dulles Toll Road Extension substantially complete and open to traffic no later than December 31, 1993, but commencement of construction shall be within the time limit of Section 56-549 of the Act.

6/20/91

2. Any minor and necessary changes from the specific alignment or design shown by TRCV on aforementioned 200-scale plans must be approved by VDOT, and any shift in such alignment in excess of 1,000 feet from the centerline or design changes not consistent with the 200-scale plans shall be submitted to the Commonwealth Transportation Board for action.
3. TRCV design should incorporate to the extent possible the concerns of Loudoun County, Fairfax County, the Town of Leesburg, and the NWAA not further specified in this Resolution. The Department will coordinate the development of the Comprehensive Agreement with the appropriate jurisdictions.
4. a. The design for the interchanges on the DTRR shall be in accordance with the design concept shown on the aforementioned 200-scale plans. The designs of the interchanges employ high-capacity, diamond-type interchanges including loops for critical movements. Further land reservation by Loudoun County or others for the desired intermediate interchange design, characterized by expansion of the diamond interchanges to spread diamonds of a higher traffic volume type, will be implemented when possible through cooperative efforts of TRCV, VDOT, Loudoun County, the Town of Leesburg, and respective land owners.  
b. The connection of the western end of the DTRR shall allow for the future extension of the roadway northward into the Town of Leesburg.  
c. The interchange at the eastern connection to the existing Dulles Toll Road shall provide: 1) connections to and from the west to Dulles Airport; 2) a full movement interchange with Route 28 except for the southbound 28 to westbound DTRR movement and return; 3) connections to the existing Dulles Toll road with provisions for collection of tolls by TRCV at its facilities on behalf of the Commonwealth;

6/20/91

and 4) a flyover directional ramp from northbound Route 28 into Dulles Airport (cost not to exceed \$3,600,000 from Route 28 Tax District Bond proceeds). Nothing herein shall preclude VDOT from compensating TRCV for the collection of tolls for existing Dulles Toll Road on behalf of the Commonwealth or entering into a joint management agreement.

5. TRCV project costs incurred through the completion of construction shall be approximately \$295 million. Provisions shall be included in the Comprehensive Agreement for the Department's review and approval of design changes, inspection of construction, and related increases in construction costs if necessary.
6. TRCV shall secure and maintain a public liability policy or policies sufficient in the judgment of the VDOT Commissioner to indemnify VDOT and the Commonwealth Transportation Board from any and all liability, if TRCV enters into an agreement whereby VDOT performs construction, operation or maintenance activities on behalf of TRCV on the DTRE.

BE IT FURTHER RESOLVED, that the approval by the Commonwealth Transportation Board is subject to the reimbursement of all costs incurred by VDOT which are reimbursable pursuant to the Act and specified in the Comprehensive Agreement. Such reimbursement shall be made within 30 days after closing of initial construction financing.

BE IT FURTHER RESOLVED, that should the Certificate of Authority issued by the State Corporation Commission be transferred to another operator pursuant to Section 56-539 of the Act, such operator shall succeed to all rights and obligations contained herein.

BE IT FURTHER RESOLVED, that prior Resolutions of July 20, 1989 and May 17, 1990 approving the DTRE are hereby superseded by this Resolution.

Motion carried.

6/20/91

Moved by Mr. Davies, seconded by Mr. Mastracco that a letter written to Mr. Anthony Garmardella, State Corporation Commission, concerning TRCV by Commissioner Pethel be made a part of the record of this meeting.

Motion Carried.

LOUDOUN WATER 4405 LOUDOUN WATER WAY, SUITE 200, RESTON, VA 20190  
TEL: 703.706.1000 FAX: 703.706.3090

February 17, 2016

Helen Cuervo, PE  
District Engineer  
VDOT Northern Virginia District  
4975 Alliance Drive  
Fairfax, VA 22030

**Re: Limited Access Breaks for Construction and Maintenance of the Horsepen Run  
Parallel Sewer Loudoun Water  
Loudoun County, Virginia**

Dear Ms. Cuervo:

The purpose of this letter is to request a change to a Limited Access (LA) from the Dulles Greenway (Route 267) at two locations.

Two access points on the Dulles Greenway are needed to construct and maintain Loudoun Water's proposed Horsepen Run Parallel Sewer (HRPS). Loudoun Water is in the process of designing and permitting the proposed 17,500 foot long HRPS which varies in size from 48-inch diameter to 30-inch diameter, and which is primarily located on property under the direct control of the Metropolitan Washington Airports Authority (MWAA).

Access to the proposed Horsepen Run Parallel Sewer (HRPS) corridor is constrained by existing roadways, the Washington Dulles International Airport, and Horsepen Run. Consequently, Loudoun Water proposes to install two points of access to the sewer corridor from the controlled access Dulles Greenway. The access points will be provided off of the eastbound Dulles Greenway exit ramp 9A and will utilize locked gates to restrict access. The access points will be located on either side of the bridge that connects the airport to the westbound Dulles Greenway.

**Background**

The Horsepen Run sewershed is one of several Loudoun Water sewersheds impacted by the recently issued Route 28 Corridor Comprehensive Plan Amendment (CPAM). This CPAM allows for greater development density in various locations along the Route 28 Corridor in Loudoun County, which as development proceeds will likely lead to increased sewer flows in Loudoun Water's Central Service Area. The Horsepen Run sewershed will be the first to see the impacts of the increased development density as a result of the Dulles World Center development project. Loudoun Water initiated an Area Facility Plan (Hazen and Sawyer, April 2013) to study the impacts of this and other potential developments on the sewer flows in Horsepen Run and the available capacity in the existing sewer infrastructure. The result of this study was a recommendation to construct a new sewer parallel to DC Water's existing Potomac Interceptor (PI) to relieve potential future capacity deficits along the PI.

The HRPS will be designed to meet the long term needs of the Loudoun Water Horsepen Run and Indian Creek sewersheds. The gravity sewer will convey wastewater from the Horsepen Run Vault to the Broad



Run Interceptor Parallel to the Potomac Interceptor (BRIPPI) near the Mercure Vault. This gravity sewer may also convey wastewater from the Fairfax County Horsepen Run sewershed, the Fairfax County Sully 2 meter vault, and Dulles Airport.

**Limited Access Break Request**

We have, with the guidance and assistance of our VDOT Preliminary Engineering Manager Mr. Jim Zeller, P.E., prepared an application in support of our Dulles Greenway (Route 267) Limited Access Break request, to include the following:

- Resolution letters of support from Loudoun County, the Metropolitan Washington Airports Authority, and TRIP II.
- A written summary of the proposed breaks.
- A Global Traffic Analysis.
- An Environmental Analysis.
- Copies of the construction plans.
- Acquisition Plan sheets marked to show the beginning and ending stations.
- Copies of Deeds and Certificates where TRIP II acquired the underlying property.

If you need additional information or would like to discuss further please feel free to contact me directly at 571-291-7747 or by email at [crizzi@loudounwater.org](mailto:crizzi@loudounwater.org).

Very truly yours,



Colleen C. Rizzi, P.E.  
Manager of Capital Design

Enclosure

cc: Chris Belk – Hazen

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



OCT 16 2015

Farid Bigdeli, PE  
Liaison for Loudoun County  
Virginia Department of Transportation  
4975 Alliance Drive  
Fairfax, VA 22030

Re: Proposed Change to Limited Access Control on the Dulles Greenway - Locked Gate Accesses from Eastbound Dulles Greenway Exit Ramp 9A

Dear Mr. Bigdeli:

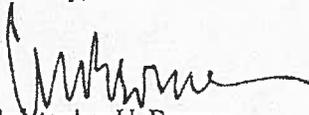
The Metropolitan Washington Airports Authority (Airports Authority) received a request for a letter of support from Loudoun Water to install two access points from the Dulles Greenway, needed to construct and maintain Loudoun Water's proposed Horsepen Run Parallel Sewer (HRPS), at Washington Dulles International Airport (Dulles). The purpose of this letter is to confirm the Airports Authority's support for Loudoun Water's request.

Loudoun Water is in the process of designing and permitting the proposed 17,500 foot long HRPS which varies in size from 48-inch diameter to 30-inch diameter, and which is primarily located on property under the direct control of the Airports Authority, as shown on Figure 1 (enclosed).

Access to the proposed HRPS corridor is constrained by existing roadways, the Airport, and Horsepen Run. Consequently, Loudoun Water proposes to install two points of access to the sewer corridor from the controlled access Dulles Greenway. The access points will be provided off of the eastbound Dulles Greenway exit ramp 9A and will utilize locked gates to restrict access (Note: Exit ramp 9A connects the Dulles Greenway with the Dulles Airport Access Road). The access points will be located on either side of the bridge that connects the airport to westbound Dulles Greenway as shown on Figures 1 and 2 (enclosed). The current design plan for these accesses is shown on the enclosed preliminary design drawing C405.

The Airports Authority's project manager for this effort is Mr. Sunil Rabindranath of the Dulles Engineering Division. Should you have any questions or need additional information, please contact Mr. Rabindranath at [Sunil.Rabindranath@mwaa.com](mailto:Sunil.Rabindranath@mwaa.com) or on 703-572-2885.

Sincerely,



Christopher U. Browne  
Airport Manager

CUB:na

Enclosures

cc R. Christopher Belk, PE, Hazen and Sawyer  
Colleen Rizzi, PE, Loudoun Water



Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Office of the County Administrator

1 Harrison Street, S.E., 5th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0200 • Fax (703) 777-0325

October 28, 2015

Mr. Farid Bigdeli, P.E.  
Liaison for Loudoun County  
Virginia Department of Transportation  
4975 Alliance Drive  
Fairfax, VA 22030

RE: Proposed Change to Limited Access Control on the Dulles Greenway - Locked Gate  
Accesses from Eastbound Dulles Greenway Exit Ramp 9A

Dear Mr. Bigdeli:

The purpose of this letter is to confirm Loudoun County's support for Loudoun Water's request to install two access points from the Dulles Greenway needed to construct and maintain Loudoun Water's proposed Horsepen Run Parallel Sewer (HRPS). As you are aware, Loudoun Water is in the process of designing and permitting the proposed 17,500 foot HRPA which varies in size from a 48-inch diameter to a 30-inch diameter, and is primarily located on property under the direct control of the Metropolitan Washington Airports Authority (MWAA).

Access to the proposed HRPS corridor is constrained by existing roadways, the airport and Horsepen Run. Consequently, Loudoun Water proposes to install two points of access to the sewer corridor from the controlled access Dulles Greenway. The access points will be provided off the eastbound Dulles Greenway exit ramp 9A and will utilize locked gates to restrict access. I would note that ramp 9A connects the Dulles Greenway with the Dulles Airport Access Road. The access points will be located on either side of the bridge that connects the airport to westbound Dulles Greenway as shown on exhibits previously provided to VDOT in a letter from Sunil Rabindranath, Airport Engineer, MWAA.

If you need additional information or would like to discuss the details of this request further, please contact Sunil Rabindranath at MWAA or Colleen Rizzi, Senior Project Manager at Loudoun Water.

Sincerely,

Jim Hemstreet  
County Administrator

Letter to Farid Bigdeli

October 28, 2015

Page Two

Cc: Charles Yudd, Assistant County Administrator  
Joe Kroboth, III, Director, Department of Transportation and Capital Infrastructure  
Sunil Rabindranath, MWA  
Colleen Rizzi, Loudoun Water



45305 Catalina Court, Suite 102, Sterling, VA 20166  
www.dullesgreenway.com

(703) 707-8870  
Fax (703) 707-8876

Ms. Johnna Spera  
Metropolitan Washington Airports Authority  
Office of General Counsel  
P.O. Box 17045, MA-224  
Washington, DC 20041-0045

January 5, 2016

**Re: Proposed Loudoun Water Sanitary Sewer Projects Crossing the Dulles Greenway**

Dear Ms. Spera:

The Loudoun County Sanitation Authority *dba* Loudoun Water ("Loudoun Water") has informed Toll Road Investors Partnership II, L.P. ("TRIP II"), the owner and operator of the limited access highway known as the Dulles Greenway – Virginia State Route 267 (the "Dulles Greenway") of two sanitary sewer infrastructure projects in development that would require trenchless crossing of the Dulles Greenway, as further described below.

The *Horsepen Run Parallel Sewer* (the "HRPS") is a sanitary sewer line 17,500 feet in length, ranging in diameter from 30 to 48 inches, and located primarily on property owned or otherwise controlled by the Metropolitan Washington Airports Authority ("MWAA"). The portion of the HRPS proposed to cross the Dulles Greenway is located on property controlled by TRIP II pursuant to a certain Deed of Easement dated September 29, 1993, from MWAA to TRIP II, as amended from time to time. The *Broad Run Interceptor Parallel to the Potomac Interceptor Phase V* (the "BRIPPI Phase V") is approximately 2,500 feet in length, with a 72-inch diameter, and located on property immediately adjacent to MWAA property but owned by parties other than MWAA. The portion of the BRIPPI Phase V proposed to cross the Dulles Greenway is on property owned in fee simple by TRIP II.

In accordance with Dulles Greenway governing documents, infrastructure installations within the Dulles Greenway right of way are undertaken on and subject to the terms and conditions of a land use permit in form and substance satisfactory to TRIP II and to the Virginia Department of Transportation ("VDOT").

TRIP II hereby confirms, at the request of and for the benefit of MWAA, that TRIP II has reviewed current engineering and design documents prepared for the HRPS and BRIPPI Phase V projects and that, absent significant changes to those engineering and design documents in a manner materially, adverse to TRIP II, TRIP II does not object to implementation of the HRPS and BRIPPI Phase V projects within the Dulles Greenway right of way, provided that all work within the Dulles Greenway right of way is undertaken in strict accordance with one or more land use permits issued by TRIP II.

Very truly yours,



Thomas D. McKean, CEO

cc: Tim Belcher, PE, PMP, Dewberry  
Colleen Rizzi, PE, Senior Project Manager, Loudoun Water



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item # 11*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By:            Seconded By:**

#### **Action:**

**Title: Limited Access Break and Control Changes (LACC)  
Interstate 81 and Route 311 (Exit 140) Interchange  
County of Roanoke**

**WHEREAS**, on October 4, 1956, the State Highway Commission, predecessor to the Commonwealth Transportation Board (CTB), designated the Interstate Highway System to be Limited Access Highways in accordance with then Article 3, Chapter 1, Title 33 of the *Code of Virginia* of 1950, as amended, and established the limited access line locations and limits as “the final locations of said routes, including all necessary grade separations, interchanges, ramps, etc.”; and

**WHEREAS**, the 1983 interchange modification for I-81, State Highway Project 0081-080-105, C-501, PE-101, RW-201, changed the final location of Interstate 81 and its interchange, thus establishing new limited access control and right of way lines in accordance with the resolution of October 4, 1956; and

**WHEREAS**, the Board approved Limited Access Control Changes (LACC) in conjunction with State Highway Project 0081-080-S04, P101, M501, the expansion of a Park and Ride Facility adjacent to Route 311 (Thompson Memorial Drive) at the Exit 140 interchange along Interstate 81 (I-81) (Park and Ride Extension Project), by resolution dated January 14, 2015 following a Public Hearing on October 16, 2014 and due consideration of the comments received and in accord with §33.2-401 of the *Code of Virginia* and Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*; and

**WHEREAS**, following approval of the LACC for the Park and Ride Extension Project, it was realized that a break in the limited access line had not been requested for the pedestrian access shown along south bound Route 311 to provide commuters access to and from the bus stop and bus shelters to be constructed as part of the Park and Ride improvements; and

**WHEREAS**, construction of the sidewalk connecting the bus shelters to the sidewalk along Route 311 will require a break in Limited Access beginning along the west side at Station 77+45.55 and 68.95' off the baseline for Route 311 and continuing north ending at Station 78+18.19 and 55.64' right of the baseline for Route 311; and

**WHEREAS**, State Highway Project 0311-080-874, P101, N501 (a Highway Safety Improvement Project) provides for the construction of new sidewalk and curb and gutter, along with the installation of marked crosswalks and additional signing and lighting to enhance pedestrian accommodations (HSIP Sidewalk Project), inside the limited access control area along Route 311 under I-81 from the North Corporate Limits of the City of Salem to the Exit 140 Park and Ride Improvement Project to complete interconnections between the Park and Ride lot and sidewalks in the City of Salem; and

**WHEREAS**, this expansion of pedestrian access and facilities is inconsistent with the designation of a limited access control area and requires the CTB to authorize the construction and maintenance of the sidewalks, crosswalks and other improvements inside the limited access control area and to authorize pedestrian access through the limited access control area on the sidewalks and other pedestrian improvements; and

**WHEREAS**, the Salem District posted a Notice of Willingness to Hold a Design Public Hearing regarding the location of the sidewalk as proposed and presented in the plans for 0311-080-874, P101, N501, the HSIP Sidewalk Project, as required and no request for a public hearing was received; and

**WHEREAS**, the HSIP Sidewalk Project is in compliance with National Environmental Policy Act (NEPA) requirements and a Programmatic Categorical Exclusion (PCE) has been developed in cooperation with the Federal Highway Administration and in accordance with federal guidelines; and

**WHEREAS**, the economic, social, and environmental effects of the proposed HSIP Sidewalk Project have been duly examined and given proper consideration, and this evidence, along with all other, has been carefully reviewed; and

**WHEREAS**, Roanoke County endorsed the HSIP Sidewalk Project in a letter dated August 24, 2016; and

**WHEREAS**, by its resolution dated January 14, 2015, the CTB changed the limited access control and right of way lines in accordance with the design plans for State Highway Project 0081-080-S04, P101, M501, the Park and Ride Extension Project, to accommodate changes made to the Park and Ride, but not the construction of the sidewalk needed for pedestrian access to the bus stop and bus shelters nor the sidewalk improvements contemplated by State Highway Project 0311-080-874, P101, N501, the HSIP Sidewalk Project; and

**WHEREAS**, the proposed LACC is needed to accommodate the sidewalk improvements that will allow pedestrian access between the bus stops and bus shelters and the sidewalk along Route 311 and interconnectedness through the limited access area with other City of Salem sidewalks; and

**WHEREAS**, the portions of the projects and the proposed LACC contemplated hereunder will have no impact on vehicular traffic, therefore no traffic study was required; and

**WHEREAS**, the projects and proposed LACC will not adversely affect the safety or operation of the highway and are recommended by the Virginia Department of Transportation (VDOT); and

**WHEREAS** the proposed LACC is in compliance with Title 24, Section 30, Chapter 401 of the *Virginia Administrative Code*.

**NOW, THEREFORE, BE IT RESOLVED**, in accordance with §33.2-401 of the *Code of Virginia* and Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*, that the CTB hereby finds and concurs in the determinations and recommendations of VDOT made herein, and directs that the I-81 and Route 311 (Exit 140) interchange continue to be designated as a Limited Access Highway, with an amendment to the previously approved line to add a break in the Limited Access Control in conjunction with State Highway Project 0081-080-S04, P101, M501, the Park and Ride Extension Project, as follows:

Beginning along the west side at Station 77+45.55 and 68.95' off the baseline for Route 311 and continuing north ending at Station 78+18.19 and 55.64' right of the baseline for Route 311.

**BE IT FURTHER RESOLVED**, that the location of the sidewalk within the limited access area be approved as proposed and presented in the plans for State Highway Project 0311-080-874, P101, N501, the HSIP Sidewalk Project.

**BE IT FURTHER RESOLVED**, that pedestrians are authorized to use the proposed sidewalk from the North Corporate Limits of the City of Salem for a length of 490 feet, more or less, within the limited access area.

Resolution of the Board  
Limited Access Control Changes  
Interstate 81 and Route 311 (Exit 140) Interchange  
County of Roanoke  
September 21, 2016  
Page Four

**BE IT FURTHER RESOLVED**, the Commissioner of Highways is authorized to take all actions and execute any and all documents necessary to implement such changes.

####

**CTB Decision Brief**  
**Proposed Limited Access Control Changes**  
**Interstate 81 and Route 311 (Exit 140) Interchange**  
**Project 0081-080-S04, P101, M501**  
**And**  
**Project 0311-080-874, P101, N501**  
**County of Roanoke**

**Issue:** The limited access control area previously approved for the Interstate 81 and Route 311 (Exit 140) interchange (Interchange) needs to be modified to provide pedestrian access through the area and other accommodations for pedestrians within the area as a result of new sidewalks that will be placed in the limited access area and through the existing limited access control line.

The Board previously approved Limited Access Control Changes (LACC) at this location in conjunction with State Highway Project 0081-080-S04, P101, M501, the expansion of a Park and Ride Facility adjacent to Route 311 (Thompson Memorial Drive) at the Exit 140 interchange along Interstate 81 (I-81) (Park and Ride Extension Project), by resolution dated January 14, 2015. Since approval of the LACC, it has been realized that approval of a break in the limited access line had not been requested for the pedestrian access shown along south bound Route 311 to provide commuters access to and from the bus stop and bus shelters to be constructed as part of the Park and Ride improvements. Construction of the sidewalk connecting the bus shelters to the sidewalk along Route 311 will require a break in Limited Access beginning along the west side at Station 77+45.55 and 68.95' off the baseline for Route 311 and continuing north ending at Station 78+18.19 and 55.64' right of the baseline for Route 311.

State Highway Project 0311-080-874, P101, N501 (a Highway Safety Improvement Project) provides for the construction of new sidewalk and curb and gutter along Route 311 under I-81 from the North Corporate Limits of the City of Salem to the Exit 140 Park and Ride Improvement Project to complete interconnections between the Park and Ride lot and sidewalks in the City of Salem (HSIP Sidewalk Project). The Project will also include the installation of marked crosswalks and additional signing and lighting to enhance pedestrian accommodations. This expansion of pedestrian access and facilities is inconsistent with the designation of a limited access control area and requires the CTB to authorize the construction and maintenance of the sidewalks, crosswalks and other improvements inside the limited access control area and to authorize pedestrian access through the limited access control area on the sidewalks and other pedestrian improvements.

The proposed resolution will authorize the proposed break in the limited access control line to accommodate pedestrian access to the sidewalk along Route 311. It will also authorize building and maintaining new sidewalk within the limited access control area under and adjacent to I-81 from the North Corporate Limit of the City of Salem as proposed and will authorize pedestrian access across the sidewalk in the limited access control area. The Virginia Department of Transportation seeks approval from the Commonwealth Transportation Board for the proposed LACC and location and access of pedestrian facilities within the limited access control area.

**Facts:**

- Limited Access Control Changes (LACC) at the I-81 (Exit 140) Interchange were

- previously approved by the CTB on January 14, 2015 in conjunction with State Highway Project 0081-080-S04, P101, M501 (Park and Ride Extension Project) following a Public Hearing on October 16, 2014, after due consideration of the comments received, and in accord with §33.2-401 of the *Code of Virginia* and Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*.
- Construction of sidewalk facilities connecting the bus shelters to the sidewalk along Route 311 as part of the Park and Ride Extension Project (Park and Ride Sidewalks) will require a break in Limited Access beginning along the west side at Station 77+45.55 and 68.95' off the baseline for Route 311 and continuing north ending at Station 78+18.19 and 55.64' right of the baseline for Route 311.
  - Since the CTB's approval of the LACC for the Park and Ride Extension Project, it was realized that approval of a break in the limited access line that is needed for the Park and Ride Sidewalks had not been requested.
  - A Notice of Willingness to Hold a Design Public Hearing regarding the location of the additional sidewalks, as proposed and presented in the plans for State Highway Project 0311-080-874, the HSIP Sidewalk Project, to be located in and through the limited access control was posted as required by Salem District and no request for a public hearing was received.
  - The economic, social, and environmental effects of the HSIP Sidewalk Project have been duly examined and given proper consideration, and this evidence, along with all other, has been carefully reviewed.
  - These projects are in compliance with National Environmental Policy Act (NEPA) requirements and a Programmatic Categorical Exclusion (PCE) has been developed in cooperation with the Federal Highway Administration and in accordance with federal guidelines.
  - Roanoke County endorsed the New HSIP Sidewalk Project by letter dated August 24, 2016.
  - The projects contemplated hereunder will have no impact on vehicular traffic and, therefore, no traffic study was required.
  - These projects and the proposed LACC will not adversely affect the safety or operation of the highway.
  - The proposed LACC is in compliance with the policies and requirements of the CTB contained in Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*.

**Recommendations:** It is recommended that, pursuant to §33.2-401 of the *Code of Virginia* and Title 24, Agency 30, Chapter 401 of the *Virginia Administrative Code*, the CTB find and concur in the determinations and recommendations of VDOT made herein, and direct that the I-81 and Route 311 (Exit 140) interchange continue to be designated as a Limited Access Highway, with an amendment to the previously approved line to add a break in the Limited Access Control to accommodate the Park and Ride Sidewalks and to permit access to pedestrian facilities in the HSIP Sidewalk Project as proposed herein.

This action will modify the limited access line and right of way previously approved by the State Highway Commission, the CTB's predecessor, on October 4, 1956, as modified by the 1983

CTB Decision Brief  
Interstate 81 and Route 311 (Exit 140) Interchange  
Proposed Limited Access Control Changes  
County of Roanoke  
Page Three

interchange modification for I-81, State Highway Project 0081-080-105, C-501, PE-101, RW-201, and by resolution of the CTB on January 14, 2015, which changed the limited access control and right of way lines in accordance with the design plans for State Highway Project 0081-080-S04, P101, M501, the Park and Ride Extension Project, to accommodate changes made to the Park and Ride, but not the construction of the sidewalk needed for bus shelter access nor the sidewalk improvements needed to provide commuter access to and from buses traveling on Route 311 contemplated by State Highway Project 0311-080-874, P101, N501, the HSIP Sidewalk Project.

**Action Required by CTB:** The *Code of Virginia* requires a majority vote of the CTB to approve the recommended LACC. The CTB will be presented with a resolution for a formal vote to approve the break in the limited access line that is needed for the Park and Ride Sidewalks,, to approve location and access to the New HSIP Sidewalk Project facilities within the limited access control area of the Interchange, and to provide the Commissioner of Highways the requisite authority to execute all documents necessary to implement the LACC.

**Result, if Approved:** The Commissioner of Highways will be authorized to execute any and all documents needed to comply with the resolution, and the Park and Ride improvements in State Highway Project 0081-080-S04, P101, M501 and the sidewalk improvements in State Highway Project 0311-080-874, P101, N501 will move forward.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None.



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION  
1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219 2000

**Charles A. Kilpatrick, P.E.**  
Commissioner

September 21, 2016

The Honorable Aubrey L. Layne, Jr.  
The Honorable Charles A. Kilpatrick, P. E.  
The Honorable Jennifer Mitchell  
The Honorable Jerry L. Stinson II  
The Honorable Henry "Hap" Connors, Jr.  
The Honorable Alison DeTuncq  
The Honorable Shannon Valentine  
The Honorable Gary Garczynski  
The Honorable Carlos M. Brown  
The Honorable William H. Fralin, Jr.  
The Honorable F. Dixon Whitworth, Jr.  
The Honorable E. Scott Kasprowicz  
The Honorable Mary Hughes Hynes  
The Honorable James W. Dyke, Jr.  
The Honorable Court G. Rosen  
The Honorable Marty Williams  
The Honorable John Malbon  
The Honorable Greg Yates

Subject: Approval of Limited Access Control Change (LACC) for I-81 and Route 311 (Exit 140) Interchange, County of Roanoke.

Dear Commonwealth Transportation Board Members:

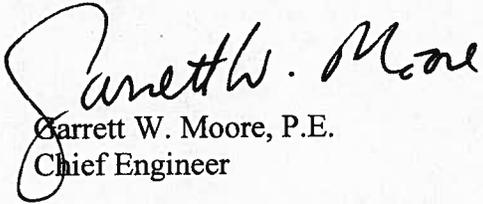
The Department has initiated the above request for a limited access control change (LACC) for your consideration. The proposed limited access control changes on State Highway Projects 0081-080-S04, P101, M501 and 0311-080-874, P101, N501 have been determined as a necessary design feature and recommended for approval by the Department's staff. The proposed project includes the expansion of a Park and Ride Facility adjacent to Route 311 (Thompson Memorial Drive) at the Exit 140 interchange along Interstate 81 (I-81), the construction of sidewalk improvements along south bound Route 311 to provide commuter access to and from buses traveling on Route 311 and bus shelters to be constructed in the Park and Ride improvements, as well as construction of new sidewalk along Route 311 under I-81 to complete interconnections between the Park and Ride lot and existing sidewalks in the City of Salem.

Letter to the CTB from Chief Engineer  
Interstate 81 and Route 311 (Exit 140) Interchange  
Proposed Limited Access Control Changes  
September 21, 2016  
Page 2 of 2

Attachment A shows the break in limited access area to accommodate the steps and ramp needed for bus passengers to access the sidewalk along south bound Route 311. Attachment B shows the sidewalk project under I-81 within the limited access area of the interchange that will connect the Park and Ride lot with the City's existing sidewalk system.

I have reviewed the staff's recommendations and determined that approving these limited access control changes will not adversely affect the safety or operation of the affected highway network. I have determined that this request should be considered by the Board.

Sincerely,

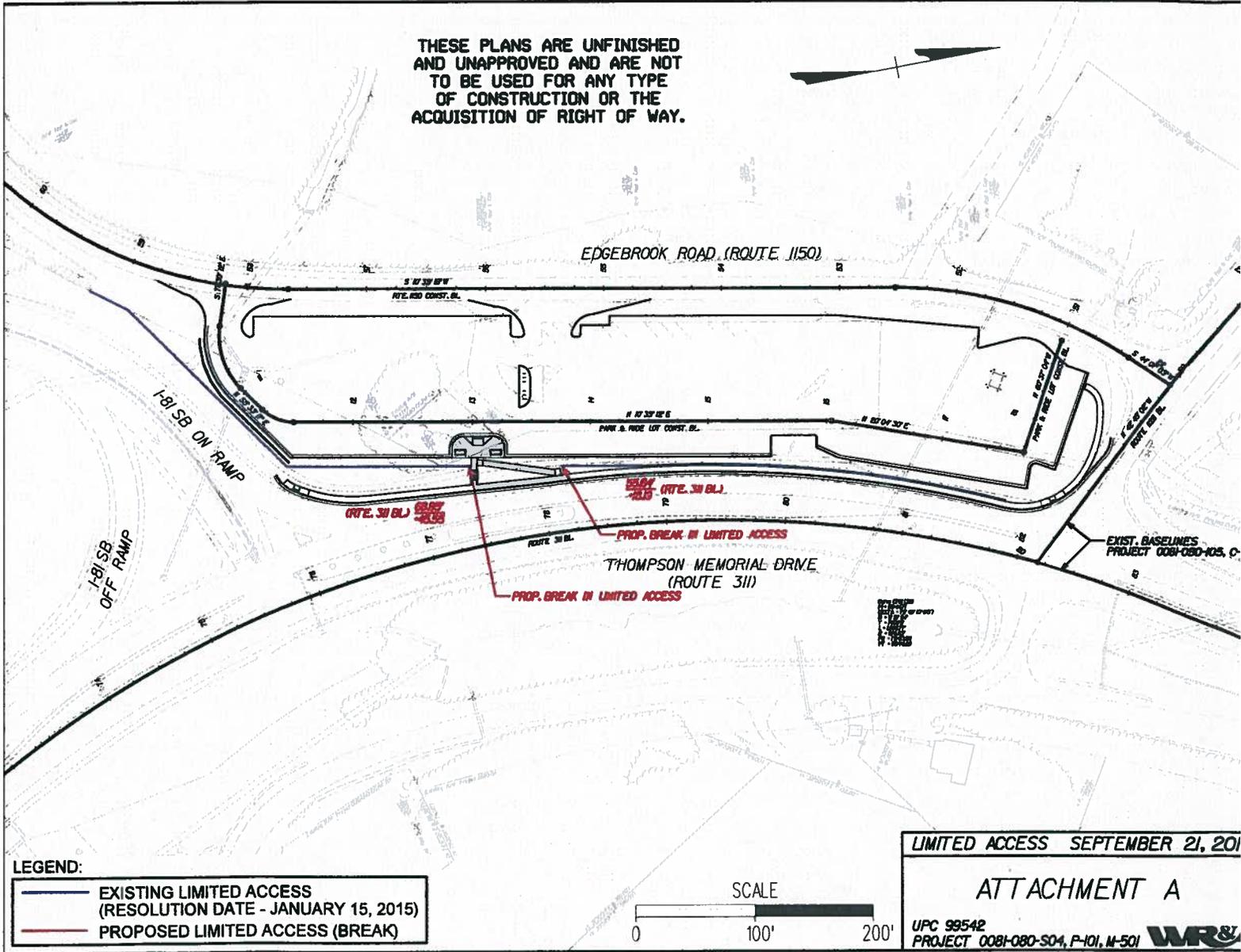


Garrett W. Moore, P.E.  
Chief Engineer

## **Limited Access Control Change for a project located in the Salem District**

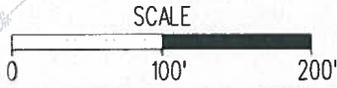
1. This is a Limited Access break and control changes for Interstate 81 and Route 311 (Exit 140) Interchange County of Roanoke
  - a. Located in the County of Roanoke
  - b. Interstate 81 and Route 311 Exit 140 Park and Ride Expansion and the extension of sidewalk along Route 311. This will be a break in limited access and the change of limited access to allow pedestrians to have access from the Park and Ride to sidewalk along Route 311.
  - c. The Design Public Hearing was held on Thursday, October 16, 2014 at the VDOT Salem District Auditorium for the Park and Ride expansion. A Notice of Willingness to Hold a Public Hearing was posted on the sidewalk project and no request for a hearing was received.
  - d. The project was endorsed by the County of Roanoke in their Regional Surface Transportation Program (RSTP) application dated April 19, 2013, by resolution (092314-4.f) adopted September 23, 2014 and letter dated August 24, 2016 (See Attachment C).
  - e. These Limited Access Change Controls were approved by FHWA on 8/22/16. (See Attachment D).
  - f. The total estimated costs of the projects are approximately \$4.3 million.
  - g. Request approval by the CTB of the Limited Access modifications

THESE PLANS ARE UNFINISHED  
AND UNAPPROVED AND ARE NOT  
TO BE USED FOR ANY TYPE  
OF CONSTRUCTION OR THE  
ACQUISITION OF RIGHT OF WAY.



**LEGEND:**

	EXISTING LIMITED ACCESS (RESOLUTION DATE - JANUARY 15, 2015)
	PROPOSED LIMITED ACCESS (BREAK)

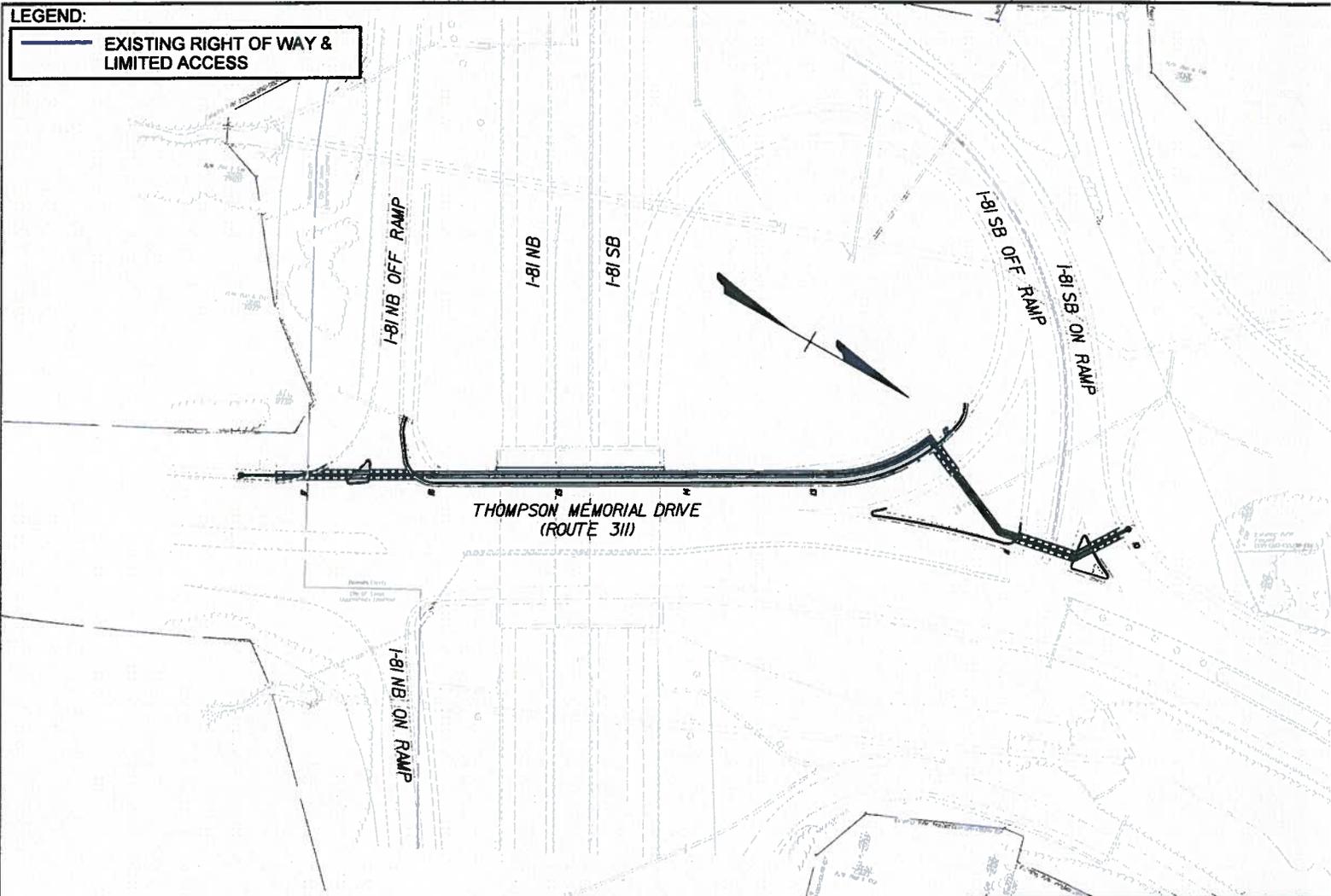


LIMITED ACCESS SEPTEMBER 21, 201

ATTACHMENT A

UPC 99542  
PROJECT 0081-080-504, P-101, M-501 

**LEGEND:**  
— EXISTING RIGHT OF WAY & LIMITED ACCESS



THESE PLANS ARE UNFINISHED  
AND UNAPPROVED AND ARE NOT  
TO BE USED FOR ANY TYPE  
OF CONSTRUCTION OR THE  
ACQUISITION OF RIGHT OF WAY.



LIMITED ACCESS SEPTEMBER 21, 201

ATTACHMENT B

UPC 107054  
PROJECT 0311-080-874, P-101, N-501



**ATTACHMENT C**



# County of Roanoke

OFFICE OF THE COUNTY ADMINISTRATOR

PO Box 29800, 5204 Bernard Drive  
Roanoke, Virginia 24018-0798

August 24, 2016

Ms. Lindsey S. Hodges  
Project Manager  
Virginia Department of Transportation  
731 Harrison Avenue  
Salem, VA 24153

Subject: Project: 0311-080-874, P101, N501  
UPC: 107054  
Limited Access Control Changes

Dear Ms. Hodges,

Please allow this letter to serve as the County's support of the subject project including the necessary changes in Limited Access Control. We acknowledge the project scope includes constructing new sidewalk and curb and gutter from the proposed the North Corporate Limits of the City of Salem to new sidewalk to be constructed as part of the Exit 140 Park and Ride Improvement project (0081-080-S04, P101, R201, M501, UPC 99542). The project will also include the installation of marked crosswalks, and additional signing and lighting to enhance pedestrian accommodations. We also acknowledge the project is funded through the Highway Safety Improvement Program (HSIP).

We are pleased that the subject project will be advertised and constructed under the same contract as the park and ride improvements as this will provide a critical pedestrian link from the existing sidewalk network to an increasingly valuable multi-modal transportation resource. Thank you for the opportunity to provide support to this important project.

Sincerely,

Thomas C. Gates  
County Administrator

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF ROANOKE COUNTY, VIRGINIA, HELD AT THE ROANOKE COUNTY ADMINISTRATION CENTER, ON TUESDAY, SEPTEMBER 23, 2014

**RESOLUTION 092314-4.f REQUESTING THE ROANOKE VALLEY AREA METROPOLITAN PLANNING ORGANIZATION FUND A LIST OF PROJECTS FOR THE FISCAL YEAR 2016-2021 REGIONAL SURFACE TRANSPORTATION PROGRAM**

WHEREAS, the Roanoke Valley Area Metropolitan Planning Organization reviews applications for funding through the Regional Surface Transportation Program and makes recommendations for project funding to the Commonwealth Transportation Board; and

WHEREAS, the Roanoke County Board of Supervisors reviewed a list of six (6) projects for Regional Surface Transportation Program funding at a work session on September 9, 2014; and

WHEREAS, the Roanoke County Board of Supervisors supports the list of six (6) projects for Regional Surface Transportation Program funding.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Roanoke County, Virginia requests the Roanoke Valley Area Metropolitan Planning Organization fund the following list of projects for the fiscal year 2016-2021 Regional Surface Transportation Program:

1. Plantation Road Project – Lila Drive Intersection
2. Plantation Road Project – Friendship / Carvin's Creek Bridge Replacement
3. Plantation Road Project – Friendship Lane Reconstruction
4. Plantation Road Project – Phase 2
5. Exit 140 Park and Ride

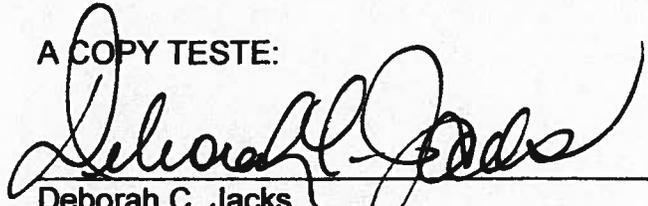
**6. West Main Street Pedestrian Improvements – Phase 2**

On motion of Supervisor McNamara to adopt the resolution, and carried by the following recorded vote:

**AYES:** Supervisors Moore, Bedrosian, Church, Peters, McNamara

**NAYS:** None

A COPY TESTE:

A handwritten signature in black ink, appearing to read "Deborah C. Jacks", written over a horizontal line.

Deborah C. Jacks  
Deputy Clerk to the Board of Supervisors

**cc:** David Holladay, Planning Administrator  
Roanoke Valley Area Metropolitan Planning Organization

**ATTACHMENT D**



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION  
1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219 2000

**Charles A. Kilpatrick, P.E.**  
Commissioner

**August 19, 2016**

**Mr. Wayne Fedora**  
Acting Division Administrator  
Federal Highway Administration  
400 N. 8<sup>th</sup> Street, Room 750  
Richmond, VA 23240-0249

**Attn: Mrs. Barbara Middleton**

**Interstate I-81**  
Exit 140 Park 'N Ride Facility Expansion  
Project #'s: 0081-80-S04 & 311-080-874  
Federal Project #: STP-081-2(291) & HSIP-5128(344)  
UPC #'s: 99542 & 107054

**Dear Mr. Fedora:**

The Virginia Department of Transportation (VDOT) is expanding a Park and Ride Facility at the Exit 140 interchange along Interstate 81 (I-81) and constructing sidewalk improvements along south bound EXIT 140 Park 'N Ride Facility Expansion.

The Project will require a break in Limited Access beginning along the west side at Station 77+45.55 and 68.95' off the baseline for Route 311 and continuing north ending at Station 78+18.19 and 55.64' right of the baseline for Route 311 to accommodate the sidewalk for bus access. In addition, the proposed action will authorize building and maintaining the new sidewalk within the limited access control area from the North Corporate Limits of the City of Salem as proposed and will authorize pedestrian access across the sidewalk in the limited access control area. There are no traffic or highway safety impacts from this plan.

VDOT has coordinated the control change and proposed break in the Limited Access with Federal Highway Administration personnel and now requests that you provide approval of the proposed modification of the Limited Access as outlined above.

Mr. Wayne Fedora  
August 19, 2016  
Page 2

See Attachment "A" and "B" depicting the existing and proposed lines of Limited Access described with roadway stations.

Sincerely,

*Theron Knouse*

Theron Knouse, P.E.  
Assistant State Location and Design Engineer

Approved: *Barbara K. Helton* Date: 08/22/16

Attachment



## COMMONWEALTH of VIRGINIA

### *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda Item # 9*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**January 14, 2015**

#### **MOTION**

**Made By: Mr. Fralin, Seconded By: Mr. Rosen**

**Action: Motion Carried, Unanimously**

**Title: Limited Access Control Changes (LACC)  
Interstate 81 and Route 311 (Exit 140) Interchange  
Park and Ride Expansion Project  
Roanoke County**

**WHEREAS**, a Design Public Hearing was held at the Virginia Department of Transportation's Salem District Office located in the City of Salem, Virginia on Thursday, October 16, 2014, between 5:00 p.m. and 7:00 p.m. for the purpose of considering proposed State Highway Project 0081-080-S04, P101, M501; and

**WHEREAS**, the proposed project involves the expansion of a Park and Ride Facility at the Route 311 (Exit 140) interchange along Interstate 81 (I-81); and

**WHEREAS**, the said Project improvements consist of adding an additional 124 parking spaces (115 car/truck plus 9 motorcycle spaces), adding sidewalk, lighting, bus shelters, bike racks, informational kiosks, handicap accommodations, and modifying the existing limited access control as part of the design features of the project; and

Resolution of the Board  
Limited Access Control Changes  
Interstate 81 and Route 311 (Exit 140) Interchange  
Park and Ride Project  
Roanoke County  
January 14, 2015  
Page Two

**WHEREAS**, proper notice was given in advance, and all those present were given a full opportunity to express their opinions and recommendations for or against the proposed project as presented, and their statements being duly recorded; and

**WHEREAS**, this project is in compliance with National Environmental Policy Act (NEPA) requirements and a Programmatic Categorical Exclusion (PCE) has been developed in cooperation with the Federal Highway Administration (FHWA) and in accordance with federal guidelines; and

**WHEREAS**, the economic, social, and environmental effects of the proposed project have been duly examined and given proper consideration, and this evidence, along with all other, has been carefully reviewed; and

**WHEREAS**, the Roanoke County Board of Supervisors endorsed the project as presented at that public hearing by resolution (092314-4.f) adopted September 23, 2014 and in its Regional Surface Transportation Program (RSTP) application dated April 19, 2013; and

**WHEREAS**, the FHWA has provided the requisite approval for State Highway Project 0081-080-S04, P101, M501 and the proposed LACC; and

**WHEREAS**, on October 4, 1956, the State Highway Commission, predecessor to the Commonwealth Transportation Board (CTB), designated the Interstate Highway System to be Limited Access Highways and in accordance with §33.2-401 of the *Code of Virginia*, established that the limited access line locations and limits shall be as shown on the final engineering plans for the original highway project construction on the interstates, including I-81; and

**WHEREAS**, the 1983 interchange modification for I-81, State Highway Project 0081-080-105, C-501, PE-101, RW-201 changed the limited access control and right of way lines in accordance with the design plans for the Route 311 Project.

**NOW, BE IT FURTHER RESOLVED**, in accordance with the statutes of the Commonwealth of Virginia and policies of the CTB, that the CTB hereby finds and concurs in the determinations and recommendations of VDOT made herein, and directs that the I-81 and Route 311 (Exit 140) interchange continue to be designated as a Limited Access Highway, with the Limited Access Control being modified from the current locations as described below:

Beginning along the west side of the I-81 Southbound On Ramp, from a point on the existing limited access line, 40.35 feet left of Station 58+90.96 (RTE. 1150 baseline), then continuing northeast to a point 110.91 feet left of Station 76+10.49 (RTE. 311 baseline), then continuing north to a point 48.47 feet opposite station

Resolution of the Board  
Limited Access Control Changes  
Interstate 81 and Route 311 (Exit 140) Interchange  
Park and Ride Project  
Ronoake County  
January 14, 2015  
Page Three

78+87.49 (RTE. 311 baseline), then continuing north along a curve to the right having a radius of 1008.33 feet, arc length of 305.08 feet, chord length of 303.92 feet and a chord bearing N16°17'49" to a point 44.47 feet left of Station 81+78.65 (RTE 311 baseline).

**BE IT FURTHER RESOLVED**, the Commissioner of Highways is authorized to execute any and all documents necessary to implement such changes.

####



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF TRANSPORTATION

731 Harrison Ave., P.O. Box 3071  
Salem, VA 24153-0560

CHARLES A. KILPATRICK, P.E.  
COMMISSIONER

August 19, 2016

### MEMORANDUM

#### REQUEST FOR WILLINGNESS APPROVAL (Tier 1 Project)

**TO:** Mr. Alex H. Price, P.E.  
District Location & Design Engineer

Mr. Thomas W. DiGiulian, P.E., L.S.  
District Project Development Engineer

**FROM:** Ms. Lindsey S. Hodges, E.I.T.  
Project Manager

**SUBJECT:** Project #: 0311-080-874, P101, N501  
Federal Project #: HSIP-5128(344)  
UPC: 107054  
County: Roanoke

In accordance with the statutes of the Commonwealth of Virginia and policies of the Commonwealth Transportation Board, a Notice of Willingness to hold a Design Public Hearing was posted on the above mentioned project on August 3, 2016. The posting expired on August 18, 2016 with no request for a hearing.

The scope of this project involves constructing new sidewalk and curb and gutter from the North Corporate Limits of the City of Salem to the Exit 140 Park and Ride Improvement project. The project will also include the installation of marked crosswalks, and additional signing and lighting to enhance pedestrian accommodations.

The project has been processed in accordance with current VDOT policies and procedures. A Programmatic Categorical Exclusion NEPA environmental document was obtained for this project on July 25, 2016.

Uploaded in iPM for your use in consideration of approval for this project are the Willingness Advertisement, NEPA Concurrence Form, approved Scoping Report, and project location map.

I request your concurrence and approval of the major design features for this project.

REQUEST FOR WILLINGNESS APPROVAL

Project #: 0311-080-874, P101, N501

Federal Project #: HSIP-5128(344)

UPC: 107054

County: Roanoke

Page 2 of 2

Lindsay S. Hodges  
Project Manager

8/19/16  
Date

I concur with the recommendation that the major design features for the above project be approved as noted.

Alex P. Pric  
District Location and Design Engineer

8/22/16  
Date

Approved by:

T. W. Williams  
District Project Development Engineer

8/19/16  
Date

CC: R.R. Dan Collins, Salem Residency Administrator

**TO:** FHWA – Kevin Jones  
**FROM:** Paul Johnson  
**DATE:** 07/25/2016

### PROGRAMMATIC CATEGORICAL EXCLUSION

**Route Number:** 311  
**Project Number:** 0311-080-874, P101, N501  
**Federal Project Number:** HSIP-5128(344)  
**From:** North Corporate Limit of Salem  
**To:** 0.02 Mile North of I-81 South Bound Ramp  
**County/City:** Roanoke County  
**UPC Number:** 107054

The subject project meets the criteria for a Programmatic Categorical Exclusion in accordance with:

- 23 CFR 771.117  
 Agreement approved by the Federal Highway Administration on May 1, 2013  
**VA-02** (Select from list in Attachment A of Agreement).



**Description of PCE Category:** Construction of bicycle and pedestrian lanes, paths, and facilities and improvements for pedestrian or bicyclist safety or for the safety of persons with disabilities.

**Project Description:** The project will improve pedestrian safety by adding crosswalks and a sidewalk extension. This proposed sidewalk will connect to the existing sidewalk at the north corporate limits of Salem and extend to a new sidewalk that will be constructed as part of the future expansion of the Exit 140 Park & Ride project.

**The action involves:**

	YES	NO
Significant environmental impacts as described in <a href="#">23 CFR 771.117(a)</a>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unusual circumstances as described in <a href="#">23 CFR 771.117(b)</a>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant impacts to planned growth or land use	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The relocation of significant numbers of people	<input type="checkbox"/>	<input checked="" type="checkbox"/>
More than minor amounts of temporary or permanent right of way acquisition	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant air, noise, or water quality impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A determination of adverse effect on historic properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A determination that the action is likely to adversely affect any federally listed endangered species or their designated critical habitat	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant impacts on travel patterns	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Changes in Interstate access control requiring FHWA approval	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A use of properties protected by Section 4(f), (with exception of <i>de minimis</i> impact finding)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Individual or cumulative significant environmental impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous material sites or potential for hazardous materials within existing right of way	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Encroachment on regulatory floodway of water courses or water bodies of greater than one foot	<input type="checkbox"/>	<input checked="" type="checkbox"/>

USCG construction permit, USACE Individual Section 404 permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cause disproportionately high and adverse effects on any minority or low-income populations	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Minutes of the Meeting of the State Highway  
Commission of Virginia, held in  
Richmond  
October 4, 1958**

The Commission met in the Central Office Building, Richmond, Virginia, at 9:00 A.M., Thursday, October 4, 1958. The following members were present: Messrs. E. P. Barrow, S. S. Flythe, S. D. May, Burgess E. Nelson, Wm. A. Wright and J. A. Anderson.

The meeting was called to order by the Chairman.

The Chairman read a letter from Mr. Howard G. Rogers stating that he would not be able to attend because of illness.

On motion made and seconded, the minutes of the August 9-10 meeting were approved.

Moved by Mr. May, seconded by Mr. Barrow, that the permits issued from the August 9-10 meeting to date, inclusive, as recorded in the Auditing Division, be approved. Motion carried.

Moved by Mr. May, seconded by Mr. Barrow, that the permits cancelled by the Commissioner from the August 9-10 meeting to date, inclusive, as authorized June 25, 1947, and recorded in the Auditing Division, be approved. Motion carried.

Moved by Senator Nelson, seconded by Senator Wright, that the Commission confirm award of contract on bids received August 15 for the construction of Project 1387-15-18, Route 615, Bridge and Approaches Three Creek, Southampton County, to the low bidder, Norfolk Contracting Co., Norfolk, Va., at the bid of \$102,949.41, that 10% additional be set aside to cover the cost of engineering and additional work and \$1,064.56 for work by the A. & D. Railroad, making a total of approximately \$14,500.00 chargeable to this project; to be financed 50/50 State and Federal. Motion carried.

Moved by Senator Wright, seconded by Mr. Barrow, that the Commission confirm award of contract on bids received August 15 for the construction of Project 1307-24, Route 600, S. End of Bridge over Claytons Mill Creek-0.884 Mile N. Rockbridge County Line, Augusta County, to the low bidder, Echols Brothers, Inc., Staunton, Va., at the bid of \$87,455.18 and that 10% additional be set aside to cover the cost of engineering and additional work, making a total of approximately \$74,180.00 chargeable to this project; to be financed 50/50 State and Federal. Motion carried.

Moved by Mr. Barrow, seconded by Mr. Flythe, that the Commission confirm award of contract on bids received August 15 for the construction of Project 1381-10, Routes 881; 840, 0.01 Mile E. of W. Int. Route 861, (E. of Pissaro)-Franklin County Line, Floyd County, to the low bidder, D. E. Worley Construction Co., Rocky Mount, Va., at the bid of \$127,855.70, that 10% additional be set aside to cover the cost of engineering and additional work and \$1,228.60 for work by State Forces (not included in contract), making a total of approximately \$141,900.00 chargeable to this project; to be financed with \$71,580.00 State and \$70,520.00 Federal Funds. Motion carried.

(7)

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 33-115.2 of the 1950 Code of Virginia, as amended, request is made by City of Warwick for payment at the base rate of \$500 per Mile annually on additional streets meeting the required standards; Now, Therefore, be it resolved, that quarterly payments at the base rate of \$500 Per Mile annually be made to the City of Warwick on additional streets totaling 11.20 miles, effective beginning the second quarter, October 1, 1956. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 33-115.2 of the 1950 Code of Virginia, as amended, request is made by City of Waynesboro for payment at the base rate of \$500 per Mile annually on additional streets meeting the required standards; Now, Therefore, be it resolved, that quarterly payments at the base rate of \$500 Per Mile annually be made to the City of Waynesboro on additional streets totaling 10.512 miles, effective beginning the second quarter, October 1, 1956. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 33-115.2 of the 1950 Code of Virginia, as amended, request is made by the Town of Wytheville for payment at the base rate of \$500 Per Mile annually on additional streets meeting the required standards; Now, Therefore, be it resolved, that quarterly payments at the base rate of \$500 Per Mile annually be made to the Town of Wytheville on additional streets totaling 0.984 Mile, effective beginning the second quarter, October 1, 1956. Motion carried.

Moved by Mr. Flythe, seconded by Senator Nelson, that, it so be declared that, Whereas, by action of the Congress of the United States, whereby all routes on the National System of Interstate and Defense Highways are to be constructed to interstate standards and whereas, one of the requirements of interstate standards is the control of access to these routes; Therefore, be it resolved that all routes on the National System of Interstate and Defense Highways within the confines of the Commonwealth of Virginia, upon determining the final location of said routes, including all necessary grade separations, interchanges, ramps, etc., are here and now designated Limited Access Highways, pursuant to Article 8, Chapter 1, Title 33, of the Code of Virginia of 1950, as amended. Motion carried.

On motion made by Senator Nelson, seconded by Mr. Barrow, the Chairman was instructed to report to the Bureau of Public Roads, at a meeting called for October 9, that the Virginia Department of Highways will undertake one-third of the cost of operation and maintenance of the proposed bridge over the Potomac River at Jones Point, with the thought that the other two-thirds shall be borne by the State of Maryland and the District of Columbia. This could be handled by written agreement looking to appropriate Federal legislation.



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item # 12*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

#### **MOTION**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

#### **Title: Utilization of Available Federal Funds and Obligation Authority**

**WHEREAS**, § 33.2-214 (B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1 of each year a Six-Year Improvement Program (SYIP) of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy; and

**WHEREAS**, the Board adopted the FY 2017-2022 SYIP and the Virginia Department of Transportation (VDOT) FY 2017 Budget (Budget) on June 14, 2016; and

**WHEREAS**, at the end of each federal fiscal year, the Federal Highway Administration (FHWA) makes available unused obligation authority, otherwise known as August Redistribution; and

**WHEREAS**, it is the desire of VDOT to request and be able to utilize additional allocations and obligation authority received as a result of August Redistribution; and

**WHEREAS**, it is the desire of the Board to ensure the maximum use of all available federal funds; and

Resolution of the Commonwealth Transportation Board  
Utilization of Federal Funds  
September 21, 2016  
Page Two

**NOW, THEREFORE, BE IT RESOLVED**, by the Board that authority is delegated to the Secretary of Transportation to take the necessary actions to provide for the utilization of additional federal allocation/prior unused balances and obligation authority received that are not accounted for in the Budget and SYIP; and

**BE IT FURTHER RESOLVED**, by the Board that authority is delegated to the Secretary of Transportation to take the necessary actions for VDOT to request additional federal funds and obligation authority from the August Redistribution conducted by the FHWA and to utilize such federal funds and obligation authority received and utilize prior unused balances in compliance with Commonwealth Transportation Board policies.

#####

## CTB Decision Brief

### Utilization of Available Federal Funds and Obligation Authority

**Issue:** Additional federal funds and obligation authority are anticipated to be made available to the Virginia Department of Transportation (VDOT) that are not incorporated into an approved VDOT budget and Six-Year Improvement Program (SYIP), as well as unused obligation authority as part of project close out procedures.

**Facts:** The Commonwealth Transportation Board (CTB) must adopt a SYIP of anticipated projects and programs by July 1 of each year in accordance with § 33.2-214 (B) of the *Code of Virginia*. The SYIP shall be based on the most recent official revenue forecasts and a debt management policy. VDOT's budget and available allocations in the SYIP are in part based on estimates of federal obligation. Each year, the Federal Highway Administration makes available to the states unused obligation authority, a process known as August Redistribution. It is VDOT's desire to request and be able to utilize additional allocations and obligation authority received as a result of August Redistribution, as well as to maximize use of all available federal funds.

**Recommendations:** VDOT recommends the CTB delegate the necessary authority to the Secretary of Transportation to ensure the utilization of additional federal funds received under August Redistribution and unused prior year balances that were not accounted for in the VDOT budget and the SYIP.

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to: 1) delegate authority to the Secretary of Transportation to take the necessary actions to utilize prior unused balances of federal funds and obligation authority and 2) delegate authority to the Secretary of Transportation to take the necessary actions for VDOT to request additional federal funds and obligation authority from August Redistribution.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None

**Result, if Approved:** The Secretary will have the authority to take the necessary actions to utilize the additional/prior unused balance of federal funds and obligation authority.



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940  
*Agenda item #13*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 21, 2016

#### MOTION

**Made By:** \_\_\_\_\_ **Seconded By:** \_\_\_\_\_

**Action:** \_\_\_\_\_

**Title: Approval of Revised Program Overview, Guidelines and Selection Criteria for the Virginia Transportation Infrastructure Bank**

**WHEREAS**, Article 1 of Chapter 15 of Title 33.2 of the *Code of Virginia* (§§ 33.2-1500 through 33.2-1507) sets out authorization for and establishes the statutory framework relating to the Virginia Transportation Infrastructure Bank (VTIB or the “Bank”) which was established for the purpose of making loans and other financial assistance to localities, private entities and other eligible borrowers; and

**WHEREAS**, Chapter 684 of the 2015 Acts of Assembly modified certain statutory provisions and requirements relating to the VTIB, including among other things requirements set forth in §33.2-1503 relating to project selection for the Bank; and

**WHEREAS**, in accordance with § 33.2-1503 as amended, the Commonwealth Transportation Board (Board), in consultation with the Manager, is required to issue guidelines for scoring projects in accord with subsection B of §33.2-214.1 and any other criteria deemed necessary and appropriate for evaluating projects and awarding assistance from the Bank; and

**WHEREAS**, pursuant to §33.2-1507, no loan or other financial assistance shall be awarded from the Bank until the Secretary of Transportation has provided copies of the Management Agreement and related guidelines and selection criteria documents to the Chairmen of the House Committees on Appropriation, Finance and Transportation and the Senate Committees on Finance and Transportation; and

Resolution of the Board

Approval of Revised Program Overview, Guidelines and Selection Criteria for the Virginia  
Transportation Infrastructure Bank

September 21, 2016

Page Two

**WHEREAS**, by resolution dated September 21, 2011, the Board adopted the VTIB *Program Overview, Guidelines and Selection Criteria* to guide the award of financial assistance from the Bank; and

**WHEREAS**, the Virginia Department of Transportation (VDOT) has proposed revisions to the VTIB *Program Overview, Guidelines and Selection Criteria* to render the document and requirements contained therein in compliance with the law as amended by Chapter 684 of the 2015 Acts of Assembly.

**NOW, THEREFORE BE IT RESOLVED**, that the Commonwealth Transportation Board, hereby approves and adopts the VTIB *Program Overview, Guidelines and Selection Criteria*, as revised and attached hereto as Attachment A.

**BE IT FURTHER RESOLVED**, that in accord with §33.2-1507, the Commonwealth Transportation Board directs the Secretary of Transportation, as soon as practicable, to provide copies of the revised VTIB *Program Overview, Guidelines and Selection Criteria* to the Chairmen of the House Committees on Appropriation, Finance and Transportation and the Senate Committees on Finance and Transportation.

**BE IT FURTHER RESOLVED**, that the Board hereby directs VDOT to submit the revised *Program Overview, Guidelines and Selection Criteria* as a Guidance Document in accordance with applicable requirements established by the *Code of Virginia* and the State Registrar of Regulations.

###

**The Commonwealth of Virginia**

**The  
Virginia Transportation  
Infrastructure Bank**

**Program Overview, Guidelines and Selection Criteria**

**Administered by the Virginia Commonwealth  
Transportation Board**

**Managed by the Virginia Resources Authority**

**September 2016**

TABLE OF CONTENTS

Introduction ..... Page 1

Goals and Objectives..... Page 1

The VTIB Act..... Page 1

Virginia Transportation Infrastructure Bank Funding ..... Page 2

Virginia Transportation Infrastructure Bank Administration..... Page 2

Eligible Applicants..... Page 2

Eligible Projects and Costs..... Page 3

Eligible Types of Assistance ..... Page 3

Application Process..... Page 4

    Minimum Eligibility Requirements ..... Page 5

    Application Screening Criteria..... Page 5

Applicant Creditworthiness..... Page 6

Financing Commitment..... Page 6

Loan Closing/Grant Award/Financing Agreement ..... Page 6

Interest Rates ..... Page 7

Disbursement Process ..... Page 7

Loan Term/Repayment..... Page 7

Recipient Reporting Requirements ..... Page 8

Appendix A: The VTIB Act..... Page 9

Appendix B: VTIB Assistance Application ..... Page 16

Appendix C: VTIB Screening and Scoring Criteria and Worksheet ..... Page 25

Appendix D: VTIB Interest Rate Methodology ..... Page 28

# **Virginia Transportation Infrastructure Bank**

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## **Introduction**

Article 1 of Chapter 15 of Title 33.2 of the *Code of Virginia* as amended (the “VTIB Act”), is the legal framework creating the Virginia Transportation Infrastructure Bank (“VTIB” or the “Bank”). The Bank is a special non-reverting, revolving loan fund that is a sub-fund of the Transportation Trust Fund. The Bank shall be capitalized with (i) two-thirds of all interest, dividends, and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund and (ii) monies appropriated by the General Assembly and credited to the Bank. Monies deposited into the Bank shall be used for the purpose of making loans and other financial assistance to localities, private entities and other eligible borrowers to finance transportation projects. Monies loaned from the Bank are to be repaid, with interest, to the Bank to provide loans and credit assistance to additional projects.

## **Goals and Objectives**

The General Assembly has determined that creating the VTIB is in the public interest, serves a public purpose and will promote the health, safety, welfare, convenience, or prosperity of the people of the Commonwealth.

It is the intent of the VTIB Act and the Bank to alleviate, in part, a critical need for additional sources of funding to finance present and future needs of the Commonwealth of Virginia (the “Commonwealth”) for the design and construction of roads and highways, including toll facilities, mass transit, freight, passenger and commuter rail, including rolling stock, port and airport and other transportation facilities.

The purpose of the Bank is also to encourage the investment of both public and private funds in the development of eligible transportation projects and to provide an alternative source of financing for present and future transportation needs in the Commonwealth.

## **The VTIB Act**

The VTIB Act authorizes monies from the Bank to be used to provide loans, credit enhancements and other financial assistance to eligible borrowers to finance the cost of transportation projects and facilities. For the purpose of the VTIB Act, finance, when used in connection with a cost or project, is defined to include both the initial financing and any refinancing of that cost or project.

The following guidelines and criteria have been developed by the Commonwealth Transportation Board (“CTB” or the “Board”), in consultation with the Virginia Resources Authority (“VRA”, the “Authority” or the “Manager”) and the Secretary of Transportation to guide the process of applying for and receiving financial assistance from the Bank.

Unless otherwise defined herein, capitalized terms used in the Guidelines and Criteria have the same meaning as the Definitions contained in section (§) 33.2.1501 of the VTIB Act.

## **Virginia Transportation Infrastructure Bank**

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The complete text of the VTIB Act has been included as Appendix A to these guidelines. Although guidance is provided herein with regard to the application of the VTIB Act, it will be incumbent upon all entities, both public and private, to read the VTIB Act in its entirety, and to comply with provisions of the VTIB Act.

### **Virginia Transportation Infrastructure Bank Funding**

The General Assembly has funded the Bank with an initial capitalization of \$282,700,000. \$32,700,000 has been appropriated from the Commonwealth's general fund and \$250,000,000 has been designated from the Commonwealth Transportation Fund. With the enactment of House Bill 1887, two-thirds of all interest, dividends, and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund are dedicated to the Bank.

Principal and interest payments from loans and other forms of financial assistance made from the VTIB and interest earned on monies in the Bank will be credited to the Bank for future use on other eligible transportation projects.

### **Virginia Transportation Infrastructure Bank Administration**

The Board shall determine the projects for which loans or other financial assistance may be provided by the Bank. The General Assembly has given the Board, acting through the staff of the Virginia Department of Transportation ("VDOT" or the "Department"), the responsibility for administering the policy and programmatic aspects of the VTIB. The VRA serves as the financial manager of the Bank, serving as the administrator and trustee of the funds disbursed from the Bank. A management agreement between the Board, the Manager and the Secretary of Finance sets forth the specific terms and conditions under which the Bank will be administered and managed by the parties.

### **Eligible Applicants**

Financial assistance from the VTIB may be provided to a Locality, a Private Entity and/or an Eligible Borrower. Eligible Borrower means any i) Private Entity, ii) Governmental Entity, iii) instrumentality, corporation or entity established by any of the foregoing pursuant to § 33.2-1505; or, iv) combination of two or more of the foregoing.

"Private Entity" means any private or nongovernmental entity that has executed an interim or comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the Public-Private Partnership Act of 1995 (§ 33.2-1800 *et seq.*).

"Governmental Entity" means any i) Locality; ii) local, regional, state or federal entity; transportation authority, planning district, commission, or political subdivision created by the

## **Virginia Transportation Infrastructure Bank**

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General Assembly or pursuant to the Constitution and laws of the Commonwealth; or public transportation entity owned, operated or controlled by one or more local entities; iii) entity established by interstate compact; iv) instrumentality, corporation or entity established by any of the foregoing pursuant to § 33.2-1505; or, v) combination of two or more of the foregoing.

“Locality” means any county, city or town in the Commonwealth.

A Project Sponsor, or an Private Entity or Governmental Entity that is involved in the planning, design, right-of-way acquisition, engineering, construction, maintenance or financing of a project, may also apply to the Board for assistance from the Bank.

### **Eligible Projects and Cost**

The proceeds from any financial assistance from the Bank may be used to finance the Cost associated with any eligible transportation Project. Finance, as defined by the VTIB Act and when used in connection with a cost or a project, includes both the initial financing and any refinancing of the cost or project. Under the VTIB Act, a Project means i) the construction, reconstruction, rehabilitation or replacement of any interstate, state highway, toll road, tunnel, local road, or bridge; or ii) the construction, reconstruction, rehabilitation or replacement of any a) mass transit, b) commuter, passenger or freight rail, c) port, or d) airport facility; or the acquisition of any rolling stock, vehicle or equipment to be used therewith.

Cost, as applied to any project financed under the provisions of the Bank, means the total of all costs including, but not limited to, the costs of planning, design, right-of-way acquisition, engineering, and construction incurred by an Eligible Borrower or other Project Sponsor as reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project. Cost also includes capitalized interest, reasonably required reserve funds, and financing, credit enhancement and issuance cost. Expenses incurred on an approved project prior to the execution of a financing agreement are also eligible provided they are necessary and attributable to the project.

Monies from the Bank are not intended to supplant existing or programmed funds from other public sources, but are to be used to support projects and activities beyond the funding capacity of existing programs.

### **Eligible Types of Assistance**

Monies in the Bank may be used to provide Loans, Credit enhancements and Other financial assistance to Eligible Borrowers and Project Sponsors.

“Loan” means an obligation subject to repayment that is provided by the Bank to an Eligible Borrower to finance all or a part of the eligible cost of a project incurred by the Eligible Borrower or other Project Sponsor.

## **Virginia Transportation Infrastructure Bank**

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“Credit enhancements” means surety bonds, insurance policies, letters of credit, guarantees, and other forms of collateral or security.

“Other financial assistance” includes capital or debt reserves for bond or debt instrument financing, provision of letters of credit and other forms of credit enhancement, and other lawful forms of financing and methods of leveraging funds that are approved by the Manager.

No loan or other financial assistance may be provided or committed to be provided by the Bank in a manner that would cause such loan or other financial assistance to be tax-supported debt within the meaning of § 2.2-2713 of the *Code of Virginia* or be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth but shall be payable solely from legally available monies held by the Bank.

### **Application Process**

Applications will be accepted throughout the year from Eligible Borrowers and Project Sponsors. Applications must be submitted in the form and containing the items specified in the VTIB Assistance Application. A copy of the application is provided in Appendix B. Applications must be received at least ninety (90) days before the next scheduled Board meeting for possible consideration at that meeting.

All applications for assistance from the Bank shall be sent to VDOT’s Chief Financial Officer and addressed as follows:

Virginia Transportation Infrastructure Bank  
Attention: Chief Financial Officer  
Virginia Department of Transportation  
1401 East Broad Street  
Annex Building – Third Floor  
Richmond, Virginia 23219-2000

## **Virginia Transportation Infrastructure Bank**

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Applications will be initially screened by VDOT staff for minimum eligibility. The minimum eligibility requirements are as follows:

### **Minimum Eligibility Requirements**

- The applicant is an Eligible Borrower or a Project Sponsor as defined by the VTIB Act.
  - A Governmental Entity is a duly created and a validly existing unit of government as defined by the VTIB Act.
  - A Private Entity has executed an interim or comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the Public-Private Transportation Act of 1995.
  - The Project is of local, regional, or statewide significance and meets the public interest identified in subsection A of § 33.2-214.1, Statewide prioritization process for project selection.

The applications meeting the minimum requirements will be further reviewed and scored by VDOT staff and the Manager, VRA. The Manager will analyze the applicants' financial capability and credit worthiness to be considered in determining the successful applicants. Following an applicant's selection for evaluation, meetings may be conducted with the applicant by either or both the Board or the Manager. The purpose of the meetings will be to review and confirm the information contained in the application. Representatives of the applicant, VDOT staff, VRA staff and staff from the applicable modal oversight agencies, as appropriate, will participate in the meetings.

### **Application Screening Criteria**

The applications will be scored using the screening criteria currently in use. Appendix C is the current VTIB Screening and Scoring Criteria and Worksheet and identifies the scoring items and weights. Each application meeting the minimum eligibility requirements will be scored on a series of criteria based on the project's scope, project's maturity, project's benefits, project's public benefits, project's funding, and the applicant's credit.

The results of the scoring process will be presented to and reviewed by the VTIB Advisory Panel (the "Panel"). The Panel shall be chaired by the Deputy Secretary of Transportation and include the following members:

- VDOT's Chief Financial Officer
- Department of Rail and Public Transportation's Chief Financial Officer
- VRA Executive Director or designee
- Secretary of Finance or designee
- Secretary of Commerce and Trade or designee
- Representative from Virginia Port Authority or Virginia Department of Aviation (if application pool contains related projects)

The panel will determine the applications to present to the Board at their next scheduled meeting with recommendation for approval. The Chair or designee will present to the Board a summary

## **Virginia Transportation Infrastructure Bank**

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of the applications received, respective scores, and recommendations for approval or denial of the requested financial assistance. After action by the Board, the scores of the applications will be posted on VDOT's website, with the successful applications so noted.

### **Applicant Creditworthiness**

As part of the scoring process, the Manager will conduct a financial capability review of each application meeting minimum qualifications to determine the creditworthiness of the applicant and project. This assessment will analyze such factors as revenue stability, debt service coverage, various reserves and other factors to determine the applicant's overall financial condition, the applicant's ability to generate and maintain sufficient revenues from the project and the availability of reliable repayment sources to retire the project obligation.

### **Financing Commitment**

Following action by the Board to approve the financial assistance from the Bank, the Manager will provide a written commitment (the "Commitment") to the potential recipient. The Commitment will outline the type of assistance to be provided and in the case of a loan, the required security provisions, the loan term and payment provisions, the amount of assistance to be provided and any conditions that must be met by the applicant prior to loan closing. The Commitment must be accepted by the potential recipient and returned signed to VRA within 60 days of the Commitment date to preserve the funding.

A project obligation, as defined by the VTIB Act, means any bond, note, debenture, interim certificate, grant or revenue anticipation note, lease or lease-purchase or installment sales agreement, or credit enhancement issued, incurred or entered into by an Eligible Borrower to evidence a loan, or any financing agreements, reimbursement agreements, guarantees, or other evidences of an obligation of an Eligible Borrower or other Project Sponsor to pay or to guarantee a loan.

### **Loan Closing/Grant Award/Financing Agreement**

Any conditions or other prerequisites to receiving the assistance outlined in the Commitment must be met, to the Manager's satisfaction, prior to execution of a Financing Agreement (the "Agreement". VRA and the applicant will enter into the Agreement for the funds. The Agreement will include the security provisions for the assistance, repayment terms along with the amortization schedule, representations and warranties, borrower covenants, disbursement requirements, monitoring and reporting requirements and will specify any other terms and conditions for the financial assistance.

### **Interest Rates**

Project obligations, will bear interest at a rate that shall be determined by reference to the current market rates for comparable obligations, the nature of the project and the financing structure therefor, and the Creditworthiness of the Eligible Borrower and other Project Sponsors.

Standard Interest Rates: Appendix D explains the current methodology for determining Standard Rates.

Project Based Interest Rates: The applicant may elect to apply for an additional interest rate subsidy based on the nature of a project. Justification for the additional subsidy must detail project constraints and affordability factors.

### **Disbursement Process**

Disbursement of the financial assistance can begin following execution of the Agreement. Disbursements shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner of Highways or his or her designee. Disbursements will be made from the Bank to the manager based on the estimated draws for financial assistance on the executed Agreements with the successful applicants. The funds shall be held in trust on behalf of the Bank until paid to the applicant. Additional disbursements from the Bank to the Manager may be made if needed to provide for the actual draws.

A loan from the Bank may be disbursed to the recipient either i) in anticipation of reimbursement (including an advance or draw under a credit enhancement instrument), ii) as direct payment of eligible costs, or iii) to redeem or defease a prior obligation incurred by the Eligible Borrower or other Project Sponsor to finance the eligible costs of a project.

Recipients will submit a disbursement request to VDOT. VDOT will review the request for completeness and if acceptable, approve the request for payment by the Manager. VDOT will notify the recipient within 30-days of any deficiencies in any disbursement request. Upon receipt of a complete, acceptable disbursement request, the VDOT will forward the request to the Authority for payment.

VDOT may review or audit Project records and documentation as may be required to verify the eligibility and validity of expenditures financed from the VTIB.

### **Loan Term/Repayment**

The repayment terms shall be outlined in the executed Agreement. The repayment schedule for each project obligation, shall require the amortization of principal beginning within five years following the later of i) substantial project completion, as defined by the VTIB Act or ii) the date of incurrence of the project obligation. The repayment schedule shall have a final maturity date of not more than 35 years following substantial project completion. Substantial project

## **Virginia Transportation Infrastructure Bank**

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completion means the opening of any part of a project for vehicular or passenger traffic or the handling of cargo and freight.

Recipients must pledge one or more reliable repayment sources and/or other property to secure the project obligation. This must be a source which is generating funds that will be dedicated by the Eligible Borrower or Project Sponsor for the purpose of retiring the project obligation. The pledge of a reliable repayment source(s) and/or other property to secure the project obligation may be subordinate to the pledge securing any other senior debt obligations incurred to finance the project.

Notwithstanding the provisions of the VTIB Act, the Manager may at any time following substantial project completion defer payment on a project obligation if the project is unable to generate sufficient revenues to pay the scheduled payments.

Loan recipients shall make their repayments to the Manager. The Manager will remit the Funds to the Bank monthly to be held by the Treasury. Payments on project obligations shall be credited to the Bank and are to be used solely for the purposes established by the VTIB Act.

The Manager will be responsible for monitoring and ensuring repayment of the loans.

### **Recipient Reporting Requirements**

Recipients of VTIB assistance will be required to supply VDOT and VRA with various reports, certificates and documents during the project development phase as well as throughout the life of any loan. Submittals of annual audited and interim, unaudited financial statements, approved budgets and use of funds reporting will be required as a condition of accepting assistance from the Bank. In addition, the recipient shall provide disclosure of any material events that could affect its ability to complete and, if applicable, operate the project.

Other special reporting requirements may be required on a case-by-case basis. All reporting and submittal requirements will be included and outlined in the Agreement.

### **Appendix A**

#### **The VTIB Act**

*Virginia Transportation Infrastructure Bank.*

§ [33.2-1500](#). *Legislative findings and purposes.*

*The General Assembly finds that there exists in the Commonwealth a critical need for additional sources of funding to finance the present and future needs of the Commonwealth for the design and construction of roads and highways, including toll facilities, mass transit, freight, passenger and commuter rail, including rolling stock, port, airport and other transportation facilities. This need can be alleviated in part through the creation of a transportation infrastructure bank. The purpose of such bank is to encourage the investment of both public and private funds and to make loans and other financial assistance available to localities, private entities, and other*

## **Virginia Transportation Infrastructure Bank**

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*Eligible Borrowers to finance eligible transportation projects. The General Assembly determines that the creation of a transportation infrastructure bank for this purpose is in the public interest, serves a public purpose and will promote the health, safety, welfare, convenience, or prosperity of the people of the Commonwealth.*

§ [33.2-1501](#). *Definitions.*

*As used in this article, whether in capitalized or uncapitalized form, each of the following terms has the meaning given it in this section, unless the context requires a different meaning to be consistent with the manifest intention of the General Assembly:*

*"Bank" means the Virginia Transportation Infrastructure Bank created in § [33.1-23.8](#).*

*"Board" means the Commonwealth Transportation Board.*

*"Cost," as applied to any project financed under the provisions of this article, means the total of all costs including, but not limited to, the costs of planning, design, right-of-way acquisition, engineering, and construction incurred by an Eligible Borrower or other Project Sponsor as reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project. The term also includes capitalized interest, reasonably required reserve funds, and financing, credit enhancement, and issuance costs.*

*"Credit enhancements" means surety bonds, insurance policies, letters of credit, guarantees, and other forms of collateral or security.*

*"Creditworthiness" means attributes such as revenue stability, debt service coverage, reserves, and other factors commonly considered in assessing the strength of the security for indebtedness.*

*"Eligible Borrower" means any (i) Private Entity; (ii) Governmental Entity; (iii) instrumentality, corporation, or entity established by any of the foregoing pursuant to § [33.1-23.11](#); or (iv) combination of two or more of the foregoing.*

*"Finance" and any variation of the term, when used in connection with a cost or a project, includes both the initial financing and any refinancing of the cost or project and any variation of such terms. "Finance" does not include a grant.*

*"Governmental Entity" means any (i) Locality; (ii) local, regional, state, or federal entity; transportation authority, planning district, commission, or political subdivision created by the General Assembly or pursuant to the Constitution and laws of the Commonwealth; or public transportation entity owned, operated, or controlled by one or more local entities; (iii) entity established by interstate compact; (iv) instrumentality, corporation, or entity established by any of the foregoing pursuant to § [33.1-23.11](#); or (v) any combination of two or more of the foregoing.*

*"Grant" means a transfer of moneys or property that does not impose any obligation or condition on the grantee to repay any amount to the transferor other than in connection with*

## **Virginia Transportation Infrastructure Bank**

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*assuring that the transferred moneys or property will be spent or used in accordance with the governmental purpose of the transfer. Such term includes, without limitation, direct cash payments made to pay or reimburse all or a portion of interest payments made by a grantee on a debt obligation. As provided in §§ [33.1-23.8](#) and [33.1-23.9](#), only Governmental Entities may receive grants of moneys or property held in or for the credit of the Bank.*

*"Loan" means an obligation subject to repayment that is provided by the Bank to an Eligible Borrower to finance all or a part of the eligible cost of a project incurred by the Eligible Borrower or other Project Sponsor. A loan may be disbursed (i) in anticipation of reimbursement (including an advance or draw under a credit enhancement instrument), (ii) as direct payment of eligible costs, or (iii) to redeem or defease a prior obligation incurred by the Eligible Borrower or other Project Sponsor to finance the eligible costs of a project.*

*"Locality" means any county, city, or town in the Commonwealth.*

*"Management agreement" means the memorandum of understanding or interagency agreement among the Manager, the Secretary of Finance and the Board as authorized under subsection B of § [33.1-23.8](#).*

*"Manager" means the Virginia Resources Authority serving as the manager, administrator and trustee of funds disbursed from the Bank in accordance with the provisions of this article and the management agreement.*

*"Other financial assistance" includes capital or debt reserves for bonds or debt instrument financing, provision of letters of credit and other forms of credit enhancement, and other lawful forms of financing and methods of leveraging funds that are approved by the Manager.*

*"Private Entity" means any private or nongovernmental entity that has executed an interim or comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the Public-Private Transportation Act of 1995 (§ [56-556](#) et seq.).*

*"Project" means (i) the construction, reconstruction, rehabilitation, or replacement of any interstate, state highway, toll road, tunnel, local road, or bridge; or (ii) the construction, reconstruction, rehabilitation, replacement, of any (a) mass transit, (b) commuter, passenger or freight rail, (c) port, or (d) airport facility; or the acquisition of any rolling stock, vehicle or equipment to be used therewith.*

*"Project obligation" means any bond, note, debenture, interim certificate, grant or revenue anticipation note, lease or lease-purchase or installment sales agreement, or credit enhancements issued, incurred, or entered into by an Eligible Borrower to evidence a loan, or any financing agreements, reimbursement agreements, guarantees, or other evidences of an obligation of an Eligible Borrower or other Project Sponsor to pay or guarantee a loan.*

*"Project Sponsor" means any Private Entity or Governmental Entity that is involved in the planning, design, right-of-way acquisition, engineering, construction, maintenance or financing of a project.*

## **Virginia Transportation Infrastructure Bank**

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*"Reliable repayment source" means any means by which an Eligible Borrower or other Project Sponsor generates funds that are dedicated to the purpose of retiring a project obligation.*

*"Substantial project completion" means the opening of a project for vehicular or passenger traffic or the handling of cargo and freight.*

§ [33.2-1502](#). *Creation of the Virginia Transportation Infrastructure Bank.*

*A. There is hereby created in the state treasury a special nonreverting, revolving loan fund that is a subfund of the Transportation Trust Fund, known as the Virginia Transportation Infrastructure Bank. The Bank shall be established on the books of the Comptroller. The Bank shall be capitalized with (i) two-thirds of all interest, dividends and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund and (ii) moneys appropriated by the General Assembly and credited to the Bank. Disbursements from the Bank shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner of Highways or his or her designee. Payments on project obligations and interest earned on the moneys in the Bank shall be credited to the Bank. Any moneys remaining in the Bank, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Bank. Notwithstanding anything to the contrary set forth in this article or in the management agreement, the Board will have the right to determine the projects for which loans or other financial assistance may be provided by the Bank. Moneys in the Bank shall be used solely for the purposes enumerated in subsection C.*

*B. The Board, the Manager and the Secretary of Finance are authorized to enter into a management agreement which may include provisions (i) setting forth the terms and conditions under which the Manager will advise the Board on the financial propriety of providing particular loans or other financial assistance, (ii) setting forth the terms and conditions under which the substantive requirements of subsections C , D and E and § [33.2-1505](#) will be applied and administered; and (iii) authorizing the manager to request the Board to disburse from the moneys in the Bank, the reasonable costs and expenses the manager may incur in the management and administration of the Bank and a reasonable fee to be approved by the Board for the manager's management and administrative services.*

*C. 1. Moneys deposited in the Bank shall be used for the purpose of making loans and other financial assistance to finance projects.*

*2. Each project obligation shall be payable, in whole or in part, from reliable repayment sources pledged for such purpose.*

*3. The interest rate on a project obligation shall be determined by reference to the current market rates for comparable obligations, the nature of the project and the financing structure therefor, and the creditworthiness of the Eligible Borrower and other Project Sponsors.*

*4. The repayment schedule for each project obligation shall require (i) the amortization of principal beginning within five years following the later of substantial project completion or the*

## **Virginia Transportation Infrastructure Bank**

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*date of incurrence of the project obligation and (ii) a final maturity date of not more than 35 years following substantial project completion.*

*D. The pledge of reliable repayment sources and other property securing any project obligation may be subordinate to the pledge securing any other senior debt obligations incurred to finance the project.*

*E. Notwithstanding subdivision C 4, the manager may at any time following substantial project completion defer payments on a project obligation if the project is unable to generate sufficient revenues to pay the scheduled payments.*

*F. No loan or other financial assistance may be provided or committed to be provided by the Bank in a manner that would cause such loan or other financial assistance to be tax-supported debt within the meaning of § [2.2-2713](#) or be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth but shall be payable solely from legally available moneys held by the Bank.*

*G. Neither the Bank nor the Manager is authorized or empowered to be or to constitute a bank or trust company within the jurisdiction or under the control of the Commonwealth or an agency thereof or the Comptroller of Currency of the U.S. Treasury Department; or a bank, banker, or dealer in securities within the meaning of, or subject to the provisions of, any securities, securities exchange, or securities dealers law of the United States or of the Commonwealth.*

*H. The Board or the Manager may establish or direct the establishment of federal and state accounts or subaccounts as may be necessary to meet any applicable federal law requirements or desirable for the efficient administration of the Bank in accordance with this article.*

*§ [33.2-1503](#). Eligibility and project selection.*

*A. Any entity constituting an Eligible Borrower or other Project Sponsor is eligible to apply to the Board for project financing from the Bank.*

*B. All applicants for a loan or other financial assistance must file an application with the Board, which must include all items determined by the Board in consultation with the Manager to be necessary and appropriate for the Board to determine whether or not to approve the loan, including the availability of reliable repayment sources to retire the project obligation as well as creditworthiness.*

*C. Each applicant for a loan or other financial assistance must demonstrate that the project is of local, regional or statewide significance, and meets the public interest identified in subsection A of § 33.2-214.1. Another criterion to be considered is whether or not the loan or other financial assistance will enable the project to be completed at an earlier date than otherwise feasible. The Board shall issue guidelines for scoring projects in accordance with subsection of § 33.2-214.1 and any other criteria deemed necessary and appropriate for evaluating projects as determined by the Board in consultation with the Manager and shall apply the scoring guidelines to each*

## **Virginia Transportation Infrastructure Bank**

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*proposed project. Further, the Board shall promptly publish each proposed project and its score using the scoring guidelines.*

*D. All projects for which a loan or other financial assistance is provided must meet and remain in compliance with the policies and guidelines established by the Board and the manager.*

*§ [33.2-1504](#). Grants from the Commonwealth Transportation Board.*

*The Board may make grants of money or property to the Bank for the purpose of enabling it to carry out its corporate purposes and for the exercise of its powers. This section shall not be construed to limit any other power the Board may have to make grants to the Bank.*

*§ [33.2-1505](#). Project Obligations.*

*A. Subject to the terms determined by the manager in accordance with the management agreement, each loan or other financial assistance shall be evidenced or guaranteed by project obligations provided to finance the costs of any project. The manager may also sell any project obligations so acquired and apply the proceeds of such a sale to the making of additional loans and the provision of other financial assistance for financing the cost of any project or for any other corporate purpose of the Bank.*

*B. The manager may require, as a condition to provision of a loan or other financial assistance and the acquisition of any project obligations, that the Eligible Borrower or any other Project Sponsor covenant to perform any of the following:*

*1. Establish and collect tolls, rents, rates, fees, and other charges to produce revenue sufficient to pay all or a specified portion of (i) the costs of operation, maintenance, replacement, renewal, and repairs of the project; (ii) any outstanding indebtedness incurred for the purposes of the project, including the principal of and premium, if any, and interest on the project obligations; and (iii) any amounts necessary to create and maintain any required reserve, including any rate stabilization fund deemed necessary or appropriate by the manager to offset the need, in whole or part, for future increases in tolls, rents, rates, fees, or charges;*

*2. Create and maintain a special fund or funds as security for or the source of the scheduled payments on the project obligations or for the operation, maintenance, repair, or replacement of the project or any portions thereof or other property of the Eligible Borrower or any other Project Sponsor, and deposit into any fund or funds amounts sufficient to make any payments as they become due and payable;*

*3. Create and maintain other special funds as required by the manager; and*

*4. Perform other acts, including the conveyance or mortgaging of real and personal property together with all right, title and interest therein to secure project obligations, or take other actions as may be deemed necessary or desirable by the manager to secure payment of the project obligations and to provide for remedies in the event of any default or nonpayment by the*

## **Virginia Transportation Infrastructure Bank**

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*Eligible Borrower or any other Project Sponsor, including, without limitation, any of the following:*

*a. The procurement of credit enhancements or liquidity arrangements for project obligations from any source, public or private, and the payment therefor of premiums, fees, or other charges.*

*b. The combination of one or more projects, or the combination of one or more projects with one or more other undertakings, facilities, or systems, for the purpose of operations and financing, and the pledging of the revenues from such combined projects, undertakings, facilities, and systems to secure project obligations issued in connection with such combination or any part or parts thereof.*

*c. The payment of such fees and charges in connection with the acquisition of the project obligations as may be determined by the manager.*

*C. All Eligible Borrowers and other Project Sponsors, including any Governmental Entities, providing project obligations to the Bank are authorized to perform any acts, take any action, adopt any proceedings and make and carry out any contracts with the Bank, the manager, or the Board that are contemplated by this article. Such contracts need not be identical among all Eligible Borrowers or other Project Sponsors, but may be structured as determined by the manager according to the needs of the contracting Eligible Borrowers and other Project Sponsors and the purposes of the Bank.*

*In addition, subject to the approval of the manager, any Project Sponsor is authorized to establish and contract with a special purpose or limited purpose instrumentality, corporation, or other entity for the purpose of having such entity serve as the Eligible Borrower with respect to a particular project.*

*§ [33.2-1506](#). Exemption from taxation; exemption from Virginia Public Procurement Act.*

*A. The Bank will be performing an essential governmental function in the exercise of the powers conferred upon it by this article. Accordingly, the Bank shall not be required to pay any taxes or assessments to the Commonwealth or its localities or any political subdivision thereof upon any capital, moneys or any property or upon any operations of the Bank or the income therefrom, or any taxes or assessments upon any project or any property or project obligation acquired by the Bank under the provisions of this article or upon the income therefrom.*

*B. The provisions of the Virginia Public Procurement Act (§ [2.2-4300](#) et seq.) shall not apply to the Bank in the exercise of any power conferred under this article.*

*§ [33.2-1507](#). Reporting requirement.*

*A. No loan or other financial assistance shall be awarded from the Bank until the Secretary of Transportation has provided copies of the management agreement and related criteria and guidelines to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation.*

## **Virginia Transportation Infrastructure Bank**

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*B. Within 30 days after each six-month period ending June 30 and December 31, the manager shall provide a report to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation, which shall include, but not be limited to, the amounts of loans and other financial assistance provided by the Bank and the projects for which the loans and other financial assistance were provided.*

**Appendix B**

**VTIB Assistance Application**

**The Commonwealth of Virginia**

**The  
Virginia Transportation  
Infrastructure Bank**

**Assistance Application**

**Administered by the Commonwealth  
Transportation Board**

**Managed by the Virginia Resources Authority**

**September 2015**

All applicants must complete Sections 1 and 2. Private Entities and Project Sponsors, where applicable, may reference the location of material contained in their conceptual or detailed proposals submitted as a part of a Public-Private Transportation Act of 1995 (PPTA) project for the same information requested in Sections 3, 4 and 5.

**SECTION 1 – Contact Information**

Applicant’s Legal Name: \_\_\_\_\_

Other Names Under Which Applicant Does Business: \_\_\_\_\_

\_\_\_\_\_

Federal Tax Identification Number: \_\_\_\_\_

Business Address: \_\_\_\_\_

\_\_\_\_\_

Mailing Address (If different from above): \_\_\_\_\_

\_\_\_\_\_

Contact Person Name: \_\_\_\_\_

Contact Person Title: \_\_\_\_\_

Contact Person Mailing Address (If different from above): \_\_\_\_\_

\_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_

Fax Number: ( ) \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**SECTION 2 – Assistance Requested**

Type of Assistance Requested: ( ) Loan ( ) Other – Please specify:

\_\_\_\_\_

Amount of Assistance Requested: \$ \_\_\_\_\_

Interest Rate Requested: ( ) Standard Rate ( ) Project Based Rate – Please Specify \_\_\_\_\_

### **SECTION 3 – Project Information**

This section requires narrative information and an exhibit. The list below must be included in the application package with responses attached and numbered to correspond to the respective item.

1. **Project Name.** Assign a short name to the project for identification purposes. Identify any Virginia Department of Transportation’s Universal Project Code (UPC) Number(s) assigned to the project.
2. **Location.** Describe the location of the project, including major intersecting highway and rail routes. Attach a map as Exhibit 1. Identify and include the town(s), cities (s), county(s) that the project will serve.
3. **Project Development Process.** Describe the delivery and procurement methods by which the project will be undertaken. Is this project being developed pursuant to traditional arrangements or through innovative approaches such as state, local or regional design-build provisions or public-private partnerships? Will the project be locally administered or will VDOT be the expected to administer the project?
4. **Purpose of VTIB Assistance.** Describe what aspect(s) of the project for which the assistance will be used. Provide a breakdown of the proposed uses of the VTIB assistance.
5. **Project Description.** Describe the need for the project, its basic design features and what the project is intended to accomplish. Include an assessment of the current condition of all transportation facilities relating to the project. For a construction project, describe the difference in the current project scope as compared to any approved environmental documents or study alternatives. If no environmental assessments or reviews have been completed on the project, provide an explanation and a schedule outlining the steps to comply with the National Environmental Policy Act. Include a narrative as to how any studies and analyses to be completed using moneys from the VTIB will advance the development of a transportation project or facility.
6. Describe how the funds, if provided, will enhance the economic development opportunities for the local area, the region and the Commonwealth in general. The description should include, but not be limited to, the number of jobs created as a result of the project and the amounts of investment that will be committed in the event that the funds are being used for an economic development project. Explain the project’s goals in generating economic benefit for the locality, region or Commonwealth. Does the project meet the minimum criteria established in the Governor’s Opportunity Fund Guidelines?
7. Describe the local, regional or statewide significance of the project and the benefits that would be achieved with the VTIB financial assistance. Provide any local governmental resolution(s), Planning District Commission or Metropolitan Planning Organization endorsements.

8. **Project Schedule.** Provide a timeline that shows the estimated start and completion dates for each task and element of work to be funded from the VTIB proceeds. Indicate the applicant's current status with respect to the timeline. Describe the extent to which the VTIB assistance will expedite the schedule or aid in meeting the schedule than would be otherwise feasible. List any other critical path issues.
9. **Permits and Approvals.** List all major permits and approvals necessary for construction of the project and the date, or projected date of the applicant's receipt of such permits and approvals. The list should include permits and approvals required under local, regional, state and federal laws and regulations. Indicate when outstanding approvals by the governing entities are expected. Describe the status of the environmental review documents. Copies of major permits and approvals will be required upon execution of a financing agreement.
10. **Project Work Plan.** Provide a project work plan that delineates the technical and financial steps, actions and activities necessary to complete project developmental activities, finalize construction of the facility or the project, initiate operation and provide adequate maintenance.
11. **Project Compliance Monitoring Plan.** Include a comprehensive project compliance monitoring plan that will assure the project sponsor's ability to deliver the project as planned, fulfill all project commitments and ensure compliance with all terms of the financing agreement, including all applicable regulations and provisions of law.
12. **Maintenance and Operations.** Include a description of the maintenance and operations plan for the project. Include projections of maintenance and operations expenses and the source of payment for these expenses.

Remainder of this page intentionally left blank.

## **SECTION 4 – Plan of Finance**

The following section pertains to the plan of finance for the project. This section also requests narrative information and exhibits. Projects in the developmental stage shall provide as much detailed and specific information as requested in the items below that is known or available at this time. This information should be presented in the form of a conceptual or preliminary plan of finance. Projects that are ready for implementation must provide the information as requested in the items below. This information should be presented in the form of a base case financial plan as follows.

1. **Estimated Project Cost (Uses of Funds).** Provide a detailed budget for the project. The budget should include all applicable and anticipated expenses and cost for any and all administrative, engineering and/or technical services, feasibility studies, preliminary engineering and environmental assessments, right-of-way acquisition, vehicle acquisition, construction, construction administration, project management, project inspection, project or facility maintenance, operation and handback, any contingencies and/or any other categories as may be necessary. All cost estimates should be shown on a year-of-expenditure, cash basis that includes any necessary explanations as to the assumptions used to determine the estimates. Project cost estimates must be current (no more than six months old) and certified by the VDOT project cost estimating system or a nationally recognized firm of consulting engineers for all projects.
2. **Sources of Funds.** Provide a table that reflects the amount of funding from each source of funds for the project, including the VTIB financing that will be used to fund the uses identified in Section 4, Item 1. Include, as applicable, federal grants and/or loans, state grants and/or loans, local grants and/or loans, private investment and/or equity contributions, bond proceeds, other borrowings and any other sources of funding that will be used for the project.

In addition, provide in narrative form the following information for each source of funding. Supplement the narrative with a chart showing the flow of funds.

### *Description of VTIB Funding:*

- The entity requesting the loan.
- A schedule for the use of the VTIB loan proceeds.
- Provide documentation evidencing authorization to commit to loan repayment.
- The source of repayment for the VTIB loan; revenue, moral and/or general obligation pledge.
- If project revenues are the source of repayment, the priority of repayment of the loan with respect to project revenues.
- If non-project revenues are the source of repayment (e.g. general revenues, tax increments, special taxes or special assessments, appropriations, etc.), the priority of repayment of the loan with respect to borrowing entity's other liabilities.
- The security features for the loan, including any pledged revenues and collateral.
- Debt service coverage on the loan.
- Whether the source of repayment is contingent on the project's completion.

- Whether the source of repayment is subject to future allocations, appropriations and/or governing body approval.
- Proposed payment schedule.
- Explanation and justification for requesting a Project Based Interest Rate.

*Description of other governmental grants:*

- The specific governmental entity providing the grant.
- The timing for receipt of the grant, including the key steps that must occur in order to receive the grant, such as environmental permits, receipt of other funding, resolutions adopted by the entity, budget appropriations, etc. Provide relevant documentation for those steps that have occurred.
- Any known level of commitment associated with the grant.
- Requirements that will be imposed by the entity on the use of the grant monies or the project.

*Description of other loans, debt or other borrowing:*

- The lender and legal entity borrowing the money.
- The source of repayment for all other debt and the priority of payment relative to other project borrowing.
- Provide current revenue estimates for loans to be secured by a pledge of revenue, certified (within six months of the application) by a nationally recognized consulting firm (i.e. traffic and revenue consultant, CPA firm or other acceptable consultant for the type of project) for all projects where revenues will be the main source of repayment for the loan.
- Security features for all other debt, including any pledged revenues and collateral
- Covenants related to the financial or operational performance of the project, such as coverage levels, and the incurrence of additional debt.
- Structure, including the term, amortization and whether the loan will be fixed or variable rate and expected fixed rate or expected spread to specified index for variable rate debt.
- Anticipated credit ratings if funds are to be borrowed through a public debt offering.
- Any credit enhancement or other guarantees.
- The timing for the borrowing or issuance of debt, including the key steps that must occur. Provide relevant documentation for those steps that have occurred.

*Description of equity and private investment:*

- The entity, or entities, providing the equity or private investment.
- The mechanism(s) for how the investor(s) will be repaid, for example from excess cash flow, periodic scheduled payments, lump-sum payment from additional debt incurred in the future, etc.
- The expected rate of return and justification for the rate of return.
- Any anticipated revenue sharing with any entity.

- The timing for receipt of the investment, including the key steps that must occur in order to receive the funds. Provide relevant documentation for those steps that have occurred.
- Any major conditions or requirements that will be imposed by the investor(s) on the project.

*Other Financial Information:*

- List any ratings the applicant has received from Moody's, Standard & Poor's or Fitch Ratings.
  - Does the applicant have a financial policy in place?
  - Does the applicant have a multi-year capital improvement plan?
  - Is there an existing Master Indenture by which the applicant issues debt?
  - Are there any service, inter-agency, inter-entity or other such agreements or memoranda of understanding in effect that may affect the anticipated financing?
  - Has there been any issuance of debt since the date of the applicant's latest financial statements?
  - Are there any incidents that have occurred since the date of your last financial statements that would significantly affect revenues pledged to the repayment of the loan or the applicant's overall financial condition.
3. Pro Forma Cash Flow. Provide pro forma cash flows, reflecting the flow of funds and showing revenues, all debt repayment, including any loans and grants under the VTIB, maintenance and operations expenses and any payments to equity/private investors. Provide a detailed description of assumptions and justification of the assumptions. Attach any existing independent feasibility studies.
  4. Risks and Mitigation. Identify the risks to the project completion and the sufficiency of revenues to repay the loan. Samples of these types of risk could include cost escalation, timing of approvals and permits, litigation, and availability of other funding. Identify the mitigation strategies for any acknowledged risks, including any payment and performance guarantees.
  5. Provide year-end audited financial statements for the past five years for the borrower and the parent entity. The financial statements must have been audited by a certified public accountant in accordance with U. S. generally accepted accounting principles and be provided in U. S. dollars.
  6. For applications requesting a Project Based Interest Rate, justify the additional subsidy and detail any project constraints and affordability factors.

Remainder of this page intentionally left blank.

## **SECTION 5 – Applicant Organization Information**

This section requests narrative information and exhibits. The list below should be included in the application package with responses attached and numbered to correspond to the applicable item.

1. Describe the applicant's legal framework including past history and ownership structure. Include a copy of the statutory authority under which the entity was created.
2. Describe the legal authority of the applicant to carry out the proposed project activities. This description should include discussion of the applicant's ability to levy taxes, issue debt, charge tolls or other fees and/or receive assistance from the VTIB. Provide documentation in the form of an exhibit as applicable.
3. Identify whether governmental entities, other than the applicant, must approve the submission of the application package, the funding of activities or the carrying out of activities described in the application. Provide documentation in the form of an exhibit as applicable.
4. Describe the applicant's organizational structure and the applicant's relationship to any subsidiaries or affiliates. Include the legal names of key principals and staff and any recent or proposed changes to the organization structure. If applicant is part of a joint venture, identify all partners and each partner's relationship to any subsidiaries or affiliates.
5. Provide an organization chart, in the form of an exhibit, to include the major parties involved in any aspect of the project. Include the major service contractors that have been, or will be, retained for the project.
6. Describe the applicant's prior experience as it relates to carrying out projects similar to that being proposed. Include prior experience in relation to the implementation of any new technology and the success of the use of such technology.
7. Describe any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental irregularities, construction defects, securities fraud, conflict of interest, failure to perform under a state or federal contract, or other charges which may reflect on the applicant's financial position or ability to complete the project.

**SECTION 6 – Assurances and Certifications**

The undersigned authorized representative of the applicant certifies that the information contained herein and the attached statements and exhibits are true, correct and complete to the best of his or her knowledge and belief. The undersigned also agrees to clarify or supplement information pertaining to this application upon request.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix C

**VIRGINIA TRANSPORTATION INFRASTRUCTURE BANK (VTIB)  
APPLICATION SCREENING AND SCORING CRITERIA  
Project Sponsor/Borrower Financial Risk Assessment Criteria**

Project Name: \_\_\_\_\_  
 Application ID: \_\_\_\_\_  
 Date of Review: \_\_\_\_\_  
 Reviewer: \_\_\_\_\_

A	Mandatory Screening Questions	Yes/No
A1	<i>The Applicant Is An Eligible Borrower Or A Project Sponsor As Defined By The Act?</i>	
A2	<i>The Project Costs Are Reasonable?</i>	
A3	<i>The Project Has Local Support?</i>	
A4	<i>The Project Has A Sound Financial Plan With A Reliable Repayment Source?</i>	
A5	<i>Does Project Meet A Need Identified In VTRANS 2040 For A CoSS, RN Or UDA?*</i>	

\* CoSS Corridor of Statewide Significance, RN Regional Network, UDA Urban Development Area

B	Readiness/Acceleration		
B1	<b>Maturity of the Project</b>	<b>Point Allocation</b>	<b>Criteria Score</b>
	<i>Study, Design</i>	0	
	<i>Right-Of-Way</i>	1	
	<i>Construction, Design/Build, Purchase</i>	2	

B2	<b>VTIB Investment Impact On The Project Timeline</b>	<b>Point Allocation</b>	<b>Criteria Score</b>
	<i>Will Not Be Accelerated</i>	0	
	<i>Will Be Accelerated By 1 To 5 Years</i>	1	
	<i>Will Be Accelerated By 5 To 10 Years</i>	2	
	<i>Will Be Accelerated By More Than 10 Years</i>	3	
	<i>Can Only Be Completed With VTIB</i>	4	

B3	<b>Factors That May Impede Project Implementation Or Completion</b>	<b>Point Allocation</b>	<b>Criteria Score</b>
	<i>Significant Factors Identified</i>	0	
	<i>Factors Identified With Reasonable Plan For Mitigation Or Alternatives</i>	1	
	<i>None Identified</i>	3	

<b>C</b>	<b>Impact On VTIB Lending Capacity</b>	<b>Maximum Points</b>	<b>Criteria Score</b>
<b>C1</b>	<b>Maturity of the Project</b>		
	Substantially Funded By VTIB (80 - 100% VTIB Funded)	0	
	VTIB Major Funding Component (50 - 79% VTIB Funded)	1	
	VTIB Less Than Half (20 - 49% VTIB Funded)	2	
	VTIB Closes A Funding Gap Of Other Resources (Less Than 20% VTIB Funded)	3	
<b>C2</b>	<b>Interest Rate Sought</b>	<b>Maximum Points</b>	<b>Criteria Score</b>
	<i>Additional Subsidy</i>	0	
	<i>Standard Rate</i>	3	
<b>C3</b>	<b>Loan Structure - Average Life (years)</b>	<b>Maximum Points</b>	<b>Criteria Score</b>
	Greater Than 18	0	
	12.5 - 18	1	
	6 - 12.5	2	
	Less Than 6	3	
<b>C4</b>	<b>Potential For Early Repayment</b>	<b>Maximum Points</b>	<b>Criteria Score</b>
	<i>Early Repayment Unlikely</i>	0	
	<i>Base Case Demonstrates Full Repayment Potential Within Five Years Of Final Maturity</i>	1	
	<i>Base Case Demonstrates Full Repayment Potential More Than Five Years Prior To Final Maturity</i>	2	

D	Benefits Of Project	Maximum Points	Criteria Score	High	Medium	Low
D1	<b>Safety – Reduce The Number And Rate Of Fatalities And Severe Injuries And Improve The Overall Safety Aspect Of The Project.</b>					
	<i>Does The Project Have A Direct Transportation Safety Need</i>	2		2	1	0
	<i>Does The Project Address The Direct Transportation Safety Need</i>	2		2	1	0
	<b>Average Score</b>					

D2	<b>Congestion – Reduce Person Hours Of Delay And Increase Person Throughput</b>	Maximum Points	Criteria Score	High	Medium	Low
	<i>Does The Project Have A Transportation Congestion Need</i>	2		2	1	0
	<i>Does The Project Address The Transportation Congestion Need</i>	2		2	1	0
	<b>Average Score</b>					

D3	<b>Economic Development – Support Economic Development And Improve Goods Movement</b>	Maximum Points	Criteria Score	High	Medium	Low
	<i>Is There A Need to Support Economic Growth And The Movement Of Good Via This VDOT System</i>	2		2	1	0
	<i>Does The Project Provide Support For Economic Growth And The Movement Of Good Via This VDOT System</i>	2		2	1	0
	<b>Average Score</b>					

<b>D4</b>	<b>Environmental Quality – Improve Air Quality And Avoid Impacts To The Natural Environment</b>	<b>Maximum Points</b>	<b>Criteria Score</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
	<i>Is There A Need To Improve Air Quality And Minimize The Impact Of Transportation On The Natural Environment?</i>	2		2	1	0
	<i>Does This Project Address The Issues Of Air Quality And Improve Or Minimize The Impact Of Transportation On The Natural Environment?</i>	2		2	1	0
	<b>Average Score</b>					

<b>D5</b>	<b>Land Use – Support Transportation Efficient Land Development Patterns</b>	<b>Maximum Points</b>	<b>Criteria Score</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
	<i>Is There A Need Within The Project Scope To Improve The Use Of Land For A More Efficient Transportation System?</i>	2		2	1	0
	<i>Does This Project Provide A Better Solution And Improve The Use Of Land For A More Efficient Transportation System?</i>	2		2	1	0
	<b>Average Score</b>					

## Total Scores

B	Readiness/Acceleration	Criteria Score
B1	<i>Maturity Of The Project</i>	
B2	<i>Vtib Investment Impact On The Project Timeline</i>	
B3	<i>Factors That May Impede Project Implementation Or Completion</i>	
	Readiness/Acceleration Total	

C	Impact On VTIB Lending Capacity	Criteria Score
C1	Maturity Of The Project	
C2	Interest Rate Sought	
C3	Loan Structure - Average Life (Years)	
C4	Potential For Early Repayment	
	Impact On VTIB Lending Capacity Total	

D	Benefits Of Project	Criteria Score
D1	<b>Safety</b> – Reduce The Number And Rate Of Fatalities And Severe Injuries And Improve The Overall Safety Aspect Of The Project.	
D2	<b>Congestion</b> – Reduce Person Hours Of Delay And Increase Person Throughput	
D3	<b>Environmental Quality</b> – Improve Air Quality And Avoid Impacts To The Natural Environment	
D4	<b>Environmental Quality</b> – Improve Air Quality And Avoid Impacts To The Natural Environment	
D5	<b>Land Use</b> – Support Transportation Efficient Land Development Patterns	
	Benefits of Project Total	

B	Readiness/Acceleration Total	
C	Impact on VTIB lending capacity Total	
D	Benefits of Project Total	
	<p style="text-align: center;"><b>Total Project Score</b> *Maximum Points Allowed: 30</p>	

## Appendix D

### VTIB Interest Rate Methodology

#### Standard Rates

	Category A	Category B
Governmental	AAA GO MMD of Comparable Maturity Less 50 bps	AAA GO MMD of Comparable Maturity
Private Entity	AAA GO Taxable MMD of Comparable Maturity Less 50 bps	AAA GO Taxable MMD of Comparable Maturity Less

#### Current Standard Rates for Indication Purposes

	Category A	Category B
Governmental	10yr 1.76%	10yr 2.26%
	20yr 2.99%	20yr 3.49%
	30yr 3.38%	30yr 3.88%
Private Entity	10yr 3.75%	10yr 4.25%
	20yr 4.95%	20yr 5.45%
	30yr 5.22%	30yr 5.72%

*As of August 15, 2011*

Category:

Governmental –

- Category A
  - City, County or Town tax supported; or
  - Established enterprise system and debt service coverage >1.5x with proposed loan; or
  - Credit rating in the “BBB” category or above from either Standard & Poor’s, Moody’s, or Fitch
- Category B
  - All others and any type of subordinate pledge

Private –

- Category A
  - Established revenue stream and debt service coverage >1.5x with proposed loan; or
  - Credit rating in the “BBB” category or above from either Standard & Poor’s, Moody’s, or Fitch
- Category B
  - All others and any type of subordinate pledge



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940  
*Agenda Item #14*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**September 21, 2016**

**Made By: \_\_\_\_\_ Seconded By: \_\_\_\_\_**

**Action: \_\_\_\_\_**

### **AUTHORIZING THE ISSUANCE AND SALE OF COMMONWEALTH OF VIRGINIA FEDERAL TRANSPORTATION GRANT ANTICIPATION REVENUE NOTES, SERIES 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$400,000,000**

**WHEREAS**, from time to time the Commonwealth of Virginia (the "Commonwealth") receives federal-aid highway construction reimbursements and other federal highway assistance under or in accordance with Title 23 of the United States Code, or any successor program established under federal law, from the Federal Highway Administration ("FHWA") or any successor or additional federal agencies ("Federal Highway Reimbursements");

**WHEREAS**, the receipt of Federal Highway Reimbursements is expected to continue;

**WHEREAS**, pursuant to the Transportation Development and Revenue Bond Act (the "State Revenue Bond Act"), Sections 33.2-1700 *et seq.* of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Commonwealth Transportation Board (the "Board") has the power to issue revenue bonds or notes to finance the costs of transportation projects authorized by the General Assembly of Virginia (the "General Assembly"), including any financing costs or other financing expenses related to such bonds or notes;

**WHEREAS**, the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011, Article 4, Chapter 15, Title 33.2 of the Virginia Code (the "GARVEEs Act" and, together with the State Revenue Bond Act, the "Act"), authorizes the Board, by and with the consent of the Governor of the Commonwealth (the "Governor"), to issue, pursuant to the provisions of the State Revenue Bond Act, in one or more series from time

Resolution of the Board

September 21, 2016

Authorizing the Issuance and Sale of the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016

Page 2 of 7

to time, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series ....." (the "GARVEEs"); provided that the aggregate amount outstanding shall not exceed \$1,200,000,000, exclusive of (i) the amount of any revenue obligations that may be issued to refund GARVEEs issued under the GARVEEs Act in accordance with Section 33.2-1512 of the Virginia Code, and (ii) any amounts issued for financing expenses (including, without limitation, any original issue discount);

**WHEREAS**, bond counsel to the Board, McGuireWoods LLP ("Bond Counsel"), and the staff of the Virginia Department of Transportation (the "Department") have advised that any GARVEEs issued after July 1, 2012, will be subject to the requirement of Section 2.2-5002.1 of the Virginia Code that any net original issue premium in excess of a *de minimis* amount received on such GARVEEs be treated as principal for purposes of determining compliance with the principal amount limitations to which the GARVEEs are subject;

**WHEREAS**, Section 33.2-1520 of the Virginia Code provides that in connection with each series of GARVEEs issued, the Board shall establish a fund in accordance with Section 33.2-1720 of the Virginia Code either in the state treasury or with a trustee in accordance with Section 33.2-1716 of the Virginia Code, which fund secures and is used for the payment of such series of GARVEEs to the credit of which there shall be deposited such amounts, appropriated therefor by the General Assembly, as are required to pay principal or purchase price of, and redemption premium, if any, and interest on GARVEEs, as and when due and payable, and the amounts deposited in such fund shall be derived (i) first from Federal Highway Reimbursements received by the Commonwealth from time to time only with respect to the project or projects to be financed by the GARVEEs (the "Project-Specific Reimbursements"); (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose;

**WHEREAS**, the Board has entered into a Master Trust Indenture (as supplemented and amended, the "Master Indenture") dated as of February 1, 2012, between the Board and U.S. Bank National Association, as trustee (the "Trustee");

**WHEREAS**, the Board wishes to authorize the issuance of one or more series of GARVEEs to be known as the "Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes," with one or more series designations, as appropriate (collectively, the "2016 GARVEEs") and to take such action as may be necessary or advisable in order to effect the issuance and sale of the 2016 GARVEEs;

**WHEREAS**, Section 33.2-1513 of the Virginia Code provides that the net proceeds of the GARVEEs shall be used exclusively for the purpose of providing funds, together with any other available funds, for paying the costs incurred or to be incurred for construction or funding of such projects to be designated by the Board, and the Board intends that the net proceeds of the

Resolution of the Board

September 21, 2016

Authorizing the Issuance and Sale of the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016

Page 3 of 7

2016 GARVEEs are to be used to pay costs of the projects listed on Schedule 1 to this Resolution (collectively, the "Projects"); and

**WHEREAS**, the provisions for the foregoing arrangements and transactions will be set forth in the following documents, forms of which have been presented to the Board at this meeting:

(1) a Fourth Supplemental Trust Indenture expected to be dated as of November 1, 2016 (the "Fourth Supplement" and together with the Master Indenture, the "Indenture"), between the Board and the Trustee;

(2) a Preliminary Official Statement of the Board containing, among other things, information relating to the Commonwealth, the Board, the Virginia Department of Transportation (the "Department") and the terms of the 2016 GARVEEs to be used in the public offering for sale of the 2016 GARVEEs (the "Preliminary Official Statement");

(3) a Note Purchase Agreement, to be dated as of the sale date of the 2016 GARVEEs (the "Note Purchase Agreement"), between the Board and the underwriters of the 2016 GARVEEs (collectively, the "Underwriters"), to be used if the 2016 GARVEEs are sold at a negotiated sale; and

(4) a Continuing Disclosure Agreement of the Board relating to the obligations of the Board to disclose certain information on an ongoing basis in connection with the 2016 GARVEEs (the "Continuing Disclosure Agreement" and, together with the Fourth Supplement, the Preliminary Official Statement and the Note Purchase Agreement, the "Basic Documents").

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH TRANSPORTATION BOARD THAT:**

**1. Authorization of the 2016 GARVEEs.** The Board finds and determines that it is in the best interest of the Commonwealth and the Board for the Board (i) to enter into the Fourth Supplement to provide for the issuance of the 2016 GARVEEs, (ii) to issue the 2016 GARVEEs in accordance with the provisions of the Act, the Indenture and the Basic Documents, (iii) to sell the 2016 GARVEEs in the manner provided herein, and (iv) to use a portion of the proceeds of the 2016 GARVEEs to pay costs of the Projects, including such other project or projects as may be designated by the Board and approved by FHWA. The Board authorizes the issuance and sale of the 2016 GARVEEs within the following parameters: (i) the aggregate principal amount of the 2016 GARVEEs shall not exceed \$400,000,000, (ii) the final maturity date of the 2016 GARVEEs shall not exceed 20 years from their date of issuance, and (iii) the aggregate true interest cost of the GARVEEs shall not exceed the maximum true interest cost approved by the Treasury Board of the Commonwealth (the "Treasury Board"). The Treasury Board is required pursuant to Section 2.2- 2416 of the Virginia Code to approve the terms and structure of

the 2016 GARVEEs. The Board hereby finds and determines that the issuance and sale of the 2016 GARVEEs in accordance with this Resolution conforms with the purposes set forth in the Act and the Master Indenture

**2. Limited Obligations.** The 2016 GARVEEs shall be limited obligations of the Board and the Commonwealth, payable from and secured by a pledge of the Federal Highway Reimbursements and the other Revenues (as defined in the Indenture) and amounts in certain funds established pursuant to the Indenture. Nothing in this Resolution, the 2016 GARVEEs, the Indenture or the Basic Documents shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof.

**3. Determination of Final Terms and Details and Delivery of the 2016 GARVEEs.** The Board authorizes the Chairman of the Board (the "Chairman"), subject to the parameters set forth in paragraph 1 of this Resolution, to determine the final terms and details of the 2016 GARVEEs, including, without limitation, the final series designation, the aggregate principal amount, the maturity schedule, the interest rates, the redemption provisions, the sale date, the sale price and the offering prices. Further, once the terms and details of the 2016 GARVEEs have been determined, the Board authorizes and directs the Chairman and the Secretary of the Board (the "Secretary") (i) to have the 2016 GARVEEs prepared and executed in accordance with the Indenture, (ii) to deliver the 2016 GARVEEs to the Trustee for authentication, and (iii) to cause the 2016 GARVEEs so executed and authenticated to be delivered to or for the account of the Underwriters upon payment of the purchase price of the 2016 GARVEEs, all in accordance with the executed Note Purchase Agreement. Execution and delivery by the Chairman and the Secretary of the 2016 GARVEEs shall constitute conclusive evidence of the approval of the 2016 GARVEEs and the terms and details thereof by the Chairman and the Secretary on behalf of the Board.

**4. Basic Documents.** The Board approves each of the Basic Documents in substantially the form presented at this meeting. The Board authorizes and directs the Chairman to prepare, execute, and deliver the final forms of the Basic Documents with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the 2016 GARVEEs, including without limitation changes to the dated dates thereof, as the Chairman may approve. The Chairman's execution and delivery of the Basic Documents shall constitute conclusive evidence of the approval of the final forms of such documents by the Chairman on behalf of the Board.

**5. Sale of the 2016 GARVEEs.** The Chairman is authorized to sell the 2016 Bonds pursuant to a competitive sale and to prepare, publish and distribute a Notice of Sale in connection therewith (the "Notice of Sale"), provided that the Notice of Sale may not be published or distributed prior to the approval of the 2016 Bonds by resolution of the Treasury Board. Alternatively, if determined by the Chairman to be in the best interest of the Commonwealth, the Board authorizes the Chairman to solicit and consider proposals for a negotiated sale of the 2016 Bonds and to negotiate the terms of such sale. Subject to paragraph

(4), the Chairman is authorized to execute and deliver the Note Purchase Agreement, provided that no such purchase contract or agreement may be executed prior to approval of the terms and structure of the 2016 Bonds by resolution of the Treasury Board.

**6. Preliminary Official Statement.** The Board approves the Preliminary Official Statement in substantially the form presented at this meeting. The Board authorizes and directs the Chairman, in collaboration with Department staff, "Bond Counsel, the Underwriters, and Public Resources Advisory Group, the Board's financial advisor (the "Financial Advisor"), to prepare the final form of the Preliminary Official Statement with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the 2016 GARVEEs, as the Chairman may approve. The Board authorizes the Chairman to deem the Preliminary Official Statement to be final for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve the distribution thereof, provided that the Preliminary Official Statement may not be distributed prior to approval of the terms and structure of the 2016 GARVEEs in accordance with a resolution of the Treasury Board.

**7. Official Statement.** The Board authorizes and directs the Chairman, in collaboration with Department staff, Bond Counsel, the Underwriters, and the Financial Advisor, to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement") in accordance with the Rule and any Note Purchase Agreement. The Board authorizes and directs the Chairman to execute the Official Statement, which execution shall constitute conclusive evidence of the approval of the Official Statement by the Chairman on behalf of the Board and that it has been deemed final within the meaning of the Rule. The Board authorizes and directs Department staff to arrange for delivery to the Underwriters within seven business days after the sale date of the 2016 GARVEEs, a sufficient number of copies of the Official Statement for the Underwriters to distribute to each potential investor requesting a copy and to each person to whom the Underwriters initially sell the 2016 GARVEEs. The Board authorizes and approves the distribution by the Underwriters of the Official Statement as executed by the Chairman.

**8. Continuing Disclosure.** The Board covenants to undertake ongoing disclosure and to provide "annual financial information" and "event notices" for the benefit of holders of the 2016 GARVEEs and to assist the Underwriters in complying with the Rule, all in accordance with the Continuing Disclosure Agreement. The Chief Financial Officer of the Department is designated as the initial Dissemination Agent under the Continuing Disclosure Agreement. Execution and delivery by the Chairman of the Continuing Disclosure Agreement shall constitute conclusive evidence of the approval of the Continuing Disclosure Agreement by the Chairman on behalf of the Board.

**9. Authorization of Further Action.** The Board authorizes Department staff (i) to request the Treasury Board to approve the terms and structure of the 2016 GARVEEs in accordance with Section 2.2-2416 of the Virginia Code and the Act, (ii) to request the Governor to approve the issuance of the 2016 GARVEEs in accordance with the Act, (iii) if determined by

Department staff to be cost beneficial, to procure and negotiate a contract with a credit facility provider to issue a credit facility with respect to some or all of the 2016 GARVEEs and to execute such contract, together with any other documents related to such credit facility, and (iv) to collaborate with the staff of the Department of the Treasury of the Commonwealth or the State Treasurer to procure and to negotiate investments and investment contracts for any of the proceeds of the 2016 GARVEEs. The Board further authorizes the Chairman to execute and deliver all documents and certificates and to take all such further action as he may consider necessary or desirable in connection with the issuance and sale of the 2016 GARVEEs, including, without limitation, the execution and delivery of documents, certificates or instruments that include without limitation (x) agreements or amendments to existing agreements concerning Federal Highway Reimbursements or the GARVEEs generally to account for the 2016 GARVEEs or the proceeds of the 2016 GARVEEs or other GARVEEs in a manner consistent with the intent of this Resolution, and (y) certificates or agreements concerning tax items related to the 2016 GARVEES, such as: (A) the expected use and investment of the proceeds of the 2016 GARVEEs to show that such expected use and investment will not cause the 2016 GARVEEs to be deemed to be "private activity bonds" or "arbitrage bonds" under Section 141 or Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and (B) providing for the computation and payment to the United States of any arbitrage rebate liability under Section 148(f) of the Tax Code. The Chairman is further authorized to make on behalf of the Board such elections under the Tax Code and the applicable Treasury Regulations with respect to the 2016 GARVEEs as the Chairman may deem to be in the best interests of the Commonwealth and the Board, in consultation with Bond Counsel and the Financial Advisor.

**10. Authorizations and Directions to Certain Officers.** Any authorization of or direction to the Chairman or the Secretary under this Resolution shall also be deemed to be an authorization of or a direction to (i) the Vice-Chairman of the Board or any Assistant Secretary of the Board, respectively, and (ii) any other officer or employee of the Board or the Department designated for such purpose by the Chairman or the Secretary, respectively, including without limitation the Commonwealth's Commissioner of Highways or the Chief Financial Officer of the Department.

**11. Effective Date.** This Resolution is effective upon adoption.

## **SCHEDULE 1**

### **List of Projects**

1. I-64 Capacity Improvements
2. Route 29/460 Interchange and Extension
3. UR-6056 Widening
4. I-66/Route 15 Interchange Reconstruction
5. Route 95 Relocation of Interchange
6. Fall Hill Avenue Bridge

Resolution of the Board

September 21, 2016

Authorizing the Issuance and Sale of the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016

Page 7 of 7

7. Route 165/Route 13
8. I-95 Southern Extension Express Lanes
9. I-66 Inside the Beltway
10. Oddfellows Rd
11. Route 7 Corridor Improvements Phase 1 and 2
12. Route 58/Holland Rd Corridor
13. Transform I-66 Outside the Beltway
14. Route 682 Reconstruction
15. Emmet St Corridor
16. Route 10 Bermuda Triangle Rd to Meadowville Rd
17. Route 64 Widening
18. I-81 Northbound Auxiliary Lane from Exit 141 to 143
19. Route 277 Widening
20. Route 11 S. Valley Pike Roadway
21. I-81 at State Route 75 Interchange Mod
22. Construction Inter Route 15/17/29 at Route 15/17/29
23. Route 3 Passing Lanes Potomac Mills/Flat Iron
24. Indian River Rd Ph 7A

(each as described in the Board's Six-Year Improvement Plan, as amended from time to time)

if any of the foregoing or the related financing plan is delayed, altered, or terminated, such other project or projects as may be designated by the Board and approved by FHWA.

**FOURTH SUPPLEMENTAL TRUST INDENTURE**

between

**COMMONWEALTH TRANSPORTATION BOARD**

and

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

authorizing

**\$ \_\_\_\_\_  
Commonwealth of Virginia  
Federal Transportation Grant Anticipation Revenue Notes  
Series 2016**

Dated as of November 1, 2016

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	DEFINITIONS..... 1
Section 1.1	Definitions..... 1
ARTICLE II	AUTHORIZATION AND TERMS OF NOTES; CREATION OF ACCOUNTS ..... 2
Section 2.1	Authorization, Purpose and Name ..... 2
Section 2.2	Principal Amounts, Dated Dates, Maturity Dates and Interest..... 2
Section 2.3	Redemption Provisions ..... 3
Section 2.4	Limited Obligations ..... 3
Section 2.5	Form of 2016 Notes ..... 4
Section 2.6	Application of Proceeds; Establishment of Certain Accounts and Subaccounts; Exclusion from Trust Estate ..... 4
Section 2.7	Flow of Funds ..... 4
ARTICLE III	CERTIFICATIONS AND COVENANTS OF THE BOARD ..... 4
Section 3.1	Findings, Determinations and Certifications ..... 4
Section 3.2	Representations, Covenants and Warranties ..... 5
ARTICLE IV	REPRESENTATIONS, COVENANTS AND WARRANTIES OF TRUSTEE..... 6
Section 4.1	Representations, Covenants and Warranties..... 6
ARTICLE V	MISCELLANEOUS ..... 7
Section 5.1	Amendment to the Master Indenture ..... 7
Section 5.2	Table of Contents, Titles and Headings ..... 7
Section 5.3	Interpretation and Construction ..... 7
Section 5.4	Further Assurances and Corrective Instruments ..... 7
Section 5.5	Tax Covenants ..... 8
Section 5.6	Parties Interested Herein ..... 8
Section 5.7	Severability ..... 8
Section 5.8	Applicable Law ..... 8
Section 5.9	Identifying Information..... 8
Section 5.10	Execution in Counterparts..... 9
APPENDIX A	FORM OF 2016 NOTE
APPENDIX B	DESCRIPTION OF 2016 PROJECT
APPENDIX C	AMENDMENTS TO MASTER INDENTURE

**THIS FOURTH SUPPLEMENTAL TRUST INDENTURE** (this "Fourth Supplemental Indenture") is dated as of November 1, 2016, and is entered into by the **COMMONWEALTH TRANSPORTATION BOARD** (the "Board") and **U.S. BANK NATIONAL ASSOCIATION** (the "Trustee"), a national banking association, having power and authority to accept and execute trusts, as trustee, paying agent and registrar.

## **RECITALS**

**WHEREAS**, the Board and the Trustee have entered into a Master Trust Indenture dated as of February 1, 2012, as previously supplemented and amended (the "Master Indenture"), under which the Board has provided for (i) the issuance of Notes to finance certain costs of Projects and any other such purposes as may be authorized under the Act, and (ii) the security for and the sources of payment of the debt service on the Notes;

**WHEREAS**, pursuant to the Master Indenture, certain terms of and other matters relating to each Series of Notes are to be specified in a Supplemental Indenture;

**WHEREAS**, this Fourth Supplemental Indenture is a Supplemental Indenture that is being entered into to authorize and to set forth certain terms of and other matters relating to the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "2016 Notes");

**WHEREAS**, the Board has full power and authority, pursuant to the Act and the Master Indenture to enter into this Fourth Supplemental Indenture and to issue the 2016 Notes; and

**WHEREAS**, the Board has found and determined the issuance and sale of the 2016 Notes to be in conformity with the purposes set forth in the Act and the Master Indenture and in the best interest of the Commonwealth and the Board.

**NOW, THEREFORE**, for and in consideration of the mutual covenants, and the representations and warranties, set forth herein, the Board and the Trustee agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.1 Definitions.** Unless the context otherwise requires, capitalized terms used in this Fourth Supplemental Indenture have the meanings assigned to them in the Master Indenture, except that if any term is defined in both the Master Indenture and this Article, the definition set forth in this Article controls for purposes of this Fourth Supplemental Indenture and the 2016 Notes. In addition to the foregoing, the following capitalized terms have the following meanings unless the context otherwise requires:

"*2016 Notes*" means the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016, which are authorized by this Fourth Supplemental Indenture.

"*2016 Notes COI Account*" means the account by that name in the Project Fund established under Section 2.6 below.

"*2016 Project*" means collectively the projects described in Appendix B.

"*Interest Payment Date*" means March 15 and September 15 of each calendar year, commencing March 15, 2017.

"*Master Indenture*" means the Master Trust Indenture, dated as of February 1, 2012, between the Board and the Trustee, as the same may be modified, altered, amended and supplemented from time to time in accordance with its terms.

"*Note Purchase Agreement*" means the Note Purchase Agreement dated \_\_\_\_\_, 2016, between the Board and the Original Purchasers pursuant to which the Original Purchasers have agreed to purchase the 2016 Notes from the Board.

"*Original Purchasers*" means \_\_\_\_\_, as representative of the underwriting group composed of itself and the other underwriters named in the Note Purchase Agreement.

"*Second Supplemental Indenture*" means the Second Supplemental Trust Indenture dated as of July 1, 2012, between the Board and the Trustee, as the same may be modified, altered, amended and supplemented from time to time in accordance with its terms.

"*Tax Certificate*" means the Non-Arbitrage Certificate and Tax Compliance Agreement executed by an Authorized Board Representative in connection with the issuance of the 2016 Notes.

"*Fourth Supplemental Indenture*" means this Fourth Supplemental Indenture and any amendment hereto adopted in accordance with the terms hereof.

"*VDOT Funding Account*" means the account by that name in the Project Fund established under Section 2.6.

## ARTICLE II

### AUTHORIZATION AND TERMS OF NOTES; CREATION OF ACCOUNTS

**Section 2.1 Authorization, Purpose and Name.** The Board hereby authorizes the issuance of the 2016 Notes as New Money Notes for the purpose of financing the 2016 Project in accordance with the Act and the Master Indenture. The 2016 Notes shall be named "Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016."

**Section 2.2 Principal Amounts, Dated Dates, Maturity Dates and Interest.**

(a) The aggregate principal amount of the 2016 Notes shall be \$\_\_\_\_\_.

(b) The 2016 Notes issued on the date the 2016 Notes are first issued shall be dated as of their date of delivery and shall bear interest from their dated date, which is November \_\_, 2016. Any 2016 Note issued upon transfer and exchange of another 2016 Note shall be dated as of its date of authentication and shall bear interest from the Interest Payment Date next preceding its date of authentication, unless the date of authentication is an Interest Payment Date in which case such Note shall bear interest from such Interest Payment Date or unless the date of authentication precedes the first Interest Payment Date in which case such Note shall bear interest from its dated date.

(c) Interest on the 2016 Notes shall be calculated based on a 360-day year consisting of twelve 30-day months.

(d) The 2016 Notes shall mature on March 15 and September 15 of the years and in the principal amounts, and shall bear interest at the per annum rates, set forth below:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-----------------	-------------------------	----------------------

(e) The 2016 Notes shall be numbered consecutively from 1 upward with the prefix "R-" preceding such number.

**Section 2.3 Redemption Provisions.** (a) The 2016 Notes maturing on or before \_\_\_\_\_, 20\_\_, are not subject to optional redemption prior to their respective maturity dates. The 2016 Notes maturing on and after \_\_\_\_\_, 20\_\_, are subject to optional redemption prior to their maturity at the option of the Board on and after \_\_\_\_\_, 20\_\_, in whole or in part at any time, in whole multiples of \$5,000, and if in part from the maturities of 2016 Notes as the Board shall determine and from any of the 2016 Notes with the same maturity date and interest rate in a manner determined by the Trustee (or DTC if then registered in the name of a nominee of DTC), at a redemption price equal to 100% of the principal amount of the 2016 Notes redeemed, plus accrued interest to the date fixed for redemption.

(b) The 2016 Notes are not subject to mandatory redemption.

**Section 2.4 Limited Obligations.** (a) The Note Payments for the 2016 Notes are payable solely from Revenues and moneys held in the Debt Service Fund. The Owners of the 2016 Notes may not look to any other revenues of the Board or the Commonwealth for the payment of the 2016 Notes.

(b) All financial obligations of the Board under the Master Indenture, this Fourth Supplemental Indenture and every other Supplemental Indenture and the 2016 Notes shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth within the meaning of the Constitution of Virginia or the laws of the Commonwealth concerning or limiting the creation of indebtedness by the Commonwealth, and the 2016 Notes shall be payable solely, subject to their appropriation by the General Assembly, from the Revenues and certain funds and accounts pledged therefor in the Master Indenture.

**Section 2.5 Form of 2016 Notes.** The 2016 Notes shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent with the Master Indenture and this Fourth Supplemental Indenture, as may be necessary or desirable and approved by an Authorized Board Representative whose signature appears thereon (and whose manual or facsimile signature thereon shall constitute conclusive evidence of such approval). All statements set forth in the 2016 Notes are hereby approved and adopted as statements of the Board.

**Section 2.6 Application of Proceeds; Establishment of Certain Accounts and Subaccounts; Exclusion from Trust Estate.** (a) There is hereby established in the Project Fund two accounts to be called the "2016 Notes COI Account," the "VDOT Funding Account."

(b) On the issuance date of the 2016 Notes, the Original Purchasers will deposit into the State Treasury \$\_\_\_\_\_, pursuant to the terms of the Note Purchase Agreement and the Board will immediately cause the purchase price to be transferred to the Trustee. The Trustee will immediately upon receipt of the purchase price deposit (i) \$\_\_\_\_\_ thereof into the 2016 Notes COI Account, (ii) \$\_\_\_\_\_ thereof into the VDOT Funding Account.

(c) The amounts in the 2016 Notes COI Account, together with the investment earnings thereon, shall be applied to pay the costs of issuance of the 2016 Notes.

(d) The amounts in the VDOT Funding Account, together with the investment earnings thereon, shall be applied to pay the costs of the 2016 Project. The Trustee shall disburse sums from the VDOT Funding Account in accordance with the terms of Section 5.3(c) of the Master Indenture.

(e) As permitted by Section 2.1(b) of the Master Indenture, neither the 2016 Notes COI Account nor the VDOT Funding Account nor any money or investments held therein shall be part of the Trust Estate.

**Section 2.7 Flow of Funds.** As provided in Section 5.2(a) of the Master Indenture, the Board shall provide for the transfer to the Trustee on or before the last day of each month, of Federal Highway Reimbursements from the Federal Fund for deposit in the Series 2016 Account of the Debt Service Fund in an amount equal to one-sixth of the Note Payment due on the 2016 Notes on the next ensuing Interest Payment Date; provided however, that for the months preceding the first Interest Payment Date, the Board shall transfer an amount equal to one-fourth of the Note Payment due on the 2016 Notes.

### ARTICLE III

#### CERTIFICATIONS AND COVENANTS OF THE BOARD

**Section 3.1 Findings, Determinations and Certifications.** An Authorized Board Representative, by executing this Fourth Supplemental Indenture on behalf of the Board, hereby finds, determines and certifies that:

(a) The 2016 Notes are authorized by the Act and the Master Indenture.

(b) As of the date of issuance of the 2016 Notes, the conditions set forth in Section 3.2 of the Master Indenture have been satisfied.

(c) This Fourth Supplemental Indenture contains all information required to be included in a Supplemental Indenture authorizing a Series of Notes under the Master Indenture.

(d) This Fourth Supplemental Indenture is authorized by and is being executed and delivered pursuant to and in accordance with Section 9.1(g) of the Master Indenture for the purpose of authorizing the issuance of the 2016 Notes in accordance with Article III of the Master Indenture and the Act and will, as provided in Section 9.3 of the Master Indenture, become effective when (i) it has been executed by an Authorized Board Representative and an authorized representative of the Trustee and (ii) Bond Counsel has delivered a written opinion to the effect that it complies with the provisions of Article IX of the Master Indenture.

(e) The 2016 Notes will not be issued until Bond Counsel has delivered a written opinion to the effect (which may be subject to customary assumptions and limitations) that (i) the 2016 Notes have been duly authorized, executed and delivered by the Board and are valid and binding limited obligations of the Board, payable solely from the sources provided in the Master Indenture and this Fourth Supplemental Indenture; (ii) the Master Indenture creates a valid pledge of and lien on Revenues and the Trust Estate, subject to the terms thereof; and (iii) the interest on the 2016 Notes is excludable from gross income for federal income tax purposes under Section 103 of the Code.

(f) Except for actions being taken pursuant to the terms hereof, all conditions to the execution and delivery of this Fourth Supplemental Indenture and the issuance of the 2016 Notes have been satisfied.

**Section 3.2 Representations, Covenants and Warranties.** The Board represents, covenants and warrants, as applicable, that:

(a) The execution, delivery and performance of this Fourth Supplemental Indenture and the issuance, execution, delivery and performance of the 2016 Notes by the Board is authorized by the Act and, upon the execution and delivery of this Fourth Supplemental Indenture by the Trustee and an Authorized Board Representative, this Fourth Supplemental Indenture and the 2016 Notes will be enforceable against the Board in accordance with their terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the Board of its powers under the laws of the Commonwealth and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States.

(b) The execution, delivery and performance of its obligations under this Fourth Supplemental Indenture and the issuance, execution, delivery and performance of its obligations under the 2016 Notes by the Board does not and will not conflict with or result in violation or a breach of any law or the terms, conditions or provisions of any restriction or any agreement or instrument to which the Board is now a party or by which the Board is bound, or constitute a default under any of the foregoing, or, except as specifically provided in the Master Indenture or this Fourth Supplemental Indenture, result in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the Board.

(c) There is no litigation or proceeding pending or threatened against the Board affecting the right of the Board to execute, deliver or perform its obligations under this Fourth Supplemental Indenture or to issue, execute, deliver or perform its obligations under the 2016 Notes.

#### ARTICLE IV

##### REPRESENTATIONS, COVENANTS AND WARRANTIES OF TRUSTEE

**Section 4.1 Representations, Covenants and Warranties.** The Trustee represents, covenants and warrants that:

(a) The Trustee (i) is a national banking association with full trust powers that is duly organized, validly existing and in good standing under the laws of the United States of America, (ii) is duly qualified to do business in the Commonwealth and (iii) is authorized, under its articles of association, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the Commonwealth, to execute, deliver and perform its obligations under this Fourth Supplemental Indenture and to authenticate and deliver the 2016 Notes.

(b) The execution, delivery and performance of this Fourth Supplemental Indenture and the authentication and delivery of the 2016 Notes by the Trustee have been duly authorized by the Trustee.

(c) This Fourth Supplemental Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the Board of its powers under laws of the Commonwealth and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States.

(d) The execution, delivery and performance of this Fourth Supplemental Indenture and the authentication and delivery of the 2016 Notes by the Trustee do not and will not conflict with or result in a violation or a breach of any law or the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in the Master Indenture or this Fourth Supplemental Indenture, result in the creation or imposition of any lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) There is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Fourth Supplemental Indenture or to authenticate or deliver the 2016 Notes.

(f) Except for actions to be taken pursuant to the terms hereof, all conditions to the execution and delivery of this Fourth Supplemental Indenture and the authentication and delivery of the 2016 Notes by the Trustee have been satisfied.

**ARTICLE V**  
**MISCELLANEOUS**

**Section 5.1 Amendment to the Master Indenture.** Reference is hereby made to the amendment to the Master Indenture contained in Article V of the Second Supplemental Indenture, which provision is incorporated in the Master Indenture and made a part thereof. The amended provision is set forth in Appendix C.

**Section 5.2 Table of Contents, Titles and Headings.** The table of contents, titles and headings of the Articles and Sections of this Fourth Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Fourth Supplemental Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

**Section 5.3 Interpretation and Construction.** This Fourth Supplemental Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Fourth Supplemental Indenture. For purposes of this Fourth Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Fourth Supplemental Indenture to designated "Articles," "Sections," "subsections," "paragraphs," "clauses" and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Fourth Supplemental Indenture;

(b) The words "herein," "hereof," "hereto," hereby," "hereunder" and other words of similar import refer to this Fourth Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision;

(c) The terms defined in Article I hereof have the meanings assigned to them in that Article and include the plural as well as the singular;

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time;

(e) The term "money" includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder;

(f) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding;" and

(g) Although attached hereto as appendices for the convenience of the reader, the appendices attached hereto are integral parts of this Fourth Supplemental Indenture and are incorporated herein as if set forth in full in the body hereof.

**Section 5.4 Further Assurances and Corrective Instruments.** The Board and the Trustee agree that so long as this Fourth Supplemental Indenture is in full force and effect, the

Board and the Trustee shall have full power to carry out the acts and agreements provided herein and they will, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Fourth Supplemental Indenture.

**Section 5.5 Tax Covenants.** The Board agrees that it will not directly or indirectly use or permit the use of any proceeds of the 2016 Notes or any other funds of the Board or take or omit to take any action that would cause the 2016 Notes to be "arbitrage bonds" under Section 148(a) of the Code. To these ends, the Board will comply with all requirements of Sections 141 through 150 of the Code, including the rebate requirement. Without limiting the generality of the foregoing, the Board agrees that (i) it will not directly or indirectly use or permit the use of the proceeds of the 2016 Notes except in accordance with the Tax Certificate and (ii) insofar as the Tax Certificate imposes duties and obligations on the Board, the Tax Certificate is specifically incorporated by reference into this Section. The Trustee agrees to comply with all written instructions of a the Board given in accordance with the Tax Certificate, but the Trustee shall not be required to ascertain that the instructions comply with the Tax Certificate. The Trustee shall be entitled to receive and may request from time to time from the Board written instructions from Bond Counsel or other nationally-recognized bond counsel acceptable to the Trustee regarding the interpretation of Sections 141 through 150 of the Code, and the Trustee agrees that it will comply with such directions (upon which the Trustee and the Board may conclusively rely) so as to enable the Board to perform its covenants under this Section. Notwithstanding any provisions of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel or other nationally-recognized bond counsel addressed and acceptable to the Board and the Trustee to the effect that any action required under this Section by incorporation or otherwise is not required to maintain the excludability from gross income of the interest on the 2016 Notes under Section 103 of the Code, the Board and the Trustee may rely conclusively on such opinion in complying with the provisions of this Section.

**Section 5.6 Parties Interested Herein.** This Fourth Supplemental Indenture shall be for the sole and exclusive benefit of the Board, the Trustee, the Owners and their respective successors and assigns. Nothing in this Fourth Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Board, the Trustee and the Owners, any right, remedy or claim under or by reason of this Fourth Supplemental Indenture or any terms hereof.

**Section 5.7 Severability.** In the event that any provision of this Fourth Supplemental Indenture, other than the grant of the Trust Estate to the Trustee, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 5.8 Applicable Law.** The laws of the Commonwealth shall be applied in the interpretation, execution and enforcement of this Fourth Supplemental Indenture.

**Section 5.9 Identifying Information.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity the Trustee will

ask for documentation to verify its formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**Section 5.10 Execution in Counterparts.** This Fourth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Commonwealth Transportation Board has caused this Fourth Supplemental Indenture to be executed in its name by its Chairman, and to evidence its acceptance of the trusts hereby created the Trustee has caused this Fourth Supplemental Indenture to be executed in its corporate name by its authorized officer, all as of the date first above written.

**COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_  
Chairman

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

[Signature Page of Fourth Supplemental Trust Indenture]

**APPENDIX A**

**FORM OF 2016 NOTE**

R-\_\_ \$ \_\_\_\_\_

**UNITED STATES OF AMERICA**

**COMMONWEALTH OF VIRGINIA**

**COMMONWEALTH TRANSPORTATION BOARD**

**COMMONWEALTH OF VIRGINIA FEDERAL TRANSPORTATION GRANT  
ANTICIPATION REVENUE NOTES, SERIES 2016**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____ %	[March][September] 15, 20__	November __, 2016	927790 ____

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS (\$ )**

The Commonwealth Transportation Board (the "Board"), for value received, promises to pay, solely from the revenues and other property pledged to the payment of this Note, to the registered owner of this Note or legal representative, the principal sum stated above on the maturity date stated above, and to pay solely from such source, interest on the principal amount of this Note at the annual rate stated above, payable semi-annually on each March 15 and September 15, commencing on March 15, 2017. This Note shall bear interest (a) from November \_\_, 2016, if this Note is authenticated before March 15, 2017, or (b) otherwise, from the March 15 or September 15 that is, or immediately precedes, the date on which this Note is authenticated (unless the payment of the interest on this Note is in default, in which case this Note shall bear interest from the date to which interest has been paid). The final installment of principal of this Note shall be payable upon presentation and surrender of this Note at a corporate trust office of U.S. Bank National Association, Richmond, Virginia, as trustee under the Indenture, as hereinafter defined, or its successor in trust (the "Trustee"). Principal of, other than the final installment thereof, and interest on this Note shall be paid by check or draft mailed to the person registered on March 1 or September 1, as appropriate, next preceding the interest payment date as the registered owner of this Note at the address of such person on the registration books of the Board maintained by the Trustee, provided, however, that when the 2016 Notes, as hereinafter defined, are held in book-entry form through a securities depository such amounts shall be paid by wire transfer to or as directed by such securities depository. Interest on this Note shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal of and interest on this Note are payable in lawful money of the United States of America. In case the date of maturity of the principal of this Note or the date fixed for the payment of interest on this Note is a date on which banking institutions are authorized or

obligated by law to close at the place where the principal office of the Trustee is located, then payment of the principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the principal office of the Trustee is located, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or the date fixed for the payment of interest.

This Note and the issue of which it is a part and interest on this Note are limited obligations of the Board and payable solely from the revenues and other property pledged and assigned to the Trustee under the terms of the Indenture to secure payment of this Note. The principal of and interest on this Note shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia nor any of its political subdivisions. Neither the Commonwealth of Virginia nor any of its political subdivisions, including the Board, shall be obligated to pay the principal of or interest on this Note or other costs incident to it except from the revenues, money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any of its political subdivisions is pledged to the payment of the principal or interest on this Note.

This Note is one of an issue of \$\_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "2016 Notes"), of like tenor, except as to number, denomination, interest rate and maturity, authorized and issued by the Board, pursuant to the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011, Section 33.2-1511 et seq. of the Code of Virginia of 1950, as amended (the "Virginia Code") and the Transportation Development and Revenue Bond Act, Sections 33.2-1700 et seq. of the Virginia Code, to pay the costs of certain transportation projects designated by the Board and located in the Commonwealth of Virginia and the costs related to the issuance of the 2016 Notes (the "Project"). The 2016 Notes are issued under a Master Trust Indenture, dated as of February 1, 2012 (the "Master Indenture"), as previously supplemented and amended and as further supplemented by a Fourth Supplemental Trust Indenture, dated as of November 1, 2016 (the "Fourth Supplemental Indenture"), each between the Board and the Trustee. The Master Indenture, together with all of the supplements and amendments thereto (including the Fourth Supplemental Indenture), is referred to collectively in this Note as the "Indenture." The 2016 Notes, together with all other notes issued or to be issued by the Board under the Indenture (collectively, the "Notes"), are equally and ratably secured by the Indenture. Reference is made to the Indenture for a description of the revenues and property pledged and assigned and the provisions, among other things, with respect to the nature and extent of the security, the rights and obligations of the Board and the Trustee, the terms on which the Notes are issued and secured, the rights of the registered owners of the Notes and the provisions for defeasance of such rights. Additional Notes equally and ratably secured with the 2016 Notes may be issued on the terms provided in the Indenture.

The 2016 Notes maturing on or before \_\_\_\_\_, are not subject to optional redemption prior to their respective maturity dates. The 2016 Notes maturing on and after \_\_\_\_\_, are subject to redemption prior to their maturity at the option of the Board on and after \_\_\_\_\_, in whole or in part at any time, in whole multiples of \$5,000, and if in part from the maturities of the 2016 Notes as the Board shall determine and within any group of 2016 Notes with the same maturity date and interest rate in a manner determined by the Trustee (or The Depository Trust Company ("DTC") if then registered in the name of a nominee of DTC), at a redemption price equal to \_\_\_% of the principal amount of the 2016 Notes redeemed, plus accrued interest to the

date fixed for redemption. The Trustee shall provide all notices of redemption in accordance with the terms of the Indenture.

The registered owner of this Note shall have no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect to the Indenture, except as provided in the Indenture. Upon the occurrence of certain events or upon certain conditions, in the manner and with the effect set forth in the Indenture, the principal of all of the 2016 Notes issued under the Indenture and then outstanding, together with any accrued interest on them, may become or may be declared due and payable before their stated maturities. Modifications or alterations in the Indenture, or any supplements to it, may be made only to the extent and under the circumstances provided by the Master Indenture.

The 2016 Notes are issued as registered bonds without coupons. The 2016 Notes are issued in denominations of \$5,000 (or any integral multiple of \$5,000). At a corporate trust office of the Trustee, in the manner and subject to the limitations and conditions upon payment of charges provided for in the Indenture, 2016 Notes may be exchanged for an equal aggregate principal amount of 2016 Notes of like date and tenor and of authorized denominations and bearing interest at the same rate.

The transfer of this Note may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the corporate trust office of the Trustee, but only in the manner and subject to the limitations and conditions provided for in the Indenture and upon surrender and cancellation of this Note. Upon any such registration of transfer, the Board shall execute and the Trustee shall authenticate and deliver in exchange for this Note a new 2016 Note or 2016 Notes, registered in the name of the transferee, of like date and tenor and of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive. The Trustee shall before due presentment of registration of transfer treat the registered owner as the person exclusively entitled to payment of principal of, premium, if any, and interest on this Note, and the exercise of all other rights and powers of the owner.

All acts and conditions, required to happen, exist or be performed precedent to and in connection with the issuance of this Note have happened, exist and have been performed.

This Note shall not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Note.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Commonwealth Transportation Board has caused this Note to be executed by its Chairman, its seal to be affixed to this Note and attested by its Secretary.

**COMMONWEALTH TRANSPORTATION  
BOARD**

By: \_\_\_\_\_  
Aubrey L. Layne, Jr., Chairman

[SEAL]

ATTEST:

By: \_\_\_\_\_  
F. Gary Garczynski, Secretary

**CERTIFICATE OF AUTHENTICATION**

AUTHENTICATION DATE: November \_\_, 2016

This Note is one of the 2016 Notes described in the within-mentioned Master Indenture, as supplemented by the Fourth Supplemental Trust Indenture dated as of November 1, 2016, between the Commonwealth Transportation Board and U.S. Bank National Association, as Trustee.

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee**

By: \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
\_\_\_\_\_  
  
\_\_\_\_\_  
\_\_\_\_\_

(Please print or type Name and Address, including postal zip code of Transferee)

the foregoing Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney to transfer said Note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Registered Owner**

**NOTICE:** The signature above must correspond with the name of the Registered Owner as it appears on the front of this Note in every particular, without alteration or enlargement or any change whatsoever.

**Signature guaranteed:**

(**NOTICE:** The signature of the transferor of this Note must be guaranteed by an institution participating in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.)

Please affix signature guarantee ink stamp below with appropriate signature, title of officer and date:

## **APPENDIX B**

### **DESCRIPTION OF 2016 PROJECT**

1. I-64 Capacity Improvements
2. Route 29/460 Interchange and Extension
3. UR-6056 Widening
4. I-66/Route 15 Interchange Reconstruction
5. Route 95 Relocation of Interchange
6. Fall Hill Avenue Bridge
7. Route 165/Route 13
8. I-95 Southern Extension Express Lanes
9. I-66 Inside the Beltway
10. Oddfellows Rd
11. Route 7 Corridor Improvements Phase 1 and 2
12. Route 58/Holland Rd Corridor
13. Transform I-66 Outside the Beltway
14. Route 682 Reconstruction
15. Emmet St Corridor
16. Route 10 Bermuda Triangle Rd to Meadowville Rd
17. Route 64 Widening
18. I-81 Northbound Auxiliary Lane from Exit 141 to 143
19. Route 277 Widening
20. Route 11 S. Valley Pike Roadway
21. I-81 at State Route 75 Interchange Mod
22. Construction Inter Route 15/17/29 at Route 15/17/29
23. Route 3 Passing Lanes Potomac Mills/Flat Iron
24. Indian River Rd Ph 7A

(each as described in the Board's Six-Year Improvement Plan, as amended from time to time)

if any of the foregoing or the related financing plan is delayed, altered, or terminated, such other project or projects as may be designated by the Board and approved by FHWA.

## APPENDIX C

### AMENDMENTS TO MASTER INDENTURE

1. Section 1.1 of the Master Indenture was amended by Article V of the Second Supplemental Indenture by removing the existing definition for "Program Costs" and inserting the following therefor:

*"Program Costs" means costs of the following types, including ongoing expenses of the type described in items (b), (c) and (d):*

*(a) financing costs, including, but not limited to, costs and expenses that an Authorized Board Representative deems necessary or advantageous in connection with the sale of the Notes and the administration of the Notes, the Trust Estate, this Master Indenture and any Supplemental Indenture, including, but not limited to, costs and expenses relating to the engagement of consultants, financial advisors, underwriters, bond insurers, letter of credit banks, rating agencies, attorneys, trustees, paying agents, registrars, remarketing or auction agents, other agents and other Persons in connection with the issuance of the Notes, the Trust Estate, this Master Indenture or any Supplemental Indenture;*

*(b) costs and expenses relating to any Credit Facility entered into in accordance with Section 6.6 hereof, whether initial or ongoing costs and expenses, including the reimbursement of the provider of any Credit Facility as provided in Section 6.6 hereof, unless the reimbursement is treated as a Note Payment pursuant to item (c) of the definition of Note Payments;*

*(c) payments, costs and expenses relating to any Interest Rate Exchange Agreement entered into in accordance with Section 6.6 hereof, whether initial or ongoing payments, costs or expenses, unless such payments are treated as Note Payments pursuant to item (c) of the definition of Note Payments; and*

*(d) arbitrage rebate payments payable to the United States with respect to any of the Notes.*

NEW ISSUE  
BOOK-ENTRY ONLY

**Ratings:**  
Moody's: \_\_\_\_\_  
Standard & Poor's: \_\_\_\_\_  
(See the section "Ratings")

In the opinion of Bond Counsel, under current law and assuming the compliance with certain covenants and the accuracy of certain representations and certifications made by the Transportation Board and other persons described herein, interest on the 2016 Notes (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed under the Code on individuals and corporations. However, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes under Section 56 of the Code), interest on the 2016 Notes must be included in computing adjusted current earnings. Bond Counsel is also of the opinion that interest on the 2016 Notes is exempt from income taxation by the Commonwealth of Virginia. See the section "Tax Matters" regarding certain other tax considerations.

## Commonwealth Transportation Board

\$ \_\_\_\_\_ \*

Commonwealth of Virginia

### Federal Transportation Grant Anticipation Revenue Notes, Series 2016

**Dated: Date of Delivery**

**Due: March 15 and September 15, as shown on the inside front cover**

This Official Statement has been prepared by the Commonwealth Transportation Board of the Commonwealth of Virginia (the "Transportation Board") to provide information on the above-referenced notes (the "2016 Notes"). Selected information is presented on this cover page as a matter of convenience. To make an informed decision regarding the 2016 Notes, a prospective investor should read this Official Statement in its entirety.

<b>Security</b>	The 2016 Notes are limited obligations of the Commonwealth of Virginia (the "Commonwealth") and the Transportation Board, secured by and payable from certain federal highway assistance and other revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth (the "General Assembly") or allocated for such purpose by the Transportation Board from certain amounts appropriated to it by the General Assembly, and do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth or any of its political subdivisions. See the section "Sources of Payment and Security for the GARVEE Notes."
<b>Issued Pursuant to</b>	The 2016 Notes will be issued pursuant to a Master Trust Indenture dated as of February 1, 2012, as previously supplemented and amended, and a Fourth Supplemental Trust Indenture dated as of November 1, 2016, each between the Transportation Board and U.S. Bank National Association, as trustee.
<b>Purpose</b>	The 2016 Note proceeds are being used to pay (i) certain costs of certain eligible transportation projects in the Commonwealth and (ii) certain costs related to the issuance of the 2016 Notes. See the sections "Introduction" "GARVEE Notes Program" and "Estimated Sources and Uses of Proceeds of the 2016 Notes."
<b>Interest Rates/Yields</b>	See inside front cover.
<b>Interest Payment Dates</b>	March 15 and September 15, commencing March 15, 2017.
<b>Denomination</b>	\$5,000 or multiples thereof.
<b>Redemption</b>	See inside front cover and the section "The 2016 Notes."
<b>Closing/Delivery Date</b>	On or about _____, 2016.*
<b>Registration</b>	Book-entry only through the facilities of The Depository Trust Company.
<b>Trustee/Paying Agent</b>	U.S. Bank National Association, Richmond, Virginia.
<b>Financial Advisor</b>	Public Resources Advisory Group, New York, New York.
<b>Bond Counsel</b>	McGuireWoods LLP, Richmond, Virginia.
<b>Underwriters' Counsel</b>	_____.

Dated: \_\_\_\_\_, 2016

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The 2016 Notes may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2016 Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\* Preliminary, subject to change.  
81918911\_3.doc

# COMMONWEALTH TRANSPORTATION BOARD

\$ \_\_\_\_\_ \*

## Commonwealth of Virginia

### Federal Transportation Grant Anticipation Revenue Notes, Series 2016

(Base CUSIP\*\* Number 927790)

<u>Maturity*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP** Suffix</u>
March 15, 2017		%	%	
September 15, 2017				
March 15, 2018				
September 15, 2018				
March 15, 2019				
September 15, 2019				
March 15, 2020				
September 15, 2020				
March 15, 2021				
September 15, 2021				
March 15, 2022				
September 15, 2022				
March 15, 2023				
September 15, 2023				
March 15, 2024				
September 15, 2024				
March 15, 2025				
September 15, 2025				
March 15, 2026				
September 15, 2026				
March 15, 2027				
September 15, 2027				
March 15, 2028				
September 15, 2028				
March 15, 2029				
September 15, 2029				
March 15, 2030				
September 15, 2030				
March 15, 2031				
September 15, 2031				

#### Optional Redemption

The 2016 Notes maturing on or before \_\_\_\_\_, 20\_\_, are not subject to optional redemption prior to their respective maturity dates. The 2016 Notes maturing on and after \_\_\_\_\_, 20\_\_, are subject to redemption prior to their maturity at the option of the Transportation Board on and after \_\_\_\_\_, 20\_\_, in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the 2016 Notes redeemed, plus accrued interest to the date fixed for redemption.

#### Mandatory Redemption

Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the Transportation Board and the Underwriters determine to combine serial maturities into one or more term notes.

\* Preliminary, subject to change.

\*\* See the last paragraph on page (ii) regarding the use of CUSIP numbers in this Official Statement.

**COMMONWEALTH TRANSPORTATION BOARD**

Aubrey L. Layne, Jr., *Chairman and Secretary of Transportation*  
F. Gary Garczynski, *Vice Chairman*

Jennifer Mitchell	John F. Reinhart
Carlos M. Brown	Court G. Rosen
Henry Connors, Jr.	Jerry L. Stinson
Alison DeTuncq	Shannon Valentine
William H. Fralin, Jr.	F. Dixon Whitworth, Jr.
Mary Hughes Hynes	Marty Williams
E. Scott Kasprowicz	Greg Yates
John Malbon	

**VIRGINIA DEPARTMENT OF TRANSPORTATION**

Charles A. Kilpatrick, *Commissioner of Highways*  
John W. Lawson, *Chief Financial Officer*

**OFFICE OF THE ATTORNEY GENERAL**

Mark R. Herring, *Attorney General*  
Jeffrey R. Allen, *Senior Assistant Attorney General*

**TRUSTEE**

U.S. Bank National Association  
Richmond, Virginia

**BOND COUNSEL**

McGuireWoods LLP  
Richmond, Virginia

**FINANCIAL ADVISOR**

Public Resources Advisory Group  
New York, New York

**The 2016 Notes are exempt from registration under the Securities Act of 1933, as amended. The 2016 Notes are also exempt from registration under the securities laws of the Commonwealth of Virginia.**

**No dealer, broker, salesman or other person has been authorized by the Transportation Board to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Transportation Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2016 Notes by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the Transportation Board and the purchasers or owners of any of the 2016 Notes. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement or any sale made under it will, under any circumstances, create any implication that there has been no change in the affairs of the Transportation Board since the date of this Official Statement.**

**All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the Transportation Board since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.**

**This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words, "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Transportation Board and its financial results could cause actual results to differ materially from those stated in the forward-looking statements.**

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Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Raymond James & Associates, Inc. and Siebert Brandford Shank & Co., L.L.C. (collectively, the "Underwriters") may engage in transactions that stabilize, maintain or otherwise affect the price of the 2016 Notes, including transactions to (i) over allot in arranging the sales of the 2016 Notes and (ii) make purchases in sales of 2016 Notes, for long or short accounts, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the Underwriters may determine. Such stabilization, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

A registered trademark of the American Bankers Association, used by Standard & Poor's in its operation of the CUSIP Service Bureau for the ABA. The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Transportation Board, and the Transportation Board is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of

secondary market financial products. The Transportation Board has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

## TABLE OF CONTENTS

INTRODUCTION .....	2
GARVEE NOTES PROGRAM .....	3
THE 2016 NOTES.....	5
ESTIMATED SOURCES AND USES OF PROCEEDS OF THE 2016 NOTES.....	7
SOURCES OF PAYMENT AND SECURITY FOR THE GARVEE NOTES.....	7
DEBT SERVICE REQUIREMENTS .....	12
DEBT SERVICE COVERAGE .....	13
INFORMATION CONCERNING THE FUNDING OF FEDERAL-AID HIGHWAYS.....	13
COMMONWEALTH RECEIPTS OF FEDERAL TRANSPORTATION FUNDS .....	23
TRANSPORTATION TRUST FUND .....	23
AUTHORIZED, ISSUED AND UNISSUED BONDS PAYABLE FROM TRANSPORTATION TRUST FUND.....	29
COMMONWEALTH TRANSPORTATION BOARD AND VIRGINIA DEPARTMENT OF TRANSPORTATION .....	32
THE 2016 PROJECT.....	35
CERTAIN LEGAL MATTERS .....	36
TAX MATTERS .....	36
LEGALITY FOR INVESTMENT .....	39
LITIGATION .....	39
CONTINUING DISCLOSURE.....	39
RATINGS.....	40
UNDERWRITING .....	40
FINANCIAL ADVISOR.....	41
MISCELLANEOUS.....	41
APPENDIX A: Definitions and Summaries of the Indenture and the Payment Agreement.....	A-1
APPENDIX B: Commonwealth of Virginia, Financial and Other Information .....	B-1
APPENDIX C: Commonwealth of Virginia, Demographic and Economic Information .....	C-1
APPENDIX D: Financial Statements of the Commonwealth of Virginia for the Fiscal Year ended June 30, 2015 .....	D-1
APPENDIX E: Form of Bond Counsel Opinion .....	E-1
APPENDIX F: Continuing Disclosure Undertakings of the Commonwealth Transportation Board and the Commonwealth of Virginia.....	F-1
APPENDIX G: Book-Entry Only System .....	G-1

**OFFICIAL STATEMENT**  
**Commonwealth Transportation Board**  
\$ \_\_\_\_\_ \*  
**Commonwealth of Virginia**  
**Federal Transportation Grant Anticipation Revenue Notes, Series 2016**

**INTRODUCTION**

This Official Statement is provided by the Commonwealth Transportation Board (the "Transportation Board"), a board created and existing pursuant to the laws of the Commonwealth of Virginia (the "Commonwealth" or "Virginia"), to furnish information with respect to the offering of \$ \_\_\_\_\_ \* aggregate principal amount of the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "2016 Notes"). Terms used in this Official Statement and not defined herein are defined in Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

*This Introduction contains certain information for summary purposes only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The information contained in this Official Statement is given as of the date stated on the front cover.*

**Commonwealth Transportation Board**

The Transportation Board was created by the enactment of Chapter 2, Title 33.2 of the Code of Virginia of 1950, as amended (the "Virginia Code"), and establishes the administrative policies for Virginia's transportation system. The powers and duties of the Transportation Board include, among other things, the allocation of funds in the Transportation Trust Fund, as hereinafter defined, and the issuance of bonds, notes and other obligations to finance transportation needs, including needs for highway and public transportation. See the section *"Commonwealth Transportation Board and Virginia Department of Transportation."*

**The 2016 Notes**

The issuance of the 2016 Notes is authorized by the provisions of (i) the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011, Article 4, Chapter 15, Title 33.2 of the Virginia Code (the "GARVEE Act"); (ii) the Transportation Development and Revenue Bond Act, Article 4, Chapter 17, Title 33.2 of the Virginia Code (the "Revenue Bond Act"); and (iii) a resolution adopted by the Transportation Board on September 21, 2016. The 2016 Notes are being issued pursuant to a Master Trust Indenture dated as of February 1, 2012, as previously supplemented and amended (the "Master Indenture"), and as further supplemented by a Fourth Supplemental Trust Indenture dated as of November 1, 2016 (the "Fourth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the Transportation Board and U.S. Bank National Association, as trustee (the "Trustee").

The 2016 Notes are the fourth series of notes issued by the Transportation Board under the GARVEE Act. See the section *"GARVEE Notes Program."* The 2016 Notes, the previous notes issued under the Master Indenture and any additional notes issued in the future under the Master Indenture will be referred to collectively as the "GARVEE Notes."

**Purpose of the 2016 Notes**

The Transportation Board will use the net proceeds of the 2016 Notes to provide for the payment of certain costs of the 2016 Project, as hereinafter defined, and costs related to the issuance of the 2016 Notes. The Transportation Board expects to pay costs associated with approximately, 24 transportation projects with the net proceeds of the 2016 Notes (as more particularly described in the section *"The 2016 Project,"* the "2016 Project"). See the section *"The 2016 Project."*

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\* Preliminary, subject to change.

Pursuant to the Fourth Supplemental Indenture, the Transportation Board will deposit portions of the proceeds of the 2016 Notes into the 2016 Notes COI Account and the VDOT Funding Account, each within the Project Fund established pursuant to the Indenture. See the section *"Estimated Sources and Uses of Proceeds of the 2016 Notes."* From time to time, the Transportation Board will requisition funds from the 2016 Notes COI Account or the VDOT Funding Account pursuant to the terms of the Indenture to pay the issuance costs of the 2016 Notes or a portion of the costs of the 2016 Project, respectively.

### **Limited Obligations; Security and Sources of Payment**

The 2016 Notes are limited obligations of the Commonwealth and the Transportation Board payable solely from and secured by certain federal highway assistance and other revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth (the "General Assembly"), or allocated for such purpose by the Transportation Board from certain amounts appropriated to it by the General Assembly, and do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth or any of its political subdivisions.

Specifically, the 2016 Notes are payable, subject to appropriation by the General Assembly, (i) first from federal-aid highway construction reimbursements and any other federal highway assistance received from time to time by the Commonwealth under or in accordance with Title 23 of the United States Code ("Title 23"), or any successor program established under federal law, from the Federal Highway Administration ("FHWA") and any successor or additional federal agencies (the "Federal Highway Reimbursements") with respect to the project or projects to be financed by the 2016 Notes (the "Project-Specific Reimbursements"), (ii) then, at the discretion of the Transportation Board, to the extent required, from legally available revenues of the Transportation Trust Fund established pursuant to Section 33.2-1524 of the Virginia Code (the "Transportation Trust Fund"), including without limitation Federal Highway Reimbursements other than Project-Specific Reimbursements (the "Indirect Reimbursements"), and (iii) then from such other funds, if any, designated by the General Assembly for such purpose (collectively, the "Revenues"). The Transportation Board has pledged and granted a lien on the Revenues to secure the 2016 Notes pursuant to the Indenture. In addition, the 2016 Notes are payable from and secured by moneys held in certain funds established under the Indenture. The 2016 Notes are being issued on parity with the Outstanding Notes, as hereinafter defined, and all future series of GARVEE Notes issued under the Indenture.

**Pursuant to the Indenture, any moneys and investments held in the Project Fund, including the 2016 Notes COI Account and the VDOT Funding Account, are expressly excluded from the Trust Estate and do not secure the 2016 Notes. See the section *"Sources of Payment and Security for the GARVEE Notes"* and Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."***

**The 2016 Notes are not secured by any mortgage or lien on any transportation facilities of the Commonwealth or the Transportation Board. In the event of a failure to make any payment on the 2016 Notes when due, neither the Trustee nor the registered owners of the 2016 Notes shall have any right to take possession of, or to exclude the Commonwealth or the Transportation Board from, any transportation facilities. See the section *"Sources of Payment and Security for the GARVEE Notes."***

### **Approval of Issuance of 2016 Notes and Terms and Structure of the 2016 Notes**

Under the GARVEE Act, the Transportation Board must obtain the consent of the Governor of the Commonwealth (the "Governor") prior to the issuance of all GARVEE Notes. In addition, Section 2.2-2416(7) of the Virginia Code vests the Treasury Board of the Commonwealth (the "Treasury Board") with the power, among other things, to approve the terms and structure of bonds and notes issued by state agencies, including any GARVEE Notes. On October 19, 2016, the Treasury Board adopted a resolution approving the terms and structure of the 2016 Notes within certain parameters and delegated to the State Treasurer of the Commonwealth (the "State Treasurer") the power to approve the final terms and structure of the 2016 Notes within such parameters. The Transportation Board must still obtain the consent and approval, respectively, of the Governor and the State Treasurer prior to the issuance of the 2016 Notes, which the Transportation Board expects to obtain in advance of the anticipated issuance date.

## **GARVEE NOTES PROGRAM**

### **General**

The GARVEE Act authorizes the Transportation Board to issue GARVEE Notes as revenue obligations of the Commonwealth pursuant to the Transportation Development and Revenue Bond Act, in one or more series from time to time, provided that the aggregate principal amount outstanding at any time shall not exceed \$1.2 billion, and exclusive of (i) the aggregate principal amount of any revenue obligations that may be issued to refund GARVEE Notes in accordance with Section 33.2-1512 of the Virginia Code, and (ii) any amounts issued for financing expenses, including, without limitation, any original issue discount) (collectively, the "GARVEE Notes Program").

Proceeds of GARVEE Notes will be used exclusively for the purpose of providing funds, together with any other available funds, for paying costs incurred or to be incurred for construction or funding of eligible projects designated by the Transportation Board. Proceeds of GARVEE Notes, including any premium received on the sale thereof, shall be made available by the Transportation Board to pay costs of the projects and, where appropriate, may be paid to any authority, locality, commission, or other entity for the purposes of paying costs of the projects. Proceeds of GARVEE Notes may be so used together with any federal, local, or private funds that may be made available for such purpose.

The GARVEE Notes Program is expected to be used to finance priority projects (or a program of projects) that have the following characteristics: (i) the costs of delaying the project or program outweigh the costs of the financing, (ii) other borrowing approaches may not be feasible or are limited in capacity, (iii) the project or program does not have access to a revenue stream that would support the costs of such project or program and other forms of repayment are not feasible, and (iv) the project or program sponsors are willing to reserve a portion of future-year Federal-aid highway funds to satisfy debt-service requirements.

The Transportation Board does not expect to issue additional GARVEE Notes in 2016, but the Transportation Board may elect to do so and may elect to issue GARVEE Notes in future years to support large capital projects as described above.

### **Memorandum of Agreement**

The Transportation Board, FHWA and the Virginia Department of Transportation ("VDOT") have entered into a Memorandum of Agreement dated December 28, 2011 (as amended from time to time, the "MOA"), which sets forth the procedures for managing the eligible highway projects to be financed under the GARVEE Notes Program. Prior to construction of, or acquisition of right of way for, an eligible project, the Transportation Board, VDOT and FHWA will enter into a project agreement to reflect the respective portion of actual debt service on related GARVEE Notes and the agreement of FHWA to pay such costs. VDOT and FHWA have agreed to amend the MOA to memorialize FHWA's agreement to pay costs of the 2016 Project. VDOT and FHWA may amend the MOA to account for overruns or shortages on projects based on actual expenditures and for the purpose of substituting or adding one or more eligible projects. The MOA and such project agreements relating to the GARVEE Notes Program collectively comprise the "Federal Aid Agreement."

## Outstanding Notes

Set forth in the following chart are the issue dates, original principal amounts and outstanding principal amounts of each Series of GARVEE Notes Outstanding (the "Outstanding Notes") prior to the issuance of the 2016 Notes:

<u>Series of GARVEE Notes Outstanding</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of November 1, 2016</u>
Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2012A (the "2012A Notes")	March 1, 2012	\$297,590,000	\$231,895,000
Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2012B (the "2012B Notes")	July 26, 2012	120,625,000	96,835,000
Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2013A (the "2013A Notes")	November 21, 2013	\$273,390,000	231,490,000
<b>Total:</b>		<u>\$691,605,000</u>	<u>\$560,220,000</u>

## THE 2016 NOTES

### Description of the 2016 Notes

The 2016 Notes will be issued as fully registered obligations in book-entry form. The 2016 Notes will be dated their date of delivery, will be issued in denominations of \$5,000 or integral multiples of \$5,000, and will bear interest from the dated date thereof, payable semiannually on each March 15 and September 15, commencing March 15, 2017, at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The principal of and interest on the 2016 Notes will be payable at the corporate trust office of the Trustee in Richmond, Virginia, or at the office designated therefor by the Trustee or any successor Trustee. Interest on the 2016 Notes will be payable to the person appearing in the registration books of the Trustee as the registered owner thereof on the Record Date, as hereinafter defined, by check or draft mailed on the interest payment date to the registered owner or, following appropriate notice to the Trustee, by wire transfer on the interest payment date to any registered owner of at least \$1,000,000 in aggregate principal amount of the 2016 Notes. For so long as the 2016 Notes are registered in the name of The Depository Trust Company ("DTC"), or its nominee, principal and interest will be payable solely to DTC or its nominee as the sole registered owner of the 2016 Notes, and references herein to the registered owner shall be to DTC or its nominee.

The Indenture establishes the first day of the month in which each interest payment date occurs as the record date (the "Record Date") for the 2016 Notes.

The 2016 Notes may be transferred or exchanged, upon presentation or surrender, as the case may be, at the corporate trust office of the Trustee in Richmond, Virginia, or at the office designated therefor by the Trustee or any successor Trustee, as provided in the Master Indenture. Any 2016 Notes, upon surrender thereof at said corporate trust office of the Trustee, with a written instrument of transfer satisfactory to the Trustee, duly executed in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 2016 Notes of the same Series, maturity and initial rate of any other authorized denominations. For every exchange or transfer of 2016 Notes, the Transportation Board or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other government charge required to be paid with respect to such exchange or transfer.

One fully registered 2016 Note for each maturity, in the applicable aggregate principal amount of such maturity, will be registered in the name of DTC or its nominee and held in book-entry form, in accordance with the Fourth Supplemental Indenture. So long as 2016 Notes are required to be registered in the name of DTC or its nominee, or a successor securities depository or a nominee therefor, transfers of beneficial ownership interests in the 2016 Notes will be settled through the book-entry-only system of DTC or such successor securities depository, if any. For a description of DTC and its book-entry-only system, see Appendix G.

### **Optional Redemption**

The 2016 Notes maturing on or before \_\_\_\_\_, 20\_\_, are not subject to optional redemption prior to their respective maturity dates. The 2016 Notes maturing on and after \_\_\_\_\_, 20\_\_, are subject to redemption prior to their maturity at the option of the Transportation Board on and after \_\_\_\_\_, 20\_\_, in whole or in part at any time, in whole multiples of \$5,000, and if in part from the maturities of the 2016 Notes as the Transportation Board shall determine and from any of the 2016 Notes with the same maturity date and interest rate in a manner determined by the Trustee (or DTC if then registered in the name of a nominee of DTC), at a redemption price equal to 100% of the principal amount of the 2016 Notes redeemed, plus accrued interest to the date fixed for redemption.

### **Mandatory Sinking Fund Redemption**

Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the Transportation Board and the Underwriters elect to combine serial maturities into term notes.

### **Selection of Notes for Redemption**

If less than all of the 2016 Notes are called for optional redemption, the maturities of the 2016 Notes to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the 2016 Notes of any maturity are called for optional or mandatory redemption, the 2016 Notes to be redeemed will be selected by the Trustee (or DTC if then registered in the name of a nominee of DTC, or any successor securities depository), pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one 2016 Note for such purpose.

### **Notice of Redemption**

Notice of the call for any redemption, identifying the 2016 Notes or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first-class mail, at least 30 and not more than 60 days prior to the date fixed for redemption, to DTC, or, if DTC is no longer serving as securities depository for the 2016 Notes, to the substitute securities depository, or if none, to each registered owner of the 2016 Notes to be redeemed at the address shown on the registration books maintained by the Trustee; provided however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any GARVEE Notes as to which no such failure has occurred. Such notice of redemption also will be given to certain securities depositories and certain national information services which disseminate such redemption notices. Any notice mailed in such manner shall be conclusively presumed to have been duly given, whether or not any registered owner receives the notice.

If at the time of mailing of notice of any redemption of the 2016 Notes at the option of the Transportation Board there shall not have been deposited with the Trustee moneys sufficient to redeem all the 2016 Notes called for redemption, which moneys are or will be available for redemption of Notes, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

All 2016 Notes called for redemption will cease to bear interest on the specified redemption date, provided funds sufficient for the redemption of such 2016 Notes in accordance with the Indenture are on deposit with the Trustee. If such moneys are not available on the redemption date, such 2016 Notes or portions thereof will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the 2016 Notes called for redemption at the place or places of payment, such 2016 Notes will be paid and redeemed provided sufficient funds are on deposit therefor with the Trustee.

So long as DTC or its nominee is the registered owner of the 2016 Notes, any such notices of redemption will be mailed solely to DTC and distribution of such notices to Direct Participants (as defined in Appendix G) or Indirect Participants (as defined in Appendix G) will be the sole responsibility of DTC, and distribution of such notices to Beneficial Owners (as defined in Appendix G) will be the sole responsibility of the Direct Participants, Indirect Participants, or both.

### ESTIMATED SOURCES AND USES OF PROCEEDS OF THE 2016 NOTES

Set forth below are the amount and components of the proceeds of the sale of the 2016 Notes and the application of such proceeds on the date of delivery of the 2016 Notes:

<b>Sources:</b>	
Principal Amount of Notes	\$
[Net] Original Issue [Premium/Discount]	_____
 Total	 \$ _____
 <b>Uses:</b>	
Deposit to VDOT Funding Account (for the 2016 Project)	\$
Deposit to 2016 Notes COI Account (for the Costs of Issuance)	
Underwriters' Discount	_____
 Total	 \$ _____

### SOURCES OF PAYMENT AND SECURITY FOR THE GARVEE NOTES

#### Limited Obligations; Security and Sources of Payment

The GARVEE Notes, including the 2016 Notes, are payable, subject to appropriation by the General Assembly, from the Revenues, which are comprised of (i) Project-Specific Reimbursements, (ii) then, at the discretion of the Transportation Board, to the extent required, from legally available revenues of the Transportation Trust Fund, including without limitation Indirect Reimbursements, and (iii) such funds as may be appropriated by the General Assembly for such purpose. The Transportation Board has pledged and granted a lien on the Revenues to secure the 2016 Notes pursuant to the Indenture. In addition, the 2016 Notes are payable from and secured by moneys held in certain funds established under the Indenture. The 2016 Notes are being issued on parity with the Outstanding Notes and all future series of GARVEE Notes issued under the Indenture. See Appendix A, "Definitions and Summaries of the Indenture and the Payment Agreement." The GARVEE Notes, including the 2016 Notes are limited obligations of the Commonwealth and the Transportation Board and do not create or constitute a debt or a pledge of the full faith and credit of the Commonwealth or of any of its political subdivisions.

Pursuant to the Indenture, any moneys and investments held in the Project Fund, including the 2016 Notes COI Account and the VDOT Funding Account, are expressly excluded from the Trust Estate and do not secure the 2016 Notes. See Appendix A, "Definitions and Summaries of the Indenture and the Payment Agreement."

The 2016 Notes are not secured by any mortgage or lien on any transportation facilities of the Commonwealth or the Transportation Board. In the event of a failure to make any payment on the 2016 Notes when due, neither the Trustee nor the registered owners of the 2016 Notes shall have any right to take possession of, or to exclude the Commonwealth or the Transportation Board from, any transportation facilities.

#### Information Pertaining to Federal Highway Reimbursements

Federal Highway Reimbursements historically have been authorized by Congress under multiple-year authorizing legislation. The current legislative authorization was provided by "Fixing America's Surface Transportation Act," (the "FAST Act") enacted December 4, 2015, provides authorization through September 30,

2020. Currently, the FAST Act includes provisions designed to provide continuity in the flow of Federal Highway Reimbursements to the states, including the Commonwealth. There can be no assurance that such provisions will be included in any future federal highway funding authorization program or that, if included, such provisions will be sufficient to assure that Federal Highway Reimbursements will be available as needed if in the future Congress amends existing laws or fails to enact future funding legislation upon expiration of the current federal highway funding legislation, or if future legislation or federal administrative action reduces the amount of Federal Highway Reimbursements available to the Commonwealth. See the subsection *"Information Concerning the Funding of Federal-Aid Highways – Authorization."*

The primary funding mechanism for Federal Highway Reimbursements is the Federal Highway Trust Fund ("FHTF"). Fuel taxes and other fees flow into the FHTF and therefore its status and the viability of the entire program for Federal Highway Reimbursements can be adversely affected by certain events. See the section *"Information Concerning the Funding of Federal-Aid Highways."*

**Changes in law, regulation or policy or a decrease in federal revenues may materially adversely affect the availability of Federal Highway Reimbursements. There can be no assurance that there will not be future changes in law, regulation, policy, or the availability of revenues at the federal level which may materially adversely affect the future availability of Federal Highway Reimbursements to pay debt service on the 2016 Notes and any other GARVEE Notes.**

#### **Flow of Revenues under the Indenture; "Back-Stop" Pledge of Indirect Reimbursements**

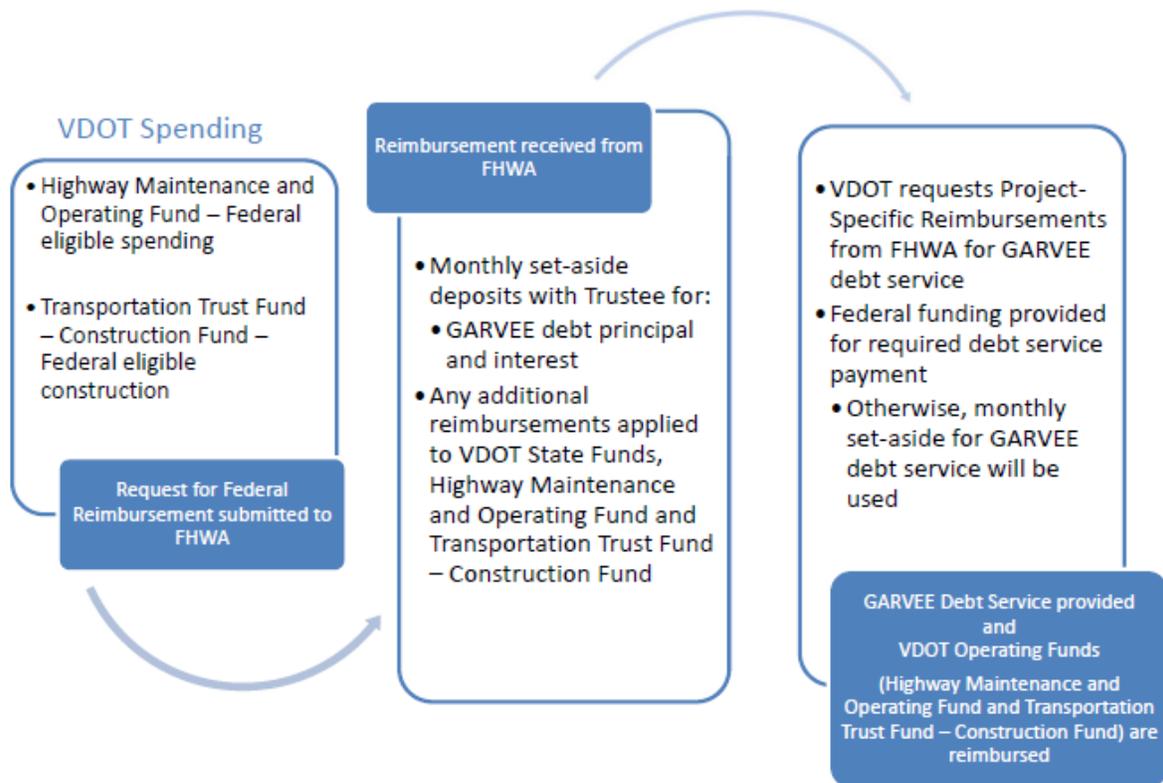
In accordance with Article X, Section 7 of the Constitution of Virginia, and Section 2.2-1802 of the Virginia Code, all Federal Highway Reimbursements are paid into the Commonwealth's treasury. Specifically, all Federal Highway Reimbursements, including the Project-Specific Reimbursements and the Indirect Reimbursements, are deposited into the Federal Fund. The Federal Fund is a sub-fund within the Transportation Trust Fund maintained to account for the receipt of all Federal Highway Reimbursements and the reimbursement of related maintenance expenditures from the HMO Fund, as hereinafter defined, and expenditures from various other subfunds within the Transportation Trust Fund after provision is made for the payment of Program Costs (as defined in the Master Indenture). See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

Pursuant to the Master Indenture, the Transportation Board has agreed, to the extent permitted by law, to maintain the Federal Fund and the deposit of Federal Highway Reimbursements therein, including both the Project-Specific Reimbursements and the Indirect Reimbursements. As more specifically described below, all Federal Highway Reimbursements constitute a portion of the Revenues pledged to the payment of the 2016 Notes and all other GARVEE Notes. Since all of the Federal Highway Reimbursements are expected to flow through the Transportation Trust Fund, the Transportation Board has exercised its discretion to make all of them available for the payment of the GARVEE Notes to the extent that the Project-Specific Reimbursements alone are insufficient for such purpose.

In connection with each series of GARVEE Notes, including the 2016 Notes, the Master Indenture requires the Transportation Board to establish an account within the Debt Service Fund (each a "Series Account"). Each such account is used to provide for the collection of Revenues and the payment of debt service on the respective series of GARVEE Notes.

The Master Indenture provides that the use of the Federal Fund each month is to make a monthly deposit into each Series Account towards the next ensuing debt service payments on the GARVEE Notes. The Transportation Board expects to receive each Project-Specific Reimbursement within a few days before the corresponding payment of debt service on the GARVEE Notes. To the extent such Project-Specific Reimbursement covers the payment of the corresponding GARVEE Note debt service payment, the other Federal Highway Reimbursements in the respective Series Account will be transferred back to the Federal Fund. See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

The following chart presents the flow of Federal Highway Reimbursements through the Federal Fund, and the Series Accounts in the Debt Service Fund established under the Indenture.



### The Federal Aid Agreement

Under the MOA, the Transportation Board, VDOT and FHWA have agreed to procedures for managing the eligible highway projects to be financed under the GARVEE Notes Program. The Transportation Board has determined to apply funding received under the Federal Aid Agreement to pay debt service on the Outstanding Notes, the 2016 Notes and any other GARVEE Notes. The Transportation Board is responsible for paying any costs of the projects not funded from GARVEE Note proceeds using other funds. Under the MOA, the Transportation Board and VDOT agree to obligate from the funds received from the FHWA to pay debt service on the GARVEE Notes, prior to obligating funds for any other purpose. See the section *"Information Concerning the Funding of Federal-Aid Highways."* VDOT and FHWA have agreed to amend the MOA to memorialize FHWA's agreement to pay costs of the 2016 Project. Upon the issuance of additional GARVEE Notes, an amendment to the MOA and separate agreements relating to the projects financed from the proceeds thereof and a debt service schedule relating to such additional GARVEE Notes will be entered into and become part of the Federal Aid Agreement.

**Federal law provides that the Federal Aid Agreement (i) does not constitute a commitment, guarantee or obligation on the part of the United States to provide for the payment of debt service on the 2016 Notes or any other GARVEE Notes and (ii) does not create any rights in any party, other than the Transportation Board and VDOT, against FHWA.**

## **Indenture Covenants Concerning Federal Highway Reimbursements**

In the Master Indenture, the Transportation Board covenants to annually apply for and cooperate with FHWA in order to receive the greatest amount of Federal Highway Reimbursements reasonably available to the Commonwealth that will become Revenues for payment of GARVEE Notes, Program Costs or Subordinated Obligations, if any. See the section *"Information Concerning the Funding of Federal-Aid Highways"* and Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."* For each federal fiscal year (each a "FFY") during which GARVEE Notes are or will be Outstanding, as soon as practicable prior to or in such FFY, the Transportation Board will request Obligation Authority (as defined in the Master Indenture) sufficient to make the payments on the GARVEE Notes and Program Costs coming due in that FFY prior to obligating Federal Highway Reimbursements for any other purpose. See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

The Master Indenture provides that the Transportation Board will comply with its obligations under the Federal Aid Agreement and will take all other actions required to maintain the Federal Aid Agreement in full force and effect. The Master Indenture further provides that the Transportation Board will take all necessary actions to ensure that (i) each project at all times qualifies as a Qualified Federal Aid Transportation Project; (ii) each project that may be financed, in whole or in part, with Federal Highway Reimbursements paid pursuant to the Federal Aid Agreement, at all times qualifies as a project with respect to which the Commonwealth is entitled to reimbursement of previously-expended funds under 23 U.S.C. Section 115, as amended, and the regulations promulgated thereunder (or any successor provision thereto); and (iii) the Federal Aid Agreement is maintained in full force and effect for payments of Federal Highway Reimbursements in an amount at least equal to the payments due on the GARVEE Notes. The Master Indenture also provides that the pledge by the Transportation Board of the Revenues for the payment of the GARVEE Notes and Program Costs shall be irrevocable at least until all the GARVEE Notes have been paid or deemed paid in full, and that the Transportation Board is prohibited from granting of any lien senior to the lien on the Project-Specific Reimbursements securing the GARVEE Notes. See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

For a discussion of how Federal Highway Reimbursements are obligated under Title 23 and other requirements of federal law that must be satisfied before FHWA pays Federal Highway Reimbursements to the Commonwealth, see the section *"Information Concerning the Funding of Federal-Aid Highways."*

## **Additional GARVEE Notes**

The Transportation Board may issue additional Series of GARVEE Notes under the Master Indenture on parity with the 2016 Notes and the Outstanding Notes upon satisfaction of various conditions. The Master Indenture provides that additional GARVEE Notes may be issued only (i) to pay costs of the projects designated by the Transportation Board pursuant to the GARVEE Act or other costs authorized under the GARVEE Act ("New Money GARVEE Notes"), (ii) to refund any GARVEE Notes issued under the Master Indenture ("Refunding GARVEE Notes"), and (iii) for a combination of such purposes. See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

The Master Indenture provides that before any Series of New Money GARVEE Notes are issued, an Authorized Board Representative must certify that, among other things, the amount of Federal Highway Reimbursements to be received and actually received, if that is the case, as shown in the certificate, in either the FFY in which the proposed Series of New Money GARVEE Notes are to be issued or in the immediately preceding FFY, shall have been sufficient to pay an amount representing at least three times the sum of (i) the maximum combined annual Note Payments of any Outstanding GARVEE Notes (other than Notes constituting Subordinated Obligations) and the Series of New Money GARVEE Notes proposed to be issued (unless such Notes are Subordinated Obligations) and (ii) any payments to be paid in such year for Program Costs, including without limitation payments to the provider of a Credit Facility or an Interest Rate Exchange Agreement which are payable on a parity with Note Payments on Outstanding GARVEE Notes (other than Notes constituting Subordinated Obligations) pursuant to the Master Indenture. See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

Under the GARVEE Act, the Transportation Board must obtain the consent of the Governor prior to the issuance of any GARVEE Notes. In addition, Section 2.2-2416(7) of the Virginia Code requires that the Treasury

Board provide its approval of the terms and structure of all GARVEE Notes prior to the issuance of such GARVEE Notes. See the subsection *"Introduction – Approval of Issuance of 2016 Notes and Terms and Structure of the 2016 Notes."*

The GARVEE Act authorizes the Transportation Board to issue additional GARVEE Notes, provided that the aggregate principal amount outstanding at any time shall not exceed \$1.2 billion, exclusive of (i) the aggregate principal amount of any revenue obligations that may be issued to refund GARVEE Notes in accordance with Section 33.2-1512 of the Virginia Code, and (ii) any amounts issued for financing expenses (including, without limitation, any original issue discount).

**The aforementioned limitations on the issuance of GARVEE Notes under the GARVEE Act could be changed by the General Assembly at any time.**

### **Other Revenues**

If Federal Highway Reimbursements are insufficient to pay debt service on the GARVEE Notes, the GARVEE Act provides that, subject to appropriation by the General Assembly and at the discretion of the Transportation Board, other legally available revenues in the Transportation Trust Fund may be used to pay the debt service. The Transportation Board, the Treasury Board and the Secretary of Finance of the Commonwealth (the "Secretary of Finance") have entered into a Payment Agreement, as hereinafter defined, under which each party agreed to cooperate and use best efforts to have the General Assembly make the necessary appropriations of Federal Highway Reimbursements and, to the extent required, other revenues in the Transportation Trust Fund to pay debt service on the GARVEE Notes. See the subsection *"Sources of Payment and Security for the GARVEE Notes – Payment Agreement,"* and the section *"Transportation Trust Fund."*

### **Information Pertaining to the Commonwealth**

Appendices B and C contain, respectively, certain financial and demographic/economic information pertaining to the Commonwealth, and Appendix D contains the comprehensive financial statements of the Commonwealth for its fiscal year ending June 30, 2015 (each a "FY"). See the subsections *"Transportation Trust Fund – Sources of Revenues"* and *"– Economic Conditions Affecting the Transportation Trust Fund."*

### **Payment Agreement**

The Transportation Board has entered into a Payment Agreement dated as of February 1, 2012 (the "Payment Agreement"), with the Treasury Board and the Secretary of Finance. The Payment Agreement provides, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the GARVEE Notes and for the payment of such debt service. See Appendix A, *"Definitions and Summaries of the Indenture and the Payment Agreement."*

## DEBT SERVICE REQUIREMENTS

The following table sets forth for FYs the amounts needed in each annual period for payment of principal of and interest on the Outstanding Notes. For a description of the debt service requirements of bonds that may be paid from the Transportation Trust Fund other than the GARVEE Notes, see the section "*Authorized, Issued, and Unissued Bonds Payable from the Transportation Trust Fund.*" Figures may not add due to rounding.

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Outstanding</u> <u>GARVEE Notes</u> <u>Debt Service</u>	<u>2016 Notes</u> <u>Principal</u>	<u>2016 Notes</u> <u>Interest</u>	<u>2016 Notes</u> <u>Debt Service</u>	<u>Total Fiscal</u> <u>Year</u> <u>Debt Service</u>
2017	\$64,930,838	\$	\$	\$	\$
2018	64,396,263				
2019	64,823,862				
2020	63,914,562				
2021	64,528,738				
2022	64,576,062				
2023	64,438,388				
2024	64,482,388				
2025	64,515,262				
2026	64,506,038				
2027	64,406,112				
2028	45,161,306				
2029	12,879,125				
2030	-				
2031	-				
2032	-				
Total	<u>\$767,558,944</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

## DEBT SERVICE COVERAGE

The following table compares annual debt service on the Outstanding Notes and the 2016 Notes to the Commonwealth's average annual Federal Highway Reimbursements over the last five FFYs (2011-2016). Historical Federal Highway Reimbursements may not be indicative of future Federal Highway Reimbursements. The resulting ratios are given solely for general information and actual results will be different. See the section "*Commonwealth Receipts of Federal Transportation Funds.*"

### Debt Service Coverage on GARVEE Notes

<b>Fiscal Year Ending June 30</b>	<b>Outstanding GARVEE Notes Debt Service</b>	<b>2016 Notes Debt Service</b>	<b>Average Historical Federal Highway Reimbursements (FFYs 2011-2016)</b>	<b>Coverage Ratio</b>
2017	\$64,930,838	\$	\$1,140,000,000	-
2018	64,396,263		1,140,000,000	-
2019	64,823,862		1,140,000,000	-
2020	63,914,562		1,140,000,000	-
2021	64,528,738		1,140,000,000	-
2022	64,576,062		1,140,000,000	-
2023	64,438,388		1,140,000,000	-
2024	64,482,388		1,140,000,000	-
2025	64,515,262		1,140,000,000	-
2026	64,506,038		1,140,000,000	-
2027	64,406,112		1,140,000,000	-
2028	45,161,306		1,140,000,000	-
2029	12,879,125		1,140,000,000	-
2030	-		1,140,000,000	-
2031	-		1,140,000,000	-
2032	-		1,140,000,000	-

Source: Virginia Department of Transportation.

## INFORMATION CONCERNING THE FUNDING OF FEDERAL-AID HIGHWAYS

Revenues consist in part of Federal Highway Reimbursements – the legally available portion of Federal Highway Reimbursements, generically described as federal aid revenues, received by the Commonwealth under Title 23 and appropriated by the General Assembly for the payment of GARVEE Notes. See also the subsection "*Sources of Payment and Security for the GARVEE Notes.*" The following information relates to the provisions of Title 23 and mechanisms, rules and practices which are relevant to the receipt of Federal Highway Reimbursements by the Commonwealth.

### **The Federal-Aid Highway Program Generally**

The Federal Aid Highway Program (the "FAHP") is an "umbrella" term that encompasses most of the federal programs providing highway funds to the states. FHWA is the federal agency within the U.S. Department of Transportation responsible for administering the FAHP. The FAHP is funded from transportation user-related

revenues deposited in the HTF. The primary source of revenues in the HTF is derived from the federal excise taxes on motor fuels. Other taxes include excise taxes on tires, trucks and trailers, and truck use taxes. The FAHP is a reimbursement program. Once projects are approved by FHWA and funds are obligated, the federal government makes payments to the states for costs as they are incurred on projects, which may include debt service on obligations issued to finance a project. Federal reimbursements are typically to be matched with state and/or local funds. The maximum federal share is specified in the federal legislation authorizing the program. Most projects have an 80 percent base federal share, while interstate construction, highway safety and maintenance projects typically have been funded with a 90 percent base federal share.

Funding under the FAHP is provided to states through a multi-step funding cycle that includes: (i) multiyear authorization by Congress of the funding for various highway programs; (ii) apportionment and allocation of funds to the states each FFY according to statutory formulas or, for some funding categories through administrative action; (iii) obligation of funds, which is the federal government's legal commitment (or promise) to pay or reimburse states for the federal share of a project's eligible costs; (iv) appropriations acts by Congress specifying the amount of funds available for the year to liquidate obligations; (v) program implementation which covers the programming and authorization phases; and (vi) reimbursement by the federal government of the eligible project costs. Each of these steps is described in more detail under "*Federal Aid Funding Procedures*" below.

These provisions may be considered for amendment when and if FAHP is reauthorized. Reauthorization has tended to be evolutionary, with a moderate number of sections of the Federal Act being amended or repealed during each reauthorization.

**The terms and conditions of participation in the FAHP as described herein are subject to change at the discretion of Congress. Changes in law, regulation or policy or a decrease in federal revenues may materially adversely affect the availability of Federal Highway Reimbursements. There can be no assurance that there will not be future changes in law, regulation, policy, or the availability of revenues at the federal level which may materially adversely affect the future availability of Federal Highway Reimbursements to pay debt service on the 2016 Notes and any other GARVEE Notes.**

Title 23, United States Code, entitled "Highways," includes most of the laws that govern the FAHP. Generally, Title 23 embodies those substantive provisions of highway law that Congress considers to be continuing and which need not be reenacted each time the FAHP is reauthorized. Periodically, sections of Title 23 are amended or repealed through surface transportation acts.

## **Authorization**

**Generally.** The FAHP must be periodically reauthorized by Congress, and has historically been authorized under multi-year authorizing legislation. The most recent legislation, entitled the "Fixing America's Surface Transportation Act," or the FAST Act, enacted December 4, 2015, reauthorizes the FAHP through September 30, 2020. Prior to the enactment of the FAST Act, the last multi-year authorization of the FAHP was the "Moving Ahead for Progress in the 21st Century Act," or MAP-21, which provided funding through September 30, 2014.

In periods between multi-year authorizations, Congress consistently has used short-term authorizations to fund the FAHP. For example, between August 2014 and December 2015, Congress enacted five short-term authorizations to provide continued funding for the FAHP.

**Lapsing of Authorization.** All federal programs must be authorized through enacted legislation that defines the programs and establishes maximum funding levels, and for most programs annual appropriations acts are necessary in order to create budget authority. Indeed, for most federal domestic discretionary programs, a lapsed authorization may have little or no effect on a program, so long as revenues are appropriated. For the FAHP, the consequences of lapsed authorization caused when Congress fails to enact reauthorization legislation are somewhat different. While Congress may pass interim legislation, the existence of contract authority and a dedicated revenue stream means that the FHWA usually can continue to provide Obligation Authority (as more particularly defined below, "OA") by administrative action.

In periods which the previous authorizing legislation has expired and the future legislation has yet to be enacted, Congress and/or the FHWA have historically found ways to avoid disruptions to state highway programs and, more importantly, have been able to maintain the flow of federal revenues to states in each instance. Examples of the two mechanisms in particular that have kept revenues flowing follow:

Access to Unobligated Balances: The 1987 Surface Transportation and Uniform Relocation Assistance Act expired on September 30, 1991 and ISTEA was not enacted until December 18, 1991. The FHWA was able to act administratively to keep federal-aid funding flowing because states could use their unobligated balances to provide contract authority to use new OA.

Short-Term Authorization: ISTEA expired on September 30, 1997 and until approval of TEA-21 on June 9, 1998, no new long-term authorization legislation was enacted. Despite the lack of long-term authorizing legislation, states were provided an upper limit on OA through passage of an appropriations act plus access to their unobligated balances. On November 13, 1997, Congress passed the Surface Transportation Extension Act of 1997 ("STEA"), which provided a six-month authorization for highway funding and established a limit on the amount of new OA states could use at funding levels equal to about a quarter of FFY 1997 authorization levels. Since most states have unobligated balances of at least half their normal annual OA levels and an authorization act need not be in place for the FHWA to give states new OA, states were able to spend down prior unfunded federal apportionments (contract authority) with newly allocated OA. The lack of an enacted authorization act during this period did not pose a threat to the continued flow of revenues, because dedicated highway user fees continued to flow into the HTF. Similarly, TEA-21 expired on September 30, 2003 and until approval of SAFETEA-LU on August 10, 2005, Congress passed several authorization extension acts that reauthorized the FAHP through May 31, 2005 and, through passage of a combination of continuing resolutions and appropriations bills, states were provided OA to ensure the continuation of the FAHP. Following the expiration of SAFETEA-LU on September 30, 2009, Congress passed several authorization extension acts that reauthorized the FAHP through June 30, 2012. The last multi-year authorization of the FAHP prior to the FAST Act was MAP-21, which provided funding through September 30, 2014. Since August 2014, Congress used a series of five short-term authorizations to fund the FAHP until passage of the FAST Act on December 4, 2015.

**Although measures have been taken by Congress and FHWA in the past, no assurance can be given that such measures would or could be taken in the future to maintain the flow of federal-aid funding upon termination of the current funding authorization.**

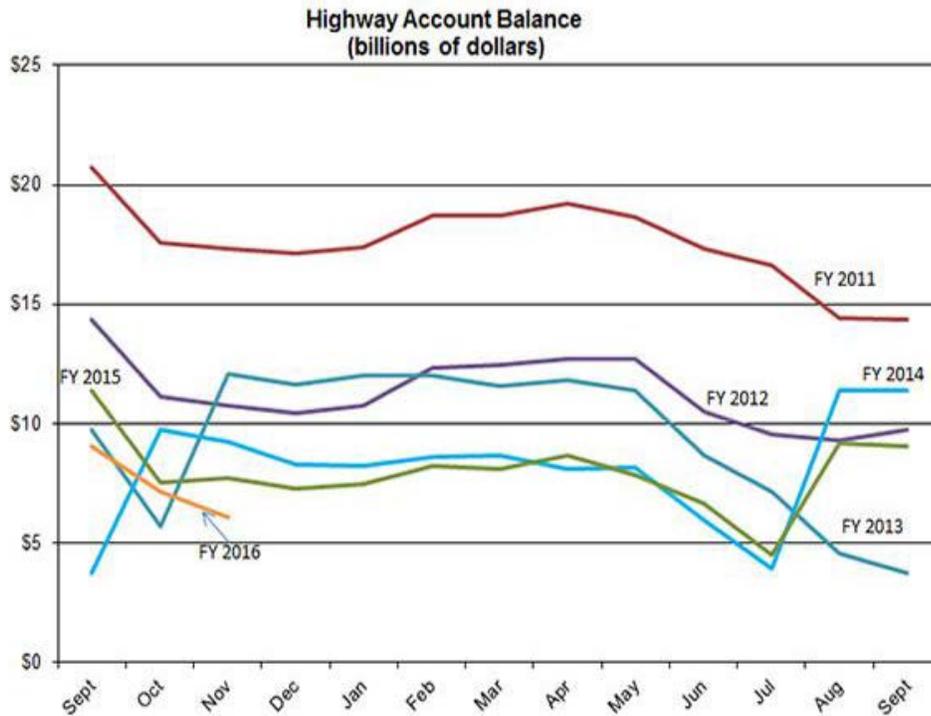
### **The Federal Highway Trust Fund**

The FHTF provides the primary funding for the FAHP. Funded by a collection of federally-imposed motor vehicle user fees, primarily fuel taxes, the FHTF is a fund established by law to hold dedicated highway-user revenues that are used for reimbursement of the state's cost of eligible transportation projects (which may include debt service on obligations issued to finance a federal-aid project), including highway projects.

The FHTF is composed of two accounts: the Highway Account, which funds highway and intermodal programs, and the Mass Transit Account. The Highway Account receives approximately 84% of gasoline tax revenues and 88% of diesel fuel revenues, with the remaining share of such revenues deposited in the Mass Transit Account.

Federal gasoline excise taxes are the largest revenue source for the FHTF, accounting for about 63% of FHTF revenue. The majority of these tax revenues go to the Highway Account. The following graph shows actual Highway Account balances each month for FFYs 2011 through November 2015.

## Highway Account Balance (in billions of dollars)<sup>(1)(2)</sup>



Source: U.S. Department of Transportation Federal Highway Administration, Status of the Highway Trust Fund, December 22, 2015.

<sup>(1)</sup> Excludes interest on balances and TIFIA loan repayments.

<sup>(2)</sup> For FFY 2012, includes \$2.4 billion transferred from the Leaking Underground Storage Tank (LUST) Trust Fund in August pursuant to P.L. 112-141. For FFY 2013, includes \$6.2 billion transferred from the United States Treasury's general fund in November pursuant to P.L. 112-141, of which \$316.2 million was sequestered in August. For FFY Year 2014, includes \$10.4 billion transferred from the United States Treasury's general fund in October pursuant to P.L. 112-121, less a sequestered amount of \$748.8 million. Also includes \$7.765 billion transferred from the United States Treasury's general fund and \$1 billion transferred from the LUST Trust Fund in August pursuant to P.L. 113-159. For FFY 2015, includes \$6.068 billion transferred from the United States Treasury's general fund in August pursuant to P.L. 114-41.

Statutory authority (i) to impose the taxes that are dedicated to the FHTF, (ii) to place the revenues resulting from those taxes in the FHTF and (iii) to expend moneys from the FHTF all have expiration dates which must be extended periodically. The life of the FHTF has been extended several times since its inception, most recently by the FAST Act, which reauthorized imposing the taxes dedicated to the FHTF, generally through June 30, 2022, and allocated the resulting revenues to the FHTF, and the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, which extended authority to expend funds from the FHTF.

Over the past nine years, spending has exceeded the FHTF's revenues by a total of \$74 billion. Since 2008, Congress has authorized a series of transfers to the FHTF to avoid delaying payments to state and local governments. Most recently, the FAST Act authorized the transfer of \$70 billion to the FHTF in December 2015 as the FHTF fund balance neared exhaustion. Including that amount, transfers into the FHTF since 2008 have totaled almost \$134 billion.

Based on a Congressional Budget Office ("CBO") report dated December 2, 2015, the FAST Act is projected to reduce budget deficits in the FHTF by \$71 billion over the FFY 2016-2025 period, mostly due to the transfer to the FHTF in December 2015 of \$70 billion, largely from the general fund of the U.S. Treasury. Implementing the major provisions of the FAST Act is expected to result in additional discretionary spending totaling \$201 billion over the period from FFY 2016 through FFY 2020, with spending from the FHTF in that period expected to total \$280 billion, and revenues and interest credited to the FHTF over that period expected to amount to \$208 billion.

Although the user-taxes that fund the FHTF will continue to be collected and allocated to the FHTF under the FAST Act, and despite the \$70 billion transfer to the FHTF provided for by the FAST Act, the FHTF faces projected revenue shortfalls in the future. Because the primary source of funds in the FHTF is federal excise taxes on motor fuels, per capita declines in total vehicle miles traveled in conjunction with the increasing fuel efficiency of automobiles and trucks in the United States has resulted in the FHTF receiving less revenue from gasoline and diesel sales. The CBO, in its Budget and Economic Outlook: 2016 to 2026, projects that the FHTF will be able to meet all obligations through FFY 2020, but that the FHTF balance will be exhausted in FFY 2021. Under current federal law, a positive balance is required to be maintained in the FHTF to ensure that prior commitments for distribution of federal revenues can be met. Unless Congress enacts a measure to address revenue generation for the FHTF, the FHTF will face another revenue shortfall when the FAST Act expires, which may impact the availability of federal transportation funds to pay debt service on the 2016 Notes.

**Various proposals are being considered to address the FHTF's future funding, including an increase in fuel taxes, a variety of new taxes (including a tax on VMT) and other funding sources for the FHTF. There can be no assurance that Congress will enact any of these proposals.**

The United States Treasury Offset Program (the "TOP") is administered pursuant to the Debt Collection Improvement Act of 1996 ("DCIA"), which requires the Department of the Treasury and other disbursing agencies to collect delinquent debts owed to the federal government. Under the DCIA, if a "person" is in debt to the federal government, the federal agency payments may be offset through the TOP by the amount of the debt owed and up to the amount of the scheduled payment. "Person" is defined to include a state or local government. Administrative offset under the DCIA is precluded only when another law specifically prohibits the offset. In the last five years, VDOT had \_\_\_\_\_ offset actions totaling \$\_\_\_\_\_ related to civil penalties. Subsequent to the offset action, VDOT recovered the amounts. VDOT has a separate taxpayer identification number from other state departments and agencies. It is the VDOT's understanding that the United States Treasury only offsets amounts owed to the federal government from entities with the same taxpayer identification number. In addition, the Administrator of FHWA is authorized to withhold payment of federal funds to a state for a project if the Administrator of FHWA determines that the state has violated or failed to comply with federal laws or regulations with respect to that project.

The FHWA operates under contract authority authorized by the FAST Act, and accordingly, a lapse in annual appropriations does not materially disrupt operations. Thus, the failure of the Congress to enact an annual appropriation prior to the start of a FFY, which would result in a "government shutdown" typically does not impact FHWA operations. Further FHWA has sufficient liquidated cash to continue operations due a lapse in annual appropriations. However, any lapse in annual appropriations or a partial-year budget can reduce the amount of Obligation Authority that would otherwise be made available to the Commonwealth. See the subsections "*Federal Aid Funding Procedures – Obligation*" and "*Federal Aid Funding Procedures – Obligation Ceiling*."

### **Federal Aid Funding Procedures**

The FAHP continues to enable the construction of an extensive national transportation system through reimbursement of a large percentage of state expenditures for approved highway projects. The FAHP is unusual among federal programs in that:

- (a) the FAHP is funded by dedicated revenues from user-tax sources deposited in a special trust fund (the HTF);
- (b) the contract authority of the FHWA has historically been established by a multi-year authorization act rather than through annual appropriation acts; and
- (c) contract authority is not at risk during the annual appropriations process (as budget authority is in most other federal programs), although an appropriations act is required in order to liquidate obligations.

The following summarizes the major steps in funding the FAHP.

**Authorization.** The first and most important step in funding the FAHP is the development and enactment of authorizing legislation. Authorizing legislation for federal highways began with the Federal Aid Road Act of 1916

and the Federal Highway Act of 1921. These acts provided the foundation for the FAHP as it exists today. Since that time, the FAHP, as then in existence, has been continued or renewed through the passage of multi-year authorization acts. Since 1978, Congress has passed highway legislation as part of larger, more comprehensive, multi-year (i.e. four or more years) surface transportation acts. There is no guarantee, however, that reauthorization of the FAHP will continue to occur on a multi-year basis. The current reauthorization is for the period ending September 30, 2020.

The authorization act not only shapes and defines programs, but also sets limits (authorizations) on the funding for programs and includes provisions related to the operation of the HTF.

Once Congress has established authorizations, the next step involves how funds are made available to states. Typically, federal programs operate using appropriated budget authority, which means that funds, although authorized, are not available until passage of an appropriations act. However, most programs within the FAHP do not require this two-step process. Through what is termed "contract authority" (a special type of budget authority), authorized amounts become available for obligation according to the provisions of the authorization act without further legislative action. For the FAHP, funds authorized for a FFY are available for distribution through apportionments or allocations. The use of contract authority gives the states advance notice of the level of federal funding at the time an authorization act is enacted, eliminating much of the uncertainty associated with the authorization-appropriation sequence.

The existence of dedicated revenues in the HTF and of multi-year contract authorizations are designed to provide a predictable and uninterrupted flow of reimbursements to the states. The risk of contract authority lapsing between authorizing acts has historically been limited, since sufficient unobligated balances generally exist that can be used by the states, with the approval of Congress, to cover gaps in funding between multi-year reauthorization acts, but there can be no assurance that federal authorizations will not lapse. See the subsection "*Authorization – Lapsing of Authorization.*"

***Apportionment and Allocations.*** For most components of the FAHP, the authorization act sets the distribution of contract authority to be apportioned and/or allocated to the states. The authorized amount for a given FFY is distributed to the states through apportionments and allocations.

***Apportionments.*** The distribution of funds using a formula provided in law is called an apportionment. Most federal-aid highway funds are distributed to states through apportionments. Each FFY, the FHWA has responsibility for apportioning authorized funding for the various highway programs among the states according to formulas established in the authorizing statute. Annual apportionments are generally made on the first day of the FFY. VDOT strives to use the oldest apportionment available when obligating funds to prevent the lapsing of apportionment.

***Allocations.*** Some categories of funds do not have a legislatively mandated distribution formula. When there are no formulas in law, the distributions of funds are termed "allocations," which may be made at any time during the FFY. In most cases, allocated funds are divided among states with qualifying projects applying general administrative criteria provided in the law.

Federal-aid highway apportionments are available to states for use for more than one year. Their availability does not terminate at the end of the FFY, as is the case with most other federal programs. In general, apportionments are available for three years plus the year that they are apportioned. Consequently, when new apportionments or allocations are made, the amounts are added to a state's carryover apportionments from the previous year. Should a state fail to obligate a year's apportionments within the period of availability (usually a total of four years) specified for a given program, the funds will lapse.

***Obligation.*** Obligation is the legal commitment (or promise) of the federal government to pay, through reimbursement to a state, the federal share of an approved project's eligible costs, which may include debt service on obligations issued to finance a project. This process is important to the states because it allows states to award contracts with assurance that the federal government will reimburse its share of incurred costs. Once an obligation is made, the federal government is to reimburse the states when bills or payments become due. However, Congress places a restriction or "ceiling" on the amount of federal assistance that may be promised (obligated) during a

specified time period. The obligation limitation is the amount of authorized funding that Congress allows states to obligate in an individual year. The process of obligation is a statutory budgetary control that does not affect the apportionment or allocation of funds. Rather, it controls the rate at which these funds can be used.

Once Congress establishes an overall obligation limitation, FHWA distributes obligation authority ("OA") to states proportionately based on each state's share of apportioned and allocated revenues. The actual ratio of OA to apportionment and allocations may vary from state to state, since some federal-aid programs are exempt from the obligation limitation. During the FFY, states submit requests to FHWA to obligate funds, representing the federal share of specific projects. As a state obligates funds, its balance of OA is reduced. A state's OA (unlike its apportionments and allocations of authorized funding) must be used before the end of the FFY for which it is made available; if it is not used, the unused OA will be distributed to other states to ensure that the total limitation nationwide will be used. A state may receive additional OA through a redistribution process each year in August that reallocates OA from states or programs unable to obligate fully their share to other states that are able to obligate more than their initial share. Montana typically uses all of its OA in each FFY and has in each of the last twenty years received additional OA that has been redistributed by FHWA. See "*Federal Aid Revenues*" for Virginia's OA, apportionments and total Federal Aid Revenues received in each of the last 20 FFYs. Although a ceiling on obligations restricts how much funding may be used in a FFY, a state has flexibility within the overall limitation to mix and match the type of program funds it obligates, based on its individual needs, as long as it does not exceed the ceiling in total. Also, the unobligated balance of apportionments or allocations that a state has remaining at the end of any FFY may be carried over for use by that state during the next FFY.

***Obligation Ceiling.*** Most of the FAHP does not receive budget authority through appropriations acts as do most other federal programs. Congressional appropriations committees use Obligation Authority as a means of balancing the annual level of highway spending with other federal budget priorities. Thus, Congress may place a restriction or "ceiling" on the amount of federal assistance that may be obligated during a specified time period. The obligation limitation is the amount of authorized funding that Congress allows states to obligate in an individual year. This is a statutory budgetary control that does not affect the apportionment or allocation of funds. Rather, it controls the rate at which these funds can be used, and, in effect, can limit the amount of funds that can be used. See the subsection "*The Federal Highway Trust Fund.*"

Although a ceiling on obligations restricts how much funding may be used in a FFY, generally a state has flexibility within the overall limitation to transfer among certain apportioned highway programs, as long as it does not exceed the ceiling in total. Certain sums may be used only for special purposes once they are apportioned to the states. Generally, the unobligated balance of apportionments or allocations that a state has remaining at the end of any FFY is carried forward into the subsequent FFY and is available for use, contingent upon the availability of Obligation Authority issued in each year. Generally, if a state does not obligate a particular year's funding within the period of availability, the authority to obligate any remaining amount lapses. VDOT has been successful in obligating its full amount of Obligation Authority and the additional Obligation Authority made available to the state through the annual process of redistributing federal funds from those states and programs that are unable to utilize all of their obligation authority.

***Rescission of Unobligated Balances.*** Congress took 10 separate actions to reduce previously authorized spending levels, between FFYs 2006 through 2011 by issuing rescissions. Each such action rescinded unobligated balances of apportionments among the states on a proportional basis based upon each state's apportionment exclusive of certain identified funds or programs. The aggregate amount for these rescissions for the Commonwealth was \$349.46 million, which was applied to reduce any unobligated apportionment balances for prior years. Further rescissions are possible and may have a more adverse effect on the Commonwealth and its highway program, but the Commonwealth bases its budget upon its expected Obligation Authority and Federal Highway Reimbursements not expected apportionments. Although rescissions could be large enough to impact Obligation Authority, to date they have not. If Congress continues to require rescissions, the balances of unobligated apportionment for those federal programs that would support the 2016 Project may be reduced. See the section "*Sources of Payment and Security for the GARVEE Notes.*"

***Highway Program Implementation.*** To receive federal reimbursements for transportation projects, states are required to develop long-range transportation plans that are based on realistic projections of state and federal funding. Projects are not eligible for federal reimbursements unless they are either directly identified in a long-range

plan or consistent with policies and objectives identified in long-range plans and are included in the five-year State Transportation Improvement Program ("STIP") that lists all projects proposed for financing in that five-year period. The STIP must be approved by FHWA.

States are required to follow federal fiscal management procedures as they implement projects that are included in the STIP. These fiscal management processes ensure that the process is managed efficiently from project authorization to actual payment of FHWA reimbursements to the state. Further, states are required to use a detailed accounting system to track project expenditures and reimbursements. In addition, a federal system tracks payments to states.

Fiscal constraint in the Federal Aid Highway Program is a requirement of 23 U.S.C., Section 135(f) (2)(D) and (E). Fiscal constraint requires that the STIP only include projects for which funding is committed or reasonably expected to be available. VDOT implements this requirement through the annual adoption by the Transportation Board of a financially balanced STIP. The STIP summarizes current estimated costs for all projects and all phases for the next five years. Total available resources are based on best estimates of Federal Aid Revenues and state revenues. Within the STIP for Federal Fiscal Years 2016 through 2020, debt service on the Series 2016 Notes is or will be included as an anticipated expenditure along with other anticipated expenditures for the National Highway System.

States may request FHWA approval for eligible projects either through the traditional process or through the Advance Construction procedure as discussed below:

***Traditional Approach.*** Under the traditional highway funding approach, FHWA approves the full federal share of funding for a project at the beginning of the project, concurrent with project authorization. The first step in the fiscal management process begins when a state requests authorization to use federal funds on a project. The project sponsor submits plans, specifications and estimates ("PS&Es") for a project to FHWA, and requests that FHWA approve the use of federal funding for the appropriate federal share of the project. The project must be in the STIP and PS&Es must identify the category of federal funding that will be used.

FHWA evaluates the PS&Es to ensure that the project is eligible for federal funding and meets a variety of federal requirements. Provided all requirements are satisfied, FHWA authorizes federal participation in the project, and obligates the federal share of project costs. By obligating the funds, FHWA makes a commitment to reimburse the state for the federal share of eligible project costs. It sets aside the appropriate amount of the state's Obligation Authority and also sets aside an equivalent amount of apportionments by program. Accordingly, the state must have sufficient Obligation Authority to cover the level of federal participation it requests.

Once authorization for a project has been obtained, the state advertises the project and receives bids. The state awards the contract to the lowest responsive bidder and submits a modified agreement to FHWA requesting any necessary adjustments to federal funding to reflect the actual bid amount. The project agreement identifies the funds that are estimated to be expended by the state and the amount that will be reimbursed by the FHWA.

***Virginia's Stewardship and Oversight Agreement.*** While the FHWA is charged with administering the Federal-Aid Highway Program, the Virginia State Division of the FHWA has entered into a Stewardship and Oversight Agreement with VDOT whereby VDOT may assume certain project approval authority. The latest agreement is dated December 13, 2012. Under certain conditions, FHWA has delegated to VDOT authority for design activities, PS&E approval, concurrence in award, construction activities and other related actions that FHWA typically approves under Title 23.

***Advance Construction Approach.*** FHWA has implemented several fiscal management techniques that provide states additional flexibility in managing their Obligation Authority and cash flow. Advance construction ("Advance Construction" or "AC") and partial conversion of AC are two key techniques that facilitate federal-aid project funding.

The AC approach for authorizing projects allows states to finance projects eligible for federal aid without obligating the full federal share of costs at the beginning of the project. This allows states to begin a project before

accumulating all of the Obligation Authority needed to cover the federal share of the project. Similar to the traditional approach, the state submits PS&Es to FHWA and requests project authorization. Under AC, however, FHWA is asked to authorize the project without obligating federal funds. The state will provide the up-front financing for the project and then at a later date "convert" the AC project to a regular federal-aid project and obligate the full federal share of the project costs, when sufficient Obligation Authority is available. At the time of conversion, the state can be reimbursed for the federal share of costs incurred up to the point of conversion.

Under the partial conversion of AC approach, the state converts, obligates, and receives reimbursement for only a portion of its funding of an AC project in a given year. This removes any requirement to wait until the full amount of Obligation Authority for the project is available. The state therefore can obligate varying amounts for the project's eligible cost in each year, depending on how much of the state's Obligation Authority is available. Using the technique to partially convert the federal share makes bond and note financing more viable and federal-aid funds available to support a greater number of projects. The National Highway System Designation Act of 1995 (the "NHS Act") provided additional flexibility in the use of AC by allowing partial conversion of AC as implemented through a Federal Register Notice dated July 19, 1995.

Under the FAHP, as projects are approved by FHWA, the aggregate dollar amount of each contract relating thereto will be obligated against the remaining annual amount of Obligation Authority available to the state. The state will then pay the amounts owed under each contract as work progresses and receive reimbursement from the federal government for the federal share of the total costs. The aggregate amount of reimbursement received by the state in any year is not necessarily equal to the state's apportionment for such year. Many projects and contracts extend over a number of years which means the aggregate amount made available to the state in any one year, if fully obligated, may be received as reimbursement over a longer period of time relating to the actual pace of construction. The Commonwealth expects to have sufficient projects which will qualify to allow it to access all Federal Highway Reimbursements made available to it.

**Reimbursement.** The FAHP is a reimbursement program. As work progresses on a federal-aid highway project, a state pays the contractor for completed work from available state funds. The state electronically transmits vouchers for the federal share of completed work and certifies to FHWA that the claims for payment are in accordance with the terms of the applicable project agreements and state and federal laws or regulations. After review and approval by FHWA Division office, payment is scheduled for the date requested by the state. Payment is transferred directly from the United States Treasury to the state's account at a financial institution by wire transfer, and is generally scheduled to be made within two days of the submission of the state's electronic bill.

### **Special Federal Provisions Relating to Debt-Financed Projects**

The NHS Act made several changes affecting the financing of federal-aid highway projects, including AC procedures and payments to states for debt financing.

Section 311 of the NHS Act significantly expanded the eligibility of bond, notes and other debt instrument financing costs for federal-aid reimbursement. This change to the FAHP was codified into permanent highway law as an amendment to Section 122 of Title 23 of the United States Code. Under Section 122, various debt-related costs are eligible for reimbursement, including principal and interest payments, issuance costs, insurance, and other costs incidental to a financing.

FHWA has issued guidelines for debt-financed projects. Key provisions of these guidelines are as follows:

- The project must be approved as a federal-aid, debt-financed (bond, certificate, note or other debt instrument) project to receive payments for eligible debt-related costs under Section 122. Once a project is selected for debt financing, the project is submitted to FHWA for approval as an AC project under Section 115 of Title 23. The AC designation ensures the project follows federal-aid procedures and preserves the eligibility to reimburse debt-related costs through future federal-aid fund obligations.
- Debt-financed projects are subject to requirements of the Federal Clean Air Act and federal air quality conformity requirements.

- At the time the project agreement is signed, a state may elect to seek reimbursement for debt service and/or related issuance costs in lieu of reimbursement for construction costs. If a state elects to receive debt service reimbursements, a debt service schedule will be included in the project agreement. If multiple projects are funded with proceeds of a debt issue, each project will be assigned a prorated share of debt-related costs.
- To comply with the intent of the fiscally constrained planning process, the federal share of debt-related costs (e.g., interest and principal payments, associated issuance costs, and on-going debt servicing expenses) anticipated to be reimbursed with federal-aid funds over the life of the debt obligations should be designated as AC. The planned amount of federal-aid reimbursements (AC conversion) should be included in the STIP, in accordance with FHWA procedures.
- Periodic debt service payments (federal-aid reimbursements) on the debt obligations would represent partial conversions of designated AC amounts to federal aid. A state can obligate such federal aid annually over the life of the permanent financing or a state can make the conversion in one lump sum upon project completion to help take out construction financing. A state would follow the normal procedures for conversion of an AC project.
- A state may seek federal-aid reimbursements for eligible debt-related costs as these costs are incurred. Issuance costs, debt service payments, and incidental costs represent costs incurred that may be reimbursed with federal-aid funds to the extent such costs are deemed eligible.
- A state may make arrangements with FHWA regarding the procedures under which it would submit a billing to FHWA for debt-related costs. A request for debt service payment can be timed so that reimbursements can be received shortly before the debt service payment date.
- A state may designate a trustee or other depository to receive federal-aid debt service payments directly from FHWA.

Once the project agreement with respect to each GARVEE Note project becomes a part of the Federal Aid Agreement, it will be a "debt-financed project."

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## COMMONWEALTH RECEIPTS OF FEDERAL TRANSPORTATION FUNDS

The following table identifies prior and projected Apportionments, Obligation Authority, and Receipts of Federal Highway Aid Revenues by VDOT from FFY 2005 through FFY 2015. In addition, the annual eligible or legally available amount of such funds is shown. The ability to pay the 2016 Notes and other GARVEE Notes will depend upon the amount of actual funding provided to the Commonwealth under the FAHP, the legal availability thereof and the Commonwealth's ability to use such funding.

### FEDERAL AID REVENUES, APPORTIONMENTS, OBLIGATION AUTHORITY AND RECEIPTS FOR THE VIRGINIA DEPARTMENT OF TRANSPORTATION

#### Under SAFETEA-LU and MAP-21 Federal Fiscal Years 2005 Through 2015

<u>Federal Fiscal Year</u>	<u>Apportionments (in millions)</u>	<u>Obligation Authority (in millions)</u>	<u>Federal Reimbursements Actual Receipts<sup>(1)</sup> (in millions)</u>
2005	\$ 819	\$ 726	\$ 441
2006	835	832	524
2007	960	950	661
2008	940	974	811
2009	1,648	1,653	809
2010	1,056	938	946
2011 <sup>(1)</sup>	1,056	974	1,110
2012	986	934	1,360
2013	981	941	1,475
2014	982	941	1,269
2015	982	925	1,273
Totals 2005 - 2015 <sup>(1)</sup>	<u>11,245</u>	<u>10,788</u>	<u>10,679</u>
Annual Average 2005 - 2015 <sup>(1)</sup>	<u>1,022</u>	<u>981</u>	<u>971</u>

Source: Virginia Department of Transportation.

<sup>(1)</sup> Actual receipts column may include amounts from prior years and does include amounts which are not eligible and do not constitute Revenues. The amounts listed in each of the columns herein are after taking into account rescissions of unobligated balances incurred to date. See the subsection "Information Concerning the Funding of Federal-Aid Highways – Federal Aid Funding Procedures – Rescission of Unobligated Balances." Actual receipt amounts differ from those reported in the Transportation Board's Annual Report, as hereinafter defined, as a result of adjustments and recalculation that occurred after the Annual Report was prepared.

## TRANSPORTATION TRUST FUND

### General

The Transportation Trust Fund was established by the General Assembly in Chapters 11, 12, 13 and 15 of the Acts of the Assembly, 1986 Special Session (the "1986 Special Session Acts"), as a special nonreverting fund administered and allocated by the Transportation Board for the purpose of increased funding for construction and other capital needs of state highways, airports, mass transit and ports. The Transportation Trust Fund is funded primarily from additional revenues generated by increases in the retail sales and use tax, motor fuels tax and motor vehicle related taxes and fees effected by the 1986 Special Session Acts, as amended by Chapter 766 of the Acts of the General Assembly of the Commonwealth of Virginia 2013 Regular Session ("Chapter 766"), and as amended by Chapter 684 of the Acts of the General Assembly of the Commonwealth of Virginia 2015 Regular Session ("Chapter 684") and designated for deposit in the Transportation Trust Fund. The 1986 Special Session Acts allocated 85% of these additional revenues to highway purposes with the balance being divided among airports (2.4%), mass transit

(8.4%) and ports (4.2%). Legislation passed by the General Assembly in the 1998 Regular Session revised the formula for distribution of funds to the mass transit fund, increasing the allocation from 8.4% to 14.5% for Fiscal Year 1999 and to 14.7% for Fiscal Year 2000 and thereafter and thereby changing the allocation to highway purposes from 85% to 78.9% in Fiscal Year 1999 and to 78.7% for Fiscal Year 2000 and thereafter. The amendments contained in Chapter 766 allocate a 0.3% increase in the retail sales and use tax, of which components are dedicated to the Transportation Trust Fund (passenger rail and mass transit). The revenue is distributed in the following manner: (i) 0.175% of the 0.3% increase is allocated to the HMO Fund, (ii) 0.05% of the 0.3% increase is allocated to passenger rail and (iii) 0.075% of the 0.3% increase is allocated to mass transit.

The investment of money in the Transportation Trust Fund is administered by the State Treasurer under guidelines adopted by the Transportation Board. The Transportation Board has adopted the same guidelines as the Treasury Board for the investment of public funds.

### **Chapter 766 and 684 and the Transportation Trust Fund**

Under Chapter 766, the Transportation Trust Fund receives an amount equal to 15% of the revenues generated from motor fuels taxes after making specified disbursements to various preservation and conservation programs. After making those initial disbursements and disbursing 15% of the revenues generated from the motor fuels taxes to the Transportation Trust Fund, 80% of such revenues shall be deposited into the HMO Fund, (i) 4% shall be deposited into the Priority Transportation Fund, and (ii) 1% shall be used to meet the necessary expenses of the Department of Motor Vehicles. This disbursement is effective through Fiscal Year 2016. Chapter 684 changes the distribution of fuel tax revenue beginning in Fiscal Year 2017. The Transportation Trust Fund will receive 11.3% of the revenues generated from motor fuels taxes after making the above-referenced initial disbursements. The total distribution is: (i) 80% to the HMO Fund (ii) 11.3% to the Transportation Trust Fund (iii) 4% to the Priority Transportation Fund, and (iv) 3.11% to the Commonwealth Transit Capital Fund established pursuant to Section 58.1-638 of the Virginia Code, (v) 1% to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, (vi) 0.35% to the Commonwealth Mass Transit Fund established pursuant to Section 58.1-638 of the Virginia Code and allocated transit operations, and (vii) 0.24% to the Commonwealth Mass Transit Fund and allocated to transit special programs.

Also included in Chapter 766 were specific taxes that affect the Northern Virginia and Hampton Roads regions of the Commonwealth. Pursuant to Chapter 766 the local sales tax, grantor's tax and transit and occupancy taxes were each increased in Northern Virginia and the local sales tax and fuel sales tax were each increased in Hampton Roads. The additional revenues generated from these increases have been dedicated to pay the costs of transportation projects in each region. It is anticipated that these revenues will enhance the ability of the Commonwealth to address transportation needs outside of the Transportation Trust Fund.

**The Transportation Board makes no representation (i) that the General Assembly will maintain the Transportation Trust Fund or (ii) that the General Assembly will not repeal or materially modify the 1986 Special Session Acts or Chapter 766, or any other legislation affecting the Transportation Trust Fund. Without limiting the generality of the foregoing, the provisions of Chapter 766 and Chapter 896 that generate additional revenue for transportation purposes, including revenues for deposit in the Transportation Trust Fund, shall expire on December 31 of any year in which the General Assembly appropriates any of such revenues for any non-transportation-related purpose.**

### **Highway Maintenance and Operating Fund**

Until January 1, 1987, both construction and maintenance of the Commonwealth's highway system were funded through the Highway Maintenance and Construction Fund. Upon the enactment of the 1986 Special Session Acts, money for construction and maintenance was separated into two funds; the Transportation Trust Fund became the source of funds for new construction, while the HMO Fund was created as successor to the Highway Maintenance and Construction Fund for maintenance.

Prior to the enactment of Chapter 766, the HMO Fund received certain motor vehicle related taxes and fees (principally the motor fuels tax, vehicle sales tax, vehicle registration fees and vehicle license fees) at the rates in effect before the 1986 Special Session Acts, while the increase in these taxes and fees was directed to the

Transportation Trust Fund. See the subsection below "Sources of Revenues." In Fiscal Year 2015, the HMO Fund received approximately \$1.8 billion in such taxes and fees.

Pursuant to Chapter 766, the HMO Fund receives (i) an amount equal to 20% of the revenue generated by a 0.5% sales and use tax effected by Chapter 766, (ii) an amount equal to a 0.175% sales and use tax from the 0.3% increase in such tax effected by Chapter 766, (iii) an amount equal to 80% of the revenues generated from the motor fuels tax as described in the preceding subsection, and (iv) certain revenues related to an increase in the vehicle sales tax.

The construction funds available for allocation in Fiscal Years 2016 through 2021 Six-Year Improvement Program (the "Current SYIP") were reduced by \$122.5 million in Fiscal Year 2016 to provide the revenues needed to meet the obligations of the HMO Fund which includes the maintenance and operations of Virginia's highways.

The Transportation Board makes no representation that the General Assembly will maintain the HMO Fund. Without limiting the generality of the foregoing, the provisions of Chapter 766 and Chapter 896 that generate additional revenue for transportation purposes, including revenues for deposit in the HMO Fund, shall expire on December 31 of any year in which the General Assembly appropriates any of such revenues for any non-transportation-related purpose.

### **Sunset Provision**

The provisions of Chapter 766 and Chapter 896 that generate additional revenue for transportation purposes, including revenues for deposit in the Transportation Trust Fund, the HMO Fund and other transportation-related funds, expire on December 31 of any year in which the General Assembly appropriates any of such revenues for any non-transportation-related purpose (the "Sunset Provisions").

The General Assembly has from time to time made appropriations of portions of such additional revenue for non-transportation-related purposes, which would have activated one or both of the Sunset Provisions had the General Assembly not also enacted a savings clause to override the Sunset Provisions (a "Savings Clause"). The appropriations act for the 2014-2016 biennium, as adopted in June 2014 and amended in November 2014, includes both a non-transportation-related appropriation of a portion of the additional revenue generated by Chapter 896 and a Savings Clause.

No assurance can be given that the General Assembly will not activate either or both of the Sunset Provisions in future appropriation acts, and no assurance can be given that, if either Sunset Provision is activated, the General Assembly will enact a Savings Clause to override it.

### **Highway Allocation Formula**

The Transportation Board is required by Virginia Code to allocate each year all funds made available for highway purposes in accordance with the priorities established by Section 33.2-358 of the Virginia Code. Highway funds are allocated first for maintenance of interstate, primary, secondary and certain local roads and highways, administrative and general expenses, and other payments. The distribution of funding after this allocation was changed by Chapter 684 of the 2015 General Assembly Session.

After the first allocation of funds as described above, 45% is allocated to State of Good Repair, 27.5% is allocated to the Transportation Board's "High Priority Project Program" and 27.5% is allocated to its "Construction District Grant Program." However, prior to this allocation, the Transportation Board shall allocate an amount determined by the Transportation Board, not to exceed \$500 million in any given year, as follows: 25% to bridge reconstruction and rehabilitation; 25% to advancing high priority projects statewide; 25% to reconstructing deteriorated Interstate System, primary state highway system, and municipality maintained primary extension pavements determined to have a Combined Condition Index of less than 60; 15% to projects undertaken pursuant to the Public-Private Transportation Act of 1995 (Section 33.2-1800 et seq.) (the "PPTA"); 5% to paving unpaved roads carrying more than 50 vehicles per day; and 5% to the Innovative and Technology Transportation Fund established pursuant to Section 33.2-1531 for high-tech infrastructure improvements (the "CTB Formula"). At the discretion of the Transportation Board, such percentages of funds may be adjusted in any given year to meet project cash flow needs or when funds cannot be expended due to legal, environmental, or other project management considerations and provided that such allocations shall cease beginning July 1, 2020. After such allocations are

made, the Transportation Board may allocate each year up to 10% of the funds remaining for highway purposes for the undertaking and financing of rail projects that, in the Board's determination, will result in mitigation of highway congestion. Through July 1, 2020, any funds remaining after the CTB Formula distribution will be distributed equally to the High Priority Project Program and the Construction District Grant Program.

The Transportation Board approved an amount to be provided through this alternate distribution process totaling \$325.7 million in the Fiscal Year 2017 Budget. Additional allocations were provided through the life of the Six-Year Improvement Program using this alternate formula. While the Virginia Code establishes the priorities by which the Transportation Board must allocate the funds made available to it, the Transportation Board, the Virginia Department of Transportation ("VDOT") and other transportation agencies are responsible for allocating such funds among transportation projects throughout the Commonwealth. In the normal course of business, the Transportation Board, VDOT and the other agencies procure and enter into contracts with private parties for the rehabilitation, construction and improvement of transportation projects. The procurements are conducted in various ways as permitted under the Virginia Code, including traditional sealed bidding, design-build arrangements and procurements under the PPTA. The PPTA encourages investment in the Commonwealth by private entities to facilitate the development and/or operation of transportation facilities, and PPTA contracts typically involve an allocation of financial, completion and other risks between the private entity and the Commonwealth that differ from the risk allocation in more traditional procurement formats. If any of these contracts were terminated or if the applicable project was delayed or altered, the Transportation Board, VDOT or the other applicable agency could be contractually obligated to pay certain costs associated with the delay or determination of the project incurred by the private party and to pay other related expenses and fees, which may or may not exceed the funding currently allocated to the applicable project. The payment obligation of the Transportation Board, VDOT or the other applicable agency is generally subject to appropriation by the General Assembly. While no specific funding source is identified, the Transportation Trust Fund is one possible funding source for such payments. If such a payment were to be made from the Transportation Trust Fund, the funds for such payment would be made available by changing the allocation of available funds among the projects in the Six-Year Improvement Plan. A change in the allocation of funds would not impact the revenues appropriated to the Transportation Trust Fund, but the change could impact the planned schedules of other projects. The Transportation Board, VDOT and the other agencies regularly adjust the allocation of the funds among transportation projects to account for variety of factors. See the section "*Commonwealth Transportation Board, Virginia Department of Transportation – Financial Accountability and Program Delivery.*"

### **Sources of Revenues**

The following table summarizes the actual revenues for Fiscal Years 2011 through 2016 and the projected revenues for Fiscal Year 2017, received or to be received in the Transportation Trust Fund. Historical receipts of the Transportation Trust Fund may not be indicative of future receipts, especially because Chapter 766 changed how some of the taxes listed in the table are charged, and a portion of the revenues generated from those taxes are dedicated to the Transportation Trust Fund.

**Total Transportation Trust Fund Revenues – All Modes**  
(in millions)<sup>(1)</sup>

<b>Fiscal Year Ending June 30:</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015<sup>(5)</sup></b>	<b>2016<sup>(6)</sup></b>	<b>2017<sup>(7)</sup></b>
Retail Sales and Use Tax	\$477.3	\$503.1	\$521.2	\$631.3	\$717.0	\$723.7	\$731.7
Motor Vehicle Sales and Use Tax <sup>(2)</sup>	207.3	223.1	235.2	240.8	251.8	265.4	269.9
Motor Fuels Taxes <sup>(3)</sup>	117.7	115.5	115.2	106.7	118.8	138.9	144.4
							22.0
Motor Vehicle Registration Fees	21.2	21.1	21.7	21.7	21.8	21.6	
Recordation Tax <sup>(4)</sup>	23.3	26.1	30.9	24.9	28.0	29.5	45.4
Investment Income	16.3	12.2	7.5	6.2	6.4	2.4	6.1
Priority Transportation Fund <sup>(5)</sup>	<u>152.3</u>	<u>159.1</u>	<u>151.8</u>	<u>157.5</u>	<u>180.8</u>	<u>186.0</u>	<u>204.9</u>
<b>Total Transportation Trust Fund Revenues</b>	<b><u>\$1,015.4</u></b>	<b><u>\$1,060.2</u></b>	<b><u>\$1,083.6</u></b>	<b><u>\$1,189.0</u></b>	<b><u>\$1,324.5</u></b>	<b><u>\$1,367.5</u></b>	<b><u>\$1,424.4</u></b>

Sources: Department of Accounts and Department of Motor Vehicles for FYs 2011 through 2016. Department of Motor Vehicles, Department of Taxation and Department of Transportation for revenue estimates for FY 2017.

(1) Net of moneys deposited in the Federal Fund, which is part of the Transportation Trust Fund.

(2) Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax. Note these taxes were amended by the Chapter 766.

(3) Motor Fuels Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax. Note these taxes were amended by the Chapter 766.

(4) Reflects the deposits into the Transportation Trust Fund on and after July 1, 2008, from the revenues collected each FY from \$0.02 of the total state recordation taxes imposed pursuant to Sections 58.1-801 and 58.1-803 of the Virginia Code.

(5) Reflects the deposits into the Priority Transportation Fund on and after July 1, 2008 of one-third of the revenues of the Insurance Tax and incremental motor fuels tax revenues (as described under the heading below "Priority Transportation Fund Revenues"). Amounts shown include estimated investment income.

(6) Unaudited results.

(7) Based on Commonwealth Transportation Fund Forecast provided in August 2016. Includes the share of the increased Retail Sales and Use Tax dedicated to passenger rail and mass transit as a component of the Transportation Trust Fund. Preliminary estimates and actual results may vary.

The following is a brief description of the taxes and fees designated for deposit into the Transportation Trust Fund.

**Retail Sales and Use Tax.** The retail sales tax is imposed on every transaction involving (i) the business of selling at retail or distributing tangible personal property in the Commonwealth; (ii) the leasing or rental of tangible personal property as part of an established business; (iii) the storing for use or consumption in the Commonwealth of any item or article of tangible personal property or leasing or renting such property within the Commonwealth; (iv) the furnishing of transient accommodations or (v) the selling of certain services. The tax on sales is based on the gross sales price of each item or article of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. The tax on accommodations, leases and rentals, which is based upon the lessor's gross proceeds from the leases and rentals, is collected by the lessor by separately stating the amount of tax and adding it to the charge made to the lessee. The tax on items or articles of tangible personal property stored in the Commonwealth for use or consumption in the Commonwealth is based on the cost price of each item or article. The tax on taxable services is based on the gross sales of services.

The use tax is imposed on the use or consumption of tangible personal property in the Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in the Commonwealth. This tax applies to (i) tangible personal property purchased outside the Commonwealth that would have been subject to sales tax if purchased in the Commonwealth and (ii) purchases, leases or rentals made in the Commonwealth if the sales tax was not paid at the time of purchase, lease or rental. In general, the tax is based on the cost price of each item or article of tangible personal property used or consumed in the Commonwealth or the cost price of each item or article of tangible personal property stored outside the Commonwealth for use or consumption in the Commonwealth. The Virginia Code provides various exclusions and exemptions to the retail sales and the use tax.

The state and local retail sales and use taxes were increased from 4.0% to 4.5% by the General Assembly in the 1986 Special Session Acts, and increased again in 2004 from 4.5% to 5.0%. The 1986 Special Session designated the tax revenues from a 0.5% sales and use tax to the Transportation Trust Fund. Pursuant to Chapter 766, the 2013

General Assembly increased taxes by 0.3% to 5.3% (a portion of which is allocated to the HMO Fund), and pursuant to Chapter 766 the Commonwealth can collect the tax on online sales, if there is a change in federal law.

***Motor Vehicle Sales and Use Tax.*** A tax based on the gross sales price or gross proceeds is levied upon the sale or use of motor vehicles in the Commonwealth, other than a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business.

The tax applies to the sale price of motor vehicles, mobile homes and mobile offices sold in the Commonwealth, with the exceptions noted above, and to the sale price of motor vehicles, mobile homes and mobile offices not sold in the Commonwealth but used or stored for use in the Commonwealth. Under Commonwealth law, certain motor vehicles are exempt from the sales and use tax. In general, the minimum tax levied on the sale of any motor vehicle in the Commonwealth is \$75.00.

The tax on the sale or use of a motor vehicle is paid by the purchaser or user of the new motor vehicle and collected by the Commissioner of the Department of Motor Vehicles at the time the owner applies to that Department for, and obtains, a certificate of title. No tax is levied or collected upon the sale or use of a motor vehicle for which no certificate is required by the Commonwealth.

As a result of the 1986 Special Session Acts, this tax increased from 2.0% to 3.0%, effective January 1, 1987. Since then, the General Assembly has appropriated the net additional revenues generated by the increase to the Transportation Trust Fund. As a result of Chapter 766, effective July 1, 2013, this tax increased from 3.0% to 4.0%, and will increase by 0.05% on each successive July 1 up to and including July 1, 2016, at which time the rate will equal 4.15%.

***Motor Fuels Tax.*** A tax is levied on motor fuels sold and delivered or used in the Commonwealth. Certain categories of motor fuels, however, are exempt from this tax under Virginia Code Section 58.1-2226, including, but not limited to, fuel for the exclusive use of the governments of the United States, the Commonwealth and the Commonwealth's political subdivisions and diesel fuel used for certain purposes. The motor fuels tax is collected by and paid to the Commonwealth only once in respect to any motor fuels. All aviation fuels that are sold and delivered or used in the Commonwealth are taxed. Synthetic motor fuel produced in the Commonwealth from coal is subject to an incremental tax. Likewise, motor fuels refined in the Commonwealth exclusively from crude oil produced in the Commonwealth in a refinery meeting certain specifications are subject to an incremental tax.

Each dealer or limited dealer in motor fuels must file monthly a report with the Commissioner of the Department of Motor Vehicles showing, among other things, the quantity of motor fuels and aviation fuel used, sold, or delivered during the preceding month. The motor fuels tax must be paid at the time the report is rendered to the Commissioner.

***Motor Vehicle Annual Registration Fees.*** The annual registration fee collected by the Commissioner of the Department of Motor Vehicles for all motor vehicles, trailers and semi-trailers was increased \$3 per vehicle by the 1986 Special Session Acts, and the General Assembly has appropriated the net additional revenues from this fee increase to the Transportation Trust Fund.

***Other Motor Vehicle Related Taxes.*** Pursuant to Chapter 766, certain other taxes related to motor vehicles are levied and a portion of the revenues are appropriated to the Transportation Trust Fund. Such taxes include items (ii) through (v) of the Fuels Tax described in the subsection "- Chapters 766 and 684 and the Transportation Trust Fund."

***Recordation Taxes.*** Recordation taxes are imposed on every deed and deed of trust (mortgage) admitted to record in the Commonwealth subject to certain exceptions and exemptions. Chapter 896 of the Acts of Assembly, 2007 Regular Session, effective July 1, 2008, provides that, of the state recordation taxes imposed pursuant to § 58.1-801 and § 58.1-803 of the Virginia Code, the revenues collected each Fiscal Year from \$0.02 of the total tax imposed under each section are appropriated for and deposited into the Transportation Trust Fund.

**Priority Transportation Fund Revenues.** The General Assembly established the Priority Transportation Fund in 2000 under § 33.2-1527 of the Virginia Code, which was amended in (i) the first enactment clause of Chapter 896 of the Acts of the General Assembly of the Commonwealth of Virginia 2007 Regular Session ("Chapter 896") and (ii) the first enactment clause of Chapter 766. The Priority Transportation Fund is a special non-reverting fund of the Transportation Trust Fund held in the state treasury. All revenues as may be designated in an appropriation act by the General Assembly for deposit to the Priority Transportation Fund shall be paid into the state treasury and credited to the Priority Transportation Fund. Effective July 1, 2013, such revenues include:

(1) One-third of the revenues derived from the annual license tax imposed on insurance companies doing business in the Commonwealth under Chapter 25 of Title 58.1 of the Virginia Code, with certain adjustments as described below (the "PTF Insurance Tax Revenues");

(2) A certain portion of the revenues derived from taxes imposed on motor fuels under the Virginia Fuels Tax Act, Chapter 22 (§ 58.1-2200 et seq.) of Title 58.1 of the Virginia Code (the "PTF Motor Fuels Tax Revenues");

(3) All revenues that exceed the official forecast, pursuant to § 2.2-1503 of the Virginia Code, for (i) the Highway Maintenance and Operating Fund and (ii) the allocation to highway and mass transit improvement projects as set forth in § 33.2-1526 of the Virginia Code, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Airport Fund under such section; and

(4) Any other such funds as may be transferred, allocated, or appropriated

#### **Economic Conditions Affecting the Transportation Trust Fund**

The availability of revenues in the Transportation Trust Fund is dependent on a number of economic factors. The bulk of such revenues consists of the motor fuels taxes and retail sales and use taxes described above in this Section, which may fluctuate based on, among other things, the condition of the Commonwealth and national economies, population growth, income and employment levels, levels of tourism, weather conditions, fuel prices, road conditions, and the availability of alternate modes of transportation. There can be no assurance that downturns in any of the numerous factors affecting these revenues will not significantly affect the availability of revenues in the Transportation Trust Fund to make timely payments on the GARVEE Notes, including the 2016 Notes, if tax collections and other elements of the Priority Transportation Fund are not available therefor. See Appendix C, "*Commonwealth of Virginia, Demographic and Economic Information*" for certain information regarding some of these factors. The availability of revenues in the Transportation Trust Fund is also subject to appropriation by the General Assembly, and the expected initial source of repayment of the 2016 Notes is Federal Highway Reimbursements. See the section "*Sources of Payment and Security for the GARVEE Notes.*"

**There is no assurance that any of these taxes or fees will remain in effect or that they will continue at their current levels. The General Assembly is under no obligation to continue the appropriation of the net additional revenues generated by the 1986 Special Session Acts, Chapter 766 or Chapter 896 to the Transportation Trust Fund as for other transportation-related purposes. Further unanticipated costs related to delayed, altered or terminated major transportation projects may be paid from the Transportation Trust Fund.**

#### **AUTHORIZED, ISSUED AND UNISSUED BONDS PAYABLE FROM TRANSPORTATION TRUST FUND**

The General Assembly has enacted from time to time legislation providing for the issuance of revenue bonds for transportation facilities which are payable from various sources, including appropriations from the Transportation Trust Fund. Set forth below are descriptions of the financing programs for highway projects, the bonds for which the General Assembly has committed, subject to appropriation, to pay from Transportation Trust Fund revenues. The descriptions include the credit structure of and the authorized, issued and unissued bonds under each such program. **The Transportation Board makes no representation that the General Assembly will maintain the Transportation Trust Fund or that the General Assembly will not repeal or materially modify the statutes governing any of the programs described below, including the amount of bonds authorized**

**thereunder, or the Transportation Trust Fund.** See the subsections "*Transportation Trust Fund – General,*" "*Chapters 766 and 684*" and "*– Sources of Revenues.*"

### **Transportation Revenue Bonds**

***Northern Virginia Transportation District Program.*** The General Assembly enacted legislation in 1993, as amended in the 1994, 1998, 1999, 2002 and 2005 Regular Sessions ("NVTB Bond Legislation") that authorized the Transportation Board to issue Transportation Revenue Bonds ("NVTB Bonds"), pursuant to the Revenue Bond Act, as amended, in the amount of \$500,200,000, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses for certain projects in the Northern Virginia Highway Construction District (the "NVTB Program"). Refunding bonds are not included in this limit. It is expected that revenue for payment of the debt service on the NVTB Bonds will be provided from funds appropriated by the General Assembly from (i) the Northern Virginia Transportation District Fund (the "NVTB Fund"), (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or the city or county in which the project or projects to be financed by the NVTB Bonds are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly. The legislation creating the NVTB Fund currently provides that annually on July 1, there is to be transferred to the NVTB Fund, subject to appropriation by the General Assembly, (1) a portion of the collections of the state recordation taxes that are attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William (the "NVTB Jurisdictions"), (2) any public rights-of-way use fees appropriated by the General Assembly, (3) any state or local revenues which may be deposited to the NVTB Fund pursuant to a contract between an NVTB Jurisdiction and the Transportation Board, and (4) any other funds as may be appropriated by the General Assembly and designated for the NVTB Fund and all earnings on the NVTB Fund. Since its first issuance in 1993, the Transportation Board has issued \$477,870,000 in NVTB Bonds, which includes amounts to cover issuance costs, reserve funds, and other financing expenses, to finance the costs of the NVTB Program plus an additional \$381,595,000 to refund NVTB Bonds that had been previously issued. Of the total amount of NVTB Bonds issued, \$180,860,000 is currently outstanding.

***U.S. Route 58 Corridor Development Program.*** The General Assembly enacted legislation in 1989, as amended in the 1999 Regular Session ("U.S. Route 58 Bond Legislation"), that authorized the Transportation Board to issue Transportation Revenue Bonds ("U.S. Route 58 Bonds"), pursuant to the Revenue Bond Act, in an amount not to exceed \$704,300,000, plus an amount for issuance costs, reserve funds and other financing expenses, to finance a portion of the costs of the development of a modern, safe and efficient highway system generally along the U.S. Route 58 Corridor ("U.S. Route 58 Program"). Refunding bonds are not included in this limit. The U.S. Route 58 Bonds are payable from funds appropriated by the General Assembly from (i) the first \$40,000,000 of annual collections of the state recordation taxes imposed on deeds, deeds of trust, mortgages and certain other instruments, (ii) to the extent required, other revenues legally available from the Transportation Trust Fund, and (iii) to the extent required, other legally available funds. Since its first issuance in 1989, the Transportation Board has issued \$720,110,000 in U.S. Route 58 Bonds, which includes amounts to cover issuance costs, reserve funds, and other financing expenses, to finance the costs of U.S. Route 58 Program plus an additional \$741,815,000 to refund U.S. Route 58 Bonds that had been previously issued. The Transportation Board has issued all the U.S. Route 58 Bonds authorized, not including refunding bonds, under the U.S. Route 58 Bond Legislation. Of the total amount of U.S. Route 58 Bonds issued, \$213,295,000 is currently outstanding.

***Transportation Improvement Program Set-Aside Fund.*** The 1993 Session of the General Assembly also authorized the creation of the Transportation Improvement Program Set-aside Fund (the "Set-aside Fund") for transportation improvements endorsed by the requesting local jurisdiction or jurisdictions affected and to provide for the issuance of Transportation Program Revenue Bonds pursuant to the Revenue Bond Act to finance those improvements. The jurisdiction or jurisdictions requesting participation in the Set-aside Fund and the issuance of bonds must agree that certain distributions of state recordation taxes attributable to them be deposited in the Set-aside Fund by the State Treasurer and used to pay debt service on any Transportation Program Revenue Bonds issued by the Transportation Board to finance the cost of the improvements. Before any bonds may be issued, the improvements to be financed must be approved by the General Assembly.

If amounts in the Set-Aside Fund are insufficient to pay debt service on Transportation Program Revenue Bonds, such Transportation Program Revenue Bonds may be paid, subject to appropriation, from Transportation Trust Fund revenues.

The 1994 Session of the General Assembly authorized the issuance of \$32,500,000 Transportation Program Revenue Bonds, plus an additional amount for issuance costs, capitalized interest, reserve funds and other financing expenses, to finance the cost of the Oak Grove Connector project. In July 1997, the Transportation Board issued bonds to finance the Oak Grove Connector, a portion of which was refunded by the Transportation Program Revenue Bonds Series 2006A, which were themselves refunded by the Series 2016A Bonds (the "Oak Grove Connector Bonds"), of which \$10,100,000, in the aggregate, is currently outstanding. These Transportation Program Revenue Bonds are the only bonds authorized to be paid from the Set-aside Fund.

**Transportation Contract Revenue Bonds.** In the 1988 Regular Session, the General Assembly enacted legislation which authorized the Transportation Board to issue Transportation Contract Revenue Bonds pursuant to the Revenue Bond Act in an amount not to exceed \$160,700,000 to finance the costs of Phase I of the Route 28 project, plus an amount for issuance costs, reserve funds and other financing expenses. Due to a subsequent reduction in the estimated Phase I cost, the Transportation Board issued \$138,483,372.25 of Transportation Contract Revenue Bonds, Series 1988 (the "Series 1988 Bonds"). The balance of the authorization was not required to complete Phase I of the Route 28 project. In the 1990 Session, the General Assembly amended the legislation to permit any proceeds of the Series 1988 Bonds remaining after the completion of Phase I and any of the unissued Transportation Contract Revenue Bonds authorized under the legislation to be applied to Phase II of the Route 28 project. No other bonds have been authorized for Phase II. In 1992, the Transportation Board refunded all of the outstanding Series 1988 Bonds by issuing \$111,680,000 of Transportation Contract Revenue Bonds, Series 1992 (the "Series 1992 Bonds"). The 1993 Session of the General Assembly provided for the rezoning of commercial and industrial property within the Route 28 Transportation Improvement District to residential property provided the property owner makes a one-time payment equal to the projected tax revenues over the life of the Series 1992 Bonds as if the property had remained zoned for commercial or industrial use. In October 2002, the Transportation Board issued bonds in the amount of \$83,820,000 to refund the outstanding principal balance on the Series 1992 Bonds and issued Transportation Contract Revenue Bonds in the amount of \$36,823,667.45 to finance a portion of the costs of Phase II improvements plus an amount for issuance costs. These Transportation Contract Revenue Bonds were issued under a new Master Indenture of Trust, dated as of October 1, 2002 (the "Route 28 Indenture"), with security features similar to those for the Series 1988 Bonds and Series 1992 Bonds. The Series 2002 Bonds are payable from funds appropriated by the General Assembly for such purpose from the following three sources: (i) special tax revenues collected from a tax levied on commercial and industrial property in the Route 28 Transportation Improvement District, (ii) money appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the Northern Virginia Highway Construction District or to the Counties of Fairfax or Loudoun, and (iii) other legally available money in the Transportation Trust Fund. In the Route 28 Indenture, the Transportation Board agrees that it shall issue no further notes, bonds or other evidence of indebtedness under the provisions of the Master Indenture of Trust, dated as of September 1, 1988, pursuant to which the Series 1988 Bonds and Series 1992 Bonds were issued. In May 2012, the Transportation Board issued bonds in the amount of \$50,620,000 to refund a portion of the outstanding Series 2002 Bonds. Of the total amount of Transportation Contract Revenue Bonds issued \$80,340,337 is currently outstanding (as of April 1, 2016).

**Capital Projects Revenue Bonds.** The Commonwealth Transportation Capital Projects Bond Act of 2007, enactment clause 2 of Chapter 896 of the Acts of Assembly, 2007 Regular Session, as amended by Chapters 830 and 868 of the Acts of Assembly, 2011 Regular Session (the "2007 Act"), authorizes the Transportation Board to issue Capital Projects Revenue Bonds as revenue obligations of the Commonwealth at one or more times in an aggregate principal amount not to exceed \$3 billion excluding any refunding Capital Projects Revenue Bonds. The 2007 Act further provides that if the aggregate principal amount issued in any FY is less than \$300,000,000, then the amount by which the issuance is less than \$300,000,000 may be issued in any subsequent FY in addition to the \$300,000,000 authorized in the subsequent FY. Chapters 830 and 868 of the Acts of Assembly, 2011 Regular Session amended the 2007 Act to increase the annual issuance limitation in FYs 2012 and 2013 to \$500,000,000 and \$600,000,000, respectively. The proceeds of the Capital Projects Revenue Bonds authorized by the 2007 Act are to be used to pay the costs of transportation projects and, where appropriate, may be paid to any authority, locality, commission, or other entity for the purposes of paying for the costs of transportation projects. A minimum of 20% of the proceeds is required to be used for transit capital, a minimum of 4.3% of the proceeds is required to be used

for rail capital, and the remaining amount of proceeds is required to be used for paying the costs of transportation projects, with such proceeds used or allocated (i) first to match certain federal highway funds, (ii) next to provide any required funding to fulfill the Commonwealth's allocation of equivalent revenue sharing matching funds, and (iii) third to pay or fund the costs of statewide or regional projects throughout the Commonwealth. Costs for construction or funding of these transportation projects include, but are not limited to, the costs of environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, acquisition, construction and related improvements, and any financing costs or other financing expenses related to the Capital Projects Revenue Bonds. The 2007 Act allows the Transportation Board flexibility, within the statutory requirements, to determine the amount of Capital Projects Revenue Bonds to be used to match federal highway funds and to support the revenue sharing program. The Capital Projects Revenue Bonds are payable from and secured by revenues, receipts and funds appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly, (i) from the revenues deposited into the Priority Transportation Fund, which is a part of the Transportation Trust Fund, (ii) to the extent required, from revenues legally available from the rest of the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds.

Item 456.H. of Chapter 874 of the Acts of Assembly, 2010 Regular Session, as amended by Chapter 890 of the Acts of Assembly, 2011 Regular Session (collectively, the "Appropriation Acts") authorizes the Transportation Board to issue Capital Projects Revenue Bonds at one or more times in an aggregate principal amount not to exceed \$180,000,000, after all costs, with the net proceeds of the Appropriation Act bonds to be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of Assembly, 2007 Regular Session, including but not limited to environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses.

The Transportation Board issued four series of Capital Projects Revenue Bonds in the aggregate principal amount of \$2,241,385,000, of which \$2,026,035,000 is currently outstanding.

## **COMMONWEALTH TRANSPORTATION BOARD AND VIRGINIA DEPARTMENT OF TRANSPORTATION**

### **Commonwealth Transportation Board**

The Transportation Board consists of 18 members, including the Secretary of Transportation of the Commonwealth, the Commissioner of Highways, the Director of the Department of Rail and Public Transportation, the Executive Director of the Virginia Port Authority and fourteen citizen members from various areas of the Commonwealth appointed by the Governor, subject to confirmation by the General Assembly. One member is chosen from each of the Commonwealth's nine highway construction districts, three members are selected as urban at-large members and two members are selected as rural at-large members. In addition to representing rural and urban transportation needs, the at-large members represent the interests of seaport, airport, railway and mass transit users. The Chairman of the Transportation Board is the Secretary of Transportation. Only the fourteen citizen members of the Transportation Board have voting privileges, except that the Chairman has voting privileges in the event of a tie and the Vice Chairman has voting privileges in the event of a tie and when the Vice Chairman is presiding in the absence of the Chairman.

The current membership of the Transportation Board, the expiration dates of their terms and the constituency represented by each member are as follows:

<u>Member</u>	<u>Term Expires</u>	<u>Constituency</u>
Aubrey L. Layne, Jr.	At the Pleasure of the Governor	Chairman, Transportation Board; Secretary of Transportation
Gary Garczynski	At the Pleasure of the Governor	Vice Chairman, Transportation Board; Commissioner of Highways
Jennifer Mitchell	At the Pleasure of the Governor	Director, Department of Rail and Public Transportation
John R. Reinhart	At the Pleasure of the Governor	Executive Director, Virginia Port Authority
Carlos M. Brown	June 30, 2019	Richmond District
Alison DeTuncq	June 30, 2018	Culpeper District
Hollis D. Ellis	June 30, 2017	At-Large Urban
E. Scott Kasproicz	June 30, 2017	At-Large Urban
William H. Fralin, Jr.	June 30, 2017	Salem District
Mary Hughes Hynes	June 30, 2020	Northern Virginia District
John Malbon	June 30, 2017	Hampton Roads District
Court G. Rosen	June 30, 2018	At-Large Rural
Greg Yates	June 30, 2020	At-Large Rural
Jerry L. Stinson, II	June 30, 2020	Bristol District
Marty Williams	June 30, 2018	At-Large Urban
Shannon Valentine	June 30, 2019	Lynchburg District
Henry Connors, Jr.	June 30, 2018	Fredericksburg District
F. Dixon Whitworth, Jr.	June 30, 2020	Staunton District

**Aubrey L. Layne, Jr.** was appointed as Secretary of Transportation of the Commonwealth by Governor Terence R. McAuliffe in January 2014. The Transportation Secretariat provides a wide array of products and services including road construction and repairs, rest area maintenance, regulating sea ports, airports and rail, and issuing license plates and driver's licenses. Prior to being named Secretary, Mr. Layne was President of Achievable Dream Academies in Newport News, Virginia. He began his association with An Achievable Dream over 10 years ago as a Board Member and Endowment Fund Chairman. Prior to joining An Achievable Dream, Mr. Layne was President and Principle Broker of Great Atlantic Properties. He joined the company in 1994 and was responsible for the operational activities, new business acquisition, and capital improvement strategy as well as banking and investor relationships. Before joining Great Atlantic, Mr. Layne worked in a retail business, Jofheimer's Inc., for ten years, most recently as its President. Prior to Hofheimer's, he was a CPA with KPMG where he began his professional career after college. Mr. Layne earned a B.S. in Accounting from The University of Richmond (1979), is a Virginia Certified Public Accountant and received an MBA from Old Dominion University with a concentration in International Business (1997). In 2011, Mr. Layne completed the University of Virginia's Sorensen Institute for Political Leaders program.

### **Virginia Department of Transportation**

VDOT has the responsibility for construction, maintenance and operation of the Commonwealth highway system under legislation enacted by the General Assembly and in accordance with policies and procedures adopted by the Transportation Board.

VDOT's budget for FY 2017 is approximately \$5.4 billion. As of September 1, 2016, VDOT had 153 construction projects underway for an aggregate amount of approximately \$2.4 billion, with an outstanding balance to be paid of approximately \$1.3 billion as these projects progress towards completion. Additionally, VDOT had 470 maintenance projects underway for an aggregate amount of approximately \$876,600,000, with an outstanding balance to be paid of approximately \$515,900,000 as these projects progress towards completion.

The Commonwealth has the nation's third largest system of state-maintained highways totaling approximately 58,000 miles of interstate, primary and secondary roads. The system includes approximately 21,000 bridges and culverts. In addition, independent cities and towns maintain about 11,600 miles of local streets and receive funds from the Transportation Board for such purpose.

The Commonwealth is divided geographically into nine construction districts for highway purposes as follows:

Bristol District	Hampton Roads District	Richmond District
Culpeper District	Lynchburg District	Salem District
Fredericksburg District	Northern Virginia District	Staunton District

These districts are divided into 29 residencies, each typically consisting of one to four counties. The field organization is further subdivided into 248 other locations across the Commonwealth that provide area maintenance. About 81% of VDOT's nearly 7,346 employees (as of September 1, 2016) are assigned to the field organization. The remainder is assigned to the central office in Richmond or to units associated with the central office that serves an administrative function.

### **Financial Accountability and Program Delivery**

VDOT has been focused on the continuous improvement of its financial accountability and program delivery processes for more than a decade now. The agency has developed a long-term strategic vision and uses a business plan with performance goals and strategies. Transparency of operations has been enhanced through the creation of a public Dashboard, and the streamlining of operations, reorganization and the improvement of business practices have been a major focus.

Each quarter, VDOT prepares a performance report for review with the Commonwealth Transportation Board. Since tracking began in 2001, VDOT's performance shows a continued trend of improvement.

For Fiscal Year 2015 the agency attained on-time and on-budget performance goals by delivering more than 84% of all construction and maintenance projects on or before their original due dates, and by completing more than 89% of those projects within their budgets. In comparison, when tracking started in 2001 only 20% of construction contracts and 38% of maintenance contracts were delivered on time, while less than 60% were completed within budget.

The Current SYIP for Fiscal Years 2017 through 2022, adopted by the Transportation Board in June 2016, is based on the interim revenue forecast updates and cost estimates available. The issuance of Capital Projects Revenue Bonds and the utilization of existing authorization for the issuance of GARVEEs are reflected in the adopted Current SYIP. The program reflects the Transportation Board's commitment to citizen safety, by prioritizing critical safety and maintenance needs of the existing transportation system. The priorities of the update to the Current SYIP include: funding complete project phases, maximizing the use of federal funding, funding deficient bridges and paving projects, and adjustments for the preparation of implementing project prioritization as called for in House Bill 2 (2014 General Assembly Session). The Transportation Board and VDOT strive to be flexible with their project selection and implementation by proceeding with projects in phases. By doing so, the Transportation Board and VDOT remain able to allocate resources between projects in the event that funding decreases or is interrupted.

### **Virginia Department of Transportation Staff**

*Charles A. Kilpatrick* was named Commissioner of Highways in January 2014. Previously, he served as Chief Deputy Commissioner since July 2010. Mr. Kilpatrick is a native Virginian, raised in Fairfax County. He graduated from Virginia Tech in 1986 with a bachelor's degree in civil engineering and is a licensed professional engineer. Mr. Kilpatrick began his professional career with Fairfax County government, reviewing, and then managing, land development and public improvement projects in the county. After seven years, he joined VDOT in Fredericksburg as the Assistant Resident Engineer. He later became Resident Engineer, managing and directing land development, maintenance, and construction. During his 10-year tenure, Mr. Kilpatrick became a Leadership Development and Customer Service Coach and served as the Chair of the Statewide Resident Engineers Committee. In 2004, Mr. Kilpatrick left state service to work for the Silver Companies, a major mixed-use and commercial development

company headquartered in Fredericksburg, Virginia and Boca Raton, Florida. As the Vice President for Construction, he managed all commercial construction activities in Virginia. These projects included significant public roadway and infrastructure improvements, as well as innovative financing techniques.

**Quintin E. Elliott** was named Chief Deputy Commissioner of VDOT in January 2014. Previously, he served as the administrator of VDOT's Fredericksburg district. In that capacity, he oversaw VDOT's construction and maintenance on more than 11,500 miles of state-maintained roads in the 14-county region and directed approximately 460 employees. He served as acting district administrator in VDOT's Culpeper District for a year. Mr. Elliott served as VDOT's state asset management division administrator from 2002-2007 where he directed the maintenance and inventory of the Commonwealth's state highways and VDOT's assets in the state highway system, such as bridges, tunnels, and equipment. He served as special assistant to the assistant commissioner for operations and the chief engineer in 2002. After graduating from college and starting his VDOT career as a transportation engineer trainee in 1985, he served as assistant resident engineer in VDOT's Franklin and Williamsburg residencies, becoming Williamsburg resident engineer in 1991. He holds a bachelor's degree in civil engineering from the Virginia Military Institute. During his VDOT career, Elliott served in the Virginia Air National Guard. He retired in 2008 as Commander/Officer in Charge of the 192 Civil Engineering Squadron and the 203 Red Horse Squadron Heavy Equipment Flight. He earned several awards and decorations for his military service, most notably the Meritorious Service Medal for his service during Operation Iraqi Freedom.

**John W. Lawson** became VDOT's Chief Financial Officer in October 2010. In his position, he oversees the agency's \$5.4 billion budget and is responsible for the leadership and execution of the agency's financial planning, fiscal management, debt and toll operations programs. Mr. Lawson holds an associate degree of science and arts from Rappahannock Community College, a bachelor's degree in accounting from Christopher Newport University, and is a graduate of the Virginia Executive Institute. Mr. Lawson worked as an accountant with Engineering Incorporated in Hampton before joining VDOT in 1987. He has served in several financial positions with VDOT in the fiscal division, starting as an accountant and advancing to an assistant division administrator. In 2001, Mr. Lawson became Director of Financial Planning, a position he held until 2010. He has served in a senior advisor role to several administrations and has provided strategic financial oversight to VDOT's senior management, the Secretary of Transportation and the Commonwealth Transportation Board for more than two decades.

## **THE 2016 PROJECT**

The Transportation Board expects to use the proceeds of the 2016 Notes to pay a portion of costs associated with the transportation projects set forth below.

- |                                                                  |                                                          |
|------------------------------------------------------------------|----------------------------------------------------------|
| · I-64 Segment I Capacity Improvements                           | · Transform 66 Outside the Beltway                       |
| · Route 29/Rte. 460 Interchange and Extension (Odd Fellows Road) | · Route 682 Reconstruction                               |
| · Greenview Drive Widening                                       | · Emmet Street Corridor and Streetscape & Intersections  |
| · I-66/ Route 15 Interchange Reconstruction                      | · Route 10                                               |
| · Route 95 Relocation of Interchange at Route 630                | · Route 64 Widening                                      |
| · Fall Hill Avenue Bridge Reconstruction and Widening            | · I-81 Northbound Auxiliary Lane                         |
| · Route 165 and Route 13 Widening                                | · Route 277 Widening                                     |
| · I-95 Southern Extension Express Lanes                          | · Route 11 S. Valley Pike Roadway Improvements           |
| · I-66 Inside the Beltway Initiatives                            | · I-81 at Rte. 75 Interchange Modification               |
| · Odd Fellows Road Segment B2                                    | · Route 15/17/29 and Route 15/17/29 Business Interchange |
| · Route 7 Corridor Improvements Phase I and Phase II             | · Route 3 Passing Lanes                                  |
| · Route 58/ Holland Road Corridor Improvements                   | · Indian River Road Ph7A                                 |

In the event that any component of the 2016 Project is delayed, altered or terminated, VDOT and the Transportation Board expect (i) as contemplated by the Indenture, to pay the debt service on the 2016 Notes, without interruption, from the monies pledged as part of the Trust Estate, which include: (A) all reimbursements and assistance received by the Transportation Board from the Federal Highway Administration including Indirect Reimbursements unrelated to projects associated with GARVEE Notes, and (B) funds from the Transportation Trust Fund appropriated for such purposes by the General Assembly, and (ii) if necessary, to substitute or add an

additional eligible project or projects and use proceeds of the 2016 Notes that were expected to be used to pay certain costs of the 2016 Project for such project or projects in accordance with the requirements of the GARVEE Notes Program and the MOA. See the subsections "*The GARVEE Notes Program – Memorandum of Agreement*," and "*Sources of Payment and Security for the GARVEE Notes – Flow of Revenues under the Indenture; 'Back-Stop' Pledge of Indirect Reimbursements*" and "*– Payment Agreement*" and the section "*Debt Service Coverage*."

## **CERTAIN LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the 2016 Notes will be subject to the approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Transportation Board upon delivery of the 2016 Notes, substantially in the form set forth in Appendix E. Bond Counsel's opinion will be limited to matters relating to the authorization and the validity of the 2016 Notes and to the federal income status of interest on the 2016 Notes, as described in the section "*Tax Matters*." Bond Counsel has not been engaged to investigate the financial resources of the Transportation Board, the Commonwealth or the ability to provide for payment of the 2016 Notes, and Bond Counsel's opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase the 2016 Notes.

Certain legal matters will be passed upon for the Commonwealth by the Office of the Attorney General of Virginia and for the Underwriters by \_\_\_\_\_.

## **TAX MATTERS**

### **Opinion of Bond Counsel – Federal Income Tax Status of Interest**

Bond Counsel's opinion will state that, under current law, interest on the 2016 Notes (including any accrued "original issue discount" properly allocable to the owners of the 2016 Notes) (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Code, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (a "Specific Tax Preference Item"). However, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes under Section 56 of the Code), interest on the 2016 Notes must be included in computing adjusted current earnings. See Appendix E, "*Form of Bond Counsel Opinion*."

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the 2016 Notes.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the 2016 Notes for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the Transportation Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Transportation Board has covenanted, however, to comply with the requirements of the Code.

### **Reliance and Assumptions; Effect of Certain Changes**

In delivering its opinion regarding the treatment of interest on the 2016 Notes, Bond Counsel is relying upon certifications of representatives of the Transportation Board, the Underwriters and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants, as hereinafter defined, by the Transportation Board. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the 2016 Notes in order for interest on the 2016 Notes to be and remain excludable from gross income for purposes of federal income taxation and not become a Specific Tax Preference Item. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the 2016 Notes and the use of the property financed or refinanced by the 2016 Notes,

limitations on the source of the payment of and the security for the 2016 Notes and the obligation to rebate certain excess earnings on the gross proceeds of the 2016 Notes to the United States Treasury. The tax compliance agreement to be entered into by the Transportation Board with respect to the 2016 Notes contains covenants (the "Covenants") under which the Transportation Board has agreed to comply with such requirements. Failure by the Transportation Board to comply with the Covenants could cause interest on the 2016 Notes to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2016 Notes from becoming includable in gross income for Federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the 2016 Notes.

Certain requirements and procedures contained, incorporated or referred to in the tax compliance agreement, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the 2016 Notes from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2016 Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the 2016 Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the 2016 Notes.

Prospective purchasers of the 2016 Notes should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the 2016 Notes, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments to any 2016 Note owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2016 Note owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

### **Original Issue Discount**

The "original issue discount" ("OID") on any 2016 Note is the excess of such 2016 Note's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such 2016 Note. The "issue price" of a 2016 Note is the initial offering price to the public at which price a substantial amount of such 2016 Notes of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The issue price for each maturity of the 2016 Notes is expected to be the initial public offering price set forth on the inside front cover page of this Official Statement (or, in the case of Notes sold on a yield basis, the initial offering price derived from such yield), but is subject to change based on actual sales. OID on the 2016 Notes with OID (the "OID Notes") represents interest that is excludable from gross income for purposes of federal and Virginia income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Note in each year may be included in determining the alternative minimum tax and the

distribution requirements of certain investment companies and may result in some of the collateral federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Notes should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral federal and Virginia income tax consequences although the owner may not have received cash in such year.

Interest in the form of OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Note is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Note, the amount of OID that is treated as having accrued on such OID Note is added to the owner's cost basis in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for federal income tax purposes. The accrual of OID and its effect on the redemption, sale or other disposition of OID Notes that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Notes should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale or redemption of such OID Notes and with respect to state and local tax consequences of owning OID Notes.

#### **Note Premium**

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note, determined based on constant yield principles. An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

#### **Possible Legislative or Regulatory Action**

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the Transportation Board as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and various State legislatures. Such legislation may effect changes in federal or State income tax rates and the application of federal or State income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or State income

tax purposes. The U.S. Department of the Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or State tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or State tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or State tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **Opinion of Bond Counsel – Virginia Income Tax Consequences**

Bond Counsel's opinion also will state that, under current law, interest on the 2016 Notes is exempt from income taxation within the Commonwealth. Bond Counsel will express no opinion regarding (i) other Virginia tax consequences arising with respect to the 2016 Notes or (ii) any consequences arising with respect to the 2016 Notes under the tax laws of any state or local jurisdiction other than Virginia. Prospective purchasers of the 2016 Notes should consult their own tax advisors regarding such other Virginia tax consequences or the tax status of interest on the 2016 Notes in a particular state or local jurisdiction other than Virginia.

## **LEGALITY FOR INVESTMENT**

The GARVEE Act provides that the 2016 Notes are securities in which all public officers and bodies of the Commonwealth and its political subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees and other fiduciaries in the Commonwealth may properly and legally invest funds under their control.

No representation is made as to the eligibility of the 2016 Notes for investment or for any other purpose under the laws of any other state.

## **LITIGATION**

There is no litigation now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the 2016 Notes or in any way contest or affect the validity of the 2016 Notes, any proceeding of the Transportation Board or the Treasury Board taken with respect to their issuance or sale, or any appropriation of funds to pay debt service on the 2016 Notes.

See the section "*Litigation of the Commonwealth*" in Appendix B for a discussion of litigation pending against the Commonwealth.

## **CONTINUING DISCLOSURE**

### **Rule 15c2-12 in General**

Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), prohibits an underwriter from purchasing or selling municipal securities unless it has determined that the issuer of such securities and/or other persons deemed to be materially "obligated persons" (hereinafter referred to as "MOPs" and each, a "MOP") have committed to provide (i) on an annual basis, certain financial information and operating data (collectively, "Annual Reports") and (ii) notice of the events described in Rule 15c2-12 ("Event Notices"), to the Municipal Securities Rulemaking Board (the "MSRB").

### **Transportation Board Continuing Disclosure**

The Transportation Board will covenant in a Continuing Disclosure Agreement in substantially the form set forth in Appendix F, for the benefit of the holders of the 2016 Notes, to provide to the MSRB Annual Reports with

respect to itself as issuer and the GARVEE Notes Program. Similarly, the Transportation Board will provide Event Notices to the MSRB.

The Transportation Board is aware that it has not complied with certain continuing disclosure undertakings as described below. In making timely filings of its Annual Reports for Fiscal Year 2011, the Transportation Board inadvertently neglected to connect the Oak Grove Connector Bonds' CUSIP information to its Annual Reports. The Transportation Board subsequently remedied the inadvertent omission. In addition, the Transportation Board did not timely file notice of a rating upgrade for one of its bond programs. The Transportation Board has taken steps to ensure future compliance with its undertakings regarding Rule 15c2-12.

### **Commonwealth Continuing Disclosure**

The Commonwealth, which the Transportation Board has determined to be a MOP for purposes of Rule 15c2-12, will covenant in a Continuing Disclosure Agreement, in substantially the form set forth in Appendix F, to be executed prior to the issuance of the 2016 Notes for the benefit of the holders of the 2016 Notes, to provide to the MSRB Annual Reports with respect to the Commonwealth. Similarly, the State Treasurer will provide Event Notices to the MSRB on rating changes with respect to the Commonwealth's general obligation bonds.

In making timely filings of its Annual Reports for Fiscal Years 2011-2013, the CUSIP information necessary to link such filings to (i) each series of the Commonwealth Transportation Board's Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes was inadvertently omitted from such filings for Fiscal Year 2011 and (ii) each series of the Virginia Resources Authority's Infrastructure Revenue Bonds and Moral Obligation Bonds was inadvertently omitted from such filings for Fiscal Years 2011-2013, was inadvertently omitted from such filings. Such filings were otherwise available from the MSRB with respect to other Commonwealth undertakings. The Commonwealth has taken steps to ensure future compliance with its undertakings regarding Rule 15c2-12.

## **RATINGS**

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. assigned the 2016 Notes ratings of "\_\_\_" and "\_\_\_", respectively.

Such ratings reflect only the respective views of such organizations. Reference should be made to the individual rating agency for a fuller explanation of the significance of the rating assigned by such rating agency. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by any of the rating agencies if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of ratings may have an adverse effect on the market price of the 2016 Notes.

## **UNDERWRITING**

The 2016 Notes are being purchased by the Underwriters. The purchase contract for the 2016 Notes (the "Note Purchase Agreement") sets forth the obligation of the Underwriters to purchase the 2016 Notes at a price equal to \$\_\_\_\_\_ (which reflects the par amount of the 2016 Notes [plus/minus net original issue premium/discount] of \$\_\_\_\_\_ and less an underwriting discount of \$\_\_\_\_\_) and is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Note Purchase Agreement provides that the Underwriters will purchase all of the 2016 Notes if any are purchased. The Underwriters may offer and sell the 2016 Notes to certain dealers (including dealers depositing the 2016 Notes into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. The public offering prices may be changed from time to time at the discretion of the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory

and investment banking services for the Transportation Board or the Commonwealth, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Transportation Board or the Commonwealth.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

### **FINANCIAL ADVISOR**

Public Resources Advisory Group ("PRAG"), New York, New York, is serving as financial advisor to the Transportation Board on the issuance of the 2016 Notes. PRAG has assisted in the preparation of this Official Statement and in matters relating to the planning, structuring and issuance of the 2016 Notes and has provided other advice. PRAG is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal or any other negotiable instruments.

### **MISCELLANEOUS**

The references in this Preliminary Official Statement to the Indenture, the Payment Agreement, and other documents are brief outlines of certain of their provisions. These outlines do not purport to be complete and reference is made to such documents, copies of which will be furnished by the Transportation Board, upon request made to John W. Lawson, Chief Financial Officer, Virginia Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219 (telephone: 804-786-2707).

So far as any statements made in this Preliminary Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Preliminary Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the 2016 Notes.

The purpose of this Preliminary Official Statement is to supply information to prospective buyers of the 2016 Notes. All quotations from and summaries and explanations of laws contained in this Preliminary Official Statement do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

The Transportation Board has deemed this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12.

The distribution of this Preliminary Official Statement has been duly authorized by the Transportation Board.

### **COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_  
Aubrey L. Layne, Jr., Chairman

**APPENDIX A**

**DEFINITIONS AND SUMMARIES OF THE INDENTURE  
AND THE PAYMENT AGREEMENT**

**DEFINITIONS AND SUMMARIES OF  
THE INDENTURE AND THE PAYMENT AGREEMENT**

**DEFINITIONS**

In addition to the terms previously defined in this Official Statement, the following words used in this summary will have the following meanings unless a different meaning clearly appears from the context:

**"Accreted Value"** means any amount defined as such in a Supplemental Indenture for purposes of determining the Note Payments on, certain rights of the Owner of or certain other matters with respect to a Capital Appreciation Note.

**"Accretion Date"** means any date defined as such in a Supplemental Indenture for purposes of determining the Accreted Value or Maturity Value of a Capital Appreciation Note.

**"Act"** means, collectively, the Transportation Development and Revenue Bond Act and the Note Act.

**"Authorized Board Representative"** means (i) the Chairman or (ii) any other officer or employee of the Transportation Board authorized by law or by a writing signed by the Chairman to act as an Authorized Board Representative under the Master Indenture or any Supplemental Indenture.

**"Balloon Indebtedness"** means any Notes 25% or more of the principal payments of which are due in a single Federal Fiscal Year, which portion of the principal is not required by the Supplemental Indenture authorizing the issuance of such Notes to be amortized by payment or redemption prior to such Federal Fiscal Year.

**"Bond Counsel"** means a firm of attorneys with nationally recognized expertise in the issuance of municipal securities, the interest on which is excluded from gross income for federal income tax purposes.

**"Business Day"** means any day other than a Saturday, a Sunday or a day on which banks in New York, New York, Richmond, Virginia or any city identified in a Supplemental Indenture are authorized by law to remain closed.

**"Capital Appreciation Note"** means a Note the interest on which is compounded and accumulated at the rate and on the dates set forth in the related Supplemental Indenture and is payable upon redemption or on the maturity date of such Note or on the date, if any, upon which such Note becomes a Current Interest Note.

**"Chairman"** means the Chairman or Vice Chairman of the Transportation Board.

**"Code"** means the Internal Revenue Code of 1986, as amended, and any successor statute. Each citation to a Code section shall include the applicable Treasury Regulations, revenue procedures, revenue rulings and notices.

**"Commonwealth"** means the Commonwealth of Virginia.

**"Costs"** or **"Costs of the Project"** means, with respect to a Project, any or all costs described in subsection (5) or (6), as applicable, of Section 33.2-1700 of the Virginia Code.

**"Credit Facility"** means any letter of credit, insurance, stand-by credit or liquidity agreement or other form of credit ensuring timely payment of any Notes, including the Note Payments on or the purchase price of such Notes, which is entered into in accordance with the Master Indenture.

**"Current Interest Note"** means a Note on which interest is payable on Interest Payment Dates prior to maturity or redemption prior to maturity.

**"Debt Service Fund"** means the Debt Service Fund, a special fund created by the Master Indenture in accordance with the Act.

**"Defeasance Escrow Account"** means any trust account into which money and/or Defeasance Securities are deposited for the purpose of defeasing any Notes in accordance with the Master Indenture.

**"Defeasance Securities"** means Permitted Investments that, at the time they are deposited into a Defeasance Escrow Account:

(a) either (i) cannot be redeemed prior to maturity at the option of any Person other than the owner thereof or (ii) the redemption date of which has been irrevocably fixed by an irrevocable exercise of an option to redeem on such date or an irrevocable covenant to exercise an option to redeem on such date (in which case the fixed redemption date shall be treated as the maturity date); and

(b) either (i) are direct obligations of the United States government or (ii) obligations the principal of and interest on which are unconditionally guaranteed by the United States government, or any combination thereof.

**"Department"** means the Virginia Department of Transportation.

**"Event of Default"** means any one or more of those events set forth in the Master Indenture as follows: (i) default in the payment of any portion of the Note Payments on any Note when due; (ii) subject to certain provisions of the Master Indenture, failure by the Transportation Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Master Indenture; and (iii) any additional Event of Default set forth in a Supplemental Indenture.

**"Expenditures"** means expenditures made from the Highway Maintenance and Operating Fund and the Transportation Trust Fund that may be reimbursed from Federal Highway Reimbursements in the Federal Fund after provision for the payments and deposits is set forth in the Master Indenture and described below in the subsection *"Creation of Funds – Flow of Funds from Federal Fund to Debt Service Fund."*

**"Federal Aid Agreement"** means one or more agreements, including the Memorandum of Agreement, or memoranda of understanding between the Transportation Board and FHWA pursuant to which FHWA agrees to pay Federal Highway Reimbursements to pay or to reimburse the Transportation Board for Note Payments for Notes issued to finance specific Projects, as such agreement or agreements may be supplemented, amended or modified or replaced by another agreement or instrument regarding the payment of Federal Highway Reimbursements by FHWA to pay or to reimburse the Transportation Board for Note Payments.

**"Federal Fiscal Year"** means the period commencing on October 1 in each calendar year and ending on the last day of September of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the federal government as its fiscal year.

**"Federal Fund"** means the subaccount with the Transportation Trust Fund, established according to Sections 33.2-1524 and 33.2-1525 of the Virginia Code, into which all Federal Highway Reimbursements are deposited. The Federal Fund is sometimes referred to the "Federal Highway Fund" in the Department's annual reports and other documentation.

**"Federal Highway Reimbursements"** means all federal-aid highway construction reimbursements and any other federal highway assistance received from time to time by the Commonwealth under or in accordance with Title 23 of the United States Code or any successor program established under federal law from the Federal Highway Administration and any successor or additional federal agencies.

**"FHWA"** means the United States Department of Transportation, Federal Highway Administration, its successors and assigns and any other agency or branch of government of the United States which succeeds to the powers of FHWA, which term includes the United States Secretary of Transportation and any other appropriate officer of FHWA with authority to grant approvals or consents or to take other appropriate action as is necessary to approve the Projects, federal grants to finance the Projects and the payment of Note Payments and to take such other action as is necessary for those purposes under Title 23.

**"Highway Maintenance and Operating Fund"** means the fund by that name maintained by the Department to account for revenues and expenditures for the general administration of the Department, the maintenance of highways, assistance to localities in the Commonwealth, and support to other state agencies. The Highway Maintenance and Operating Fund is not part of the Transportation Trust Fund.

**"Indirect Reimbursements"** means Federal Highway Reimbursements other than Project-Specific Reimbursements.

**"Interest Payment Date"** means any date defined as such in a Supplemental Indenture for purposes of paying the interest on a Series of Current Interest Notes.

**"Interest Rate Exchange Agreement"** means any interest rate exchange agreement authorized by law and entered into with respect to the Notes or any portion of the Trust Estate that is entered into in accordance with the Master Indenture.

**"Master Indenture"** means the Master Trust Indenture dated as of February 1, 2012 between the Transportation Board and the Trustee, and any supplement or amendment hereto.

**"Maturity Value"** means any amount defined as such in a Supplemental Indenture for purposes of determining the amount payable to the Owner of a Capital Appreciation Note at the maturity of such Capital Appreciation Note.

**"Memorandum of Agreement" or "MOA"** means the Memorandum of Agreement between FHWA and the Transportation Board, dated as of December 28, 2011, as supplemented or amended from time to time in accordance with the terms thereof.

**"New Money Notes"** means Notes issued for the purpose of financing the Projects.

**"Note Act"** means the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011, Article 4, Chapter 15, Title 33.2 of the Virginia Code.

**"Note Payment Date"** means each date on which Note Payments are due and includes, but is not limited to, the maturity date of any Note; each Interest Payment Date for each Current Interest Note; and the mandatory sinking fund redemption dates of term Notes that are subject to mandatory sinking fund redemption in accordance with a mandatory sinking fund redemption schedule set forth in a Supplemental Indenture.

**"Note Payments"** means (i) with respect to a Current Interest Note, the interest due on such Note on each Interest Payment Date and the principal, redemption premium, if any, and interest due on such Note at maturity or on the redemption date; (ii) with respect to a Capital Appreciation Note, the Maturity Value due on such Note at maturity; (iii) with respect to term Notes that are subject to mandatory sinking fund redemption in accordance with a schedule set forth in a Supplemental Indenture, the principal, redemption premium, if any, and interest or the Accreted Value payable on such Notes on the date on which they are subject to mandatory sinking fund redemption in accordance with such schedule; and (iv) any amounts payable to the provider of a Credit Facility or an Interest Rate Exchange Agreement that are treated as Note Payments pursuant to clause (c) below.

For purposes of this definition:

(a) Note Payments due on any Interest Payment Date that are payable from accrued interest or capitalized interest held in the Debt Service Fund pursuant to the Master Indenture will be excluded in determining the amount of Note Payments due in the Federal Fiscal Year in which such Interest Payment Date occurs for purposes of determining the amount of Federal Highway Reimbursements for which Federal Aid Agreements are to be in force and effect pursuant to the Master Indenture.

(b) If any Notes bear interest at an adjustable or variable interest rate such that the Note Payments due in a Federal Fiscal Year or on a Note Payment Date cannot be determined with certainty on the date on which Federal Highway Reimbursements are to be paid to the Trustee pursuant to the Master Indenture, the amount of

interest included in the Note Payments due on such Notes in such Federal Fiscal Year or on such Note Payment Date shall be based on the interest rate estimated by the Transportation Board, or as stated in any Supplemental Indenture relating thereto.

(c) If the Transportation Board purchases or arranges for a Credit Facility or an Interest Rate Exchange Agreement with respect to any Notes pursuant to the Master Indenture, (i) moneys paid to the provider of the Credit Facility to reimburse the provider for moneys paid by the provider that are used to make Note Payments (as defined in (i) and (ii) of the first paragraph of this definition) and (ii) moneys paid to the provider of the Interest Rate Exchange Agreement may, if and to the extent provided in a Supplemental Indenture or in a separate agreement between the Transportation Board and the Credit Facility or Interest Rate Exchange Agreement provider entered into pursuant to the Master Indenture, be treated as Note Payments on the Notes to which the Credit Facility or Interest Rate Exchange Agreement relates.

(d) With respect to Balloon Indebtedness, there shall be excluded from Note Payments due in any period any principal installment of Balloon Indebtedness due in such period, whether at maturity or pursuant to mandatory redemption, if the Transportation Board has designated prior to the payment or redemption date available and unrestricted funds for such payment or redemption or has received a binding commitment from a recognized financial institution to refinance such principal on reasonable terms.

**"Notes"** means the Federal Transportation Grant Anticipation Revenue Notes authorized by the Act and the Master Indenture, and which are commonly referred to as "GARVEEs."

**"Obligation Authority"** means a limitation placed on Federal-aid highway program obligations to act as a ceiling on the obligation of contract authority that can be made within a specified time period, usually a fiscal year, regardless of the year in which the funds are authorized.

**"Opinion of Bond Counsel"** means a written opinion of Bond Counsel to the effect (which may be subject to customary assumptions and limitations) that (i) the additional Notes have been duly authorized, executed and delivered by the Transportation Board and are valid and binding special, limited obligations of the Transportation Board, payable from the sources provided in the Master Indenture and the applicable Supplemental Indenture; (ii) the Master Indenture and the applicable Supplemental Indenture create a valid pledge of and lien on the Trust Estate, subject to the terms thereof; and (iii) if the interest on the additional Notes is intended by the Transportation Board to be excludable from gross income for federal income tax purposes, interest on the additional Notes is excludable from gross income for federal income tax purposes.

**"Original Principal Amount"** means any amount defined as such in a Supplemental Indenture for purposes of determining certain rights of the Owner of, or certain other matters with respect to, a Capital Appreciation Note.

**"Outstanding"** means all Notes that have been executed and delivered, except:

(a) any Note on which all Note Payments due or to become due have been paid at maturity or earlier redemption;

(b) Notes in lieu of which other Notes have been executed and delivered pursuant to the provisions the Master Indenture or any Supplemental Indenture relating to the transfer and exchange of Notes or the replacement of mutilated, lost, stolen or destroyed Notes;

(c) Notes that have been canceled by the Trustee or that have been surrendered to the Trustee for cancellation;

(d) Notes on which all Note Payments is due and for which the Trustee holds moneys sufficient to pay the Note Payments for the benefit of the Owner thereof pursuant to the Master Indenture; and

(e) Notes that have been defeased pursuant to the Master Indenture.

**"Owner"** of a Note means the registered owner of such Note as shown in the registration records of the Trustee.

**"Payment Agreement"** means the Payment Agreement dated as of February 1, 2012, by and among the Transportation Board, the Treasury Board of the Commonwealth, and the Secretary of Finance of the Commonwealth.

**"Permitted Investments"** means with respect to the investment of any fund created under the Master Indenture, the following to the extent permitted by law:

- (a) Defeasance Securities; and
- (b) any other investments which are at the time legal investments for public funds of the type to be invested under Virginia law, including without limitation the Act and the Investment of Public Funds Act, Chapter 45, Title 2.2 of the Virginia Code, as amended from time to time, or any successor provision of law.

**"Person"** means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

**"Principal"** or **"principal"** means (i) with respect to any Outstanding Current Interest Note, the principal amount due at maturity of such Note; (ii) with respect to any Outstanding Capital Appreciation Note, the Accreted Value of such Note as of the date on which the principal amount thereof is being determined; and (iii) with respect to all the Outstanding Notes together, the sum of the amounts determined pursuant to clauses (i) and (ii).

**"Program Costs"** means costs of the following types, including ongoing expenses of the type described in items (b), (c) and (d):

(a) financing costs, including, but not limited to, costs and expenses that an Authorized Board Representative deems necessary or advantageous in connection with the sale of the Notes and the administration of the Notes, the Trust Estate, the Master Indenture and any Supplemental Indenture, including, but not limited to, costs and expenses relating to the engagement of consultants, financial advisors, underwriters, bond insurers, letter of credit banks, rating agencies, attorneys, trustees, paying agents, registrars, remarketing or auction agents, other agents and other Persons in connection with the issuance of the Notes, the Trust Estate, the Master Indenture or any Supplemental Indenture;

(b) costs and expenses relating to any Credit Facility entered into in accordance with the Master Indenture, whether initial or ongoing costs and expenses, including the reimbursement of the provider of any Credit Facility as provided in the Master Indenture, unless the reimbursement is treated as a Note Payment pursuant to item (c) of the definition of Note Payments;

(c) payments, costs and expenses relating to any Interest Rate Exchange Agreement entered into in accordance with the Master Indenture, whether initial or ongoing payments, costs or expenses, unless such payments are treated as Note Payments pursuant to item (c) of the definition of Note Payments; and

(d) arbitrage rebate payments payable to the United States with respect to any of the Notes.

**"Project"** means any Qualified Federal Aid Transportation Project (i) that is designated by the Transportation Board from time to time, and (ii) with respect to which a Federal Aid Agreement is in full force and effect.

**"Project Fund"** means the Project Fund, a special fund created under the Master Indenture and the Act.

**"Project-Specific Reimbursements"** means the Federal Highway Reimbursements received by the Commonwealth from time to time only with respect to the Project or Projects to be financed by the Notes or any Series thereof.

**"Qualified Federal Aid Transportation Project"** means any project that may be financed, in whole or in part, with Federal Highway Reimbursements.

**"Rating Agency"** means, with respect to the Notes, each nationally recognized securities rating service that has, at the request of the Transportation Board, a rating then in effect for the unenhanced Notes.

**"Rating Confirmation"** means, with respect to the Notes, written evidence from a Rating Agency that no rating then in effect for unenhanced Notes from such Rating Agency will be withdrawn, reduced or suspended solely as a result of an action to be taken under the Master Indenture.

**"Refunding Notes"** means Notes issued for the purpose of refunding, and proceeds of which are used to refund, New Money Notes or other Refunding Notes.

**"Revenues"** means amounts, appropriated therefor by the General Assembly, as are required to pay Note Payments and Program Costs, as and when due and payable, (i) first from the Project-Specific Reimbursements; (ii) then, at the discretion of the Transportation Board, to the extent required, from legally available revenues of the Transportation Trust Fund, including without limitation Indirect Reimbursements deposited from time to time in the Federal Fund; and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose.

**"Series"** means the Notes designated as a separate series in a Supplemental Indenture and any Notes authenticated and delivered in lieu of or in substitution for such Notes pursuant to the Master Indenture or any Supplemental Indenture.

**"Subordinated Obligation"** means any obligation, including without limitation any Note, which is secured on a subordinated basis by the lien of the pledge and security interest on the Revenues created under the Master Indenture and the payment of which is expressly subordinated in any manner to the payment of any other Notes or obligations secured Under the Master Indenture. Any such obligation shall be expressly designated as a "Subordinated Obligation" in the Supplemental Indenture or other instrument providing for its issuance or incurrence.

**"Supplemental Indenture"** means any indenture supplementing or amending the Master Indenture that is adopted pursuant to the Master Indenture.

**"Fourth Supplemental Indenture"** means the Fourth Supplemental Trust Indenture dated as of November 1, 2016 between the Transportation Board and the Trustee.

**"Title 23"** means Chapter 1 of Title 23, United States Code, Highways, as amended and supplemented from time to time and any successor or replacement provision of law.

**"Transfer Date"** means (i) each date that is five days prior to any Note Payment Date on the Notes or (ii) each date any deposit to the Debt Service Fund or other deposit or payment is due to be made to the Trustee under the Master Indenture.

**"Transportation Trust Fund"** means the Transportation Trust Fund established pursuant to Section 33.2-1524 of the Virginia Code.

**"Trustee"** means U.S. Bank National Association, a national banking association, acting in its capacity as trustee under the Master Indenture, and any successor thereto appointed under the Master Indenture.

**"Trust Estate"** means the property granted to the Trustee, described in the granting clauses of the Master Indenture as follows: (i) the Revenues; and (ii) all money from time to time held by the Trustee under the Master Indenture or any Supplemental Indenture in any fund or account other than (i) any Defeasance Escrow Account, and (b) any fund or account created by a Supplemental Indenture that is expressly excluded from the Trust Estate.

*"2016 Notes"* means the Commonwealth Transportation Board Federal Transportation Grant Anticipation Revenue Notes, Series 2016 that are authorized by the Fourth Supplemental Indenture.

*"2016 Notes COI Account"* means the account by that name in the Project Fund established under the Fourth Supplemental Indenture.

*"2016 Project"* means the Project described in Appendix B to the Fourth Supplemental Indenture to be financed with the proceeds of the 2016 Notes.

*"VDOT Funding Account"* means the account by that name in the Project Fund established under the Fourth Supplemental Indenture.

*"Virginia Code"* means the Code of Virginia of 1950, as the same may be amended from time to time.

## **THE INDENTURE**

The 2016 Notes are being issued pursuant to the Master Indenture and the Fourth Supplemental Indenture. The 2016 Notes will be the third Series of Notes issued under the Master Indenture and will be equally and ratably secured by the Indenture with the first Series of Notes and any other additional subsequent Series of Notes, without preference, priority or distinction.

The following, in addition to the information presented in the sections *"The 2016 Notes"* and *"Sources Of Payment and Security for the GARVEE Notes"* in this Official Statement, summarizes certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive and is qualified by references to the Indenture in its entirety, copies of which may be obtained at the offices of the Transportation Board or the Trustee.

### **Pledge of Trust Estate; Parity of Pledge; Limited Obligation**

The Transportation Board, pursuant to the Master Indenture and any Supplemental Indenture, pledges to the Owners of the Notes the Trust Estate. The Trust Estate shall be held by the Trustee for the equal and proportionate benefit of the Owners of all Outstanding Notes, and any of them, without preference, priority or distinction as to lien or otherwise, except as expressly set forth in the Master Indenture or any Supplemental Indenture.

The Note Payments and Program Costs shall be payable solely from Revenues and moneys held in the Debt Service Fund or other funds and accounts pledged or described under the Master Indenture. The Owners and holders of the Notes may not look to any other revenues of the Transportation Board or the Commonwealth for the payment of the Notes. All financial obligations of the Transportation Board under the Master Indenture, every Supplemental Indenture, the Notes and any other contract entered into pursuant to the Master Indenture, any Supplemental Indenture or the Notes or otherwise pursuant to the Act, including without limitation Note Payments and Program Costs, (i) are special, limited obligations of the Transportation Board payable solely from the Trust Estate, and (ii) shall not be deemed or construed as creating debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth within the meaning of the Virginia Constitution or the laws of the Commonwealth concerning or limiting the creation of indebtedness by the Commonwealth.

The Master Indenture constitutes a contract authorized by the Act among the Transportation Board, the Trustee, and the Owners from time to time of the Notes and the pledge, covenants and agreements of the Transportation Board set forth in the Master Indenture are for the equal and ratable benefit, protection and security of the Owners of any and all of the Notes, all of which, regardless of maturity, shall be of equal rank without preference, priority or distinction of any of such Notes over any other thereof, except as expressly provided in or permitted by the Master Indenture.

### **Issuance of Notes**

Notes may be issued under the Master Indenture for the purpose of financing the Projects or refunding Notes that were issued to finance the Projects or other Refunding Notes.

### **Conditions to Issuance of Notes**

No Series of Notes may be issued unless each of the conditions applicable thereto under the Master Indenture and any applicable Supplemental Indenture have been satisfied, including the following (i) until all Note Payments and Program Costs are paid in full and while any Notes (other than Notes constituting Subordinated Obligations) are Outstanding, no bonds, notes, debentures or other obligations shall be issued or incurred or create a lien on the Revenues prior and superior to the lien created under the Master Indenture for the benefit of the initial Series of Notes, (ii) the Trustee shall have received an Opinion of Bond Counsel, (iii) a Federal Aid Agreement shall have been entered into providing for the authorization of the Project or Projects to be financed or refinanced with the Series of Notes to be issued, and (iv) an Authorized Board Representative and the Trustee shall have entered into a Supplemental Indenture authorizing the issuance of the additional Series of Notes.

***Additional Conditions to the Issuance of New Money Notes.*** Before any New Money Notes are issued a certificate of an Authorized Board Representative to the effect that, as of the date of issuance of such Series:

(1) (i) There exists no Event of Default; or (ii) if there exists an Event of Default, the Event of Default will be cured upon the issuance of the additional Notes and the application of the proceeds of the additional Notes in accordance with the Supplemental Indenture authorizing the issuance of the additional Notes.

(2) There is compliance with all applicable provisions of Title 23 and any other applicable law necessary on the date of the delivery of a Series of Notes to receive and continue to receive Federal Highway Reimbursements for the payment of the Notes pursuant to Title 23 without penalty.

(3) The amount of Federal Highway Reimbursements to be received and actually received, if that is the case, as shown in a certificate of an Authorized Board Representative, in either the Federal Fiscal Year in which the proposed Series of Notes are to be issued or in the immediately preceding Federal Fiscal Year, shall have been sufficient to pay an amount representing at least 3.00 times the sum of (i) the maximum combined annual Note Payments of all Outstanding Notes (other than Notes constituting Subordinated Obligations) and the Series of Notes proposed to be issued (unless such Notes are Subordinated Obligations) and (ii) any payments to be paid in such year for Program Costs.

***Additional Conditions to the Issuance of Refunding Notes.*** Before any Series of Notes constituting Refunding Notes are issued, all of the following additional conditions shall be satisfied:

(1) The Notes to be refunded are defeased in accordance with the Master Indenture.

(2) If any of the Notes to be refunded are to be redeemed prior to their scheduled maturity date, an Authorized Board Representative has directed the Trustee to deliver redemption notices and to redeem the Notes to be refunded in accordance with the provisions of the Master Indenture and any applicable provisions of any Supplemental Indenture.

(3) FHWA has agreed, through modification of the related Federal Aid Agreements or otherwise, that Federal Highway Reimbursements will be paid with respect to the Note Payments on the Refunding Notes.

### **Creation of Funds**

The Master Indenture establishes the Debt Service Fund and the Project Fund to be held by the Trustee for the benefit of the Owners as specified in the Master Indenture, subject to the terms thereof and any Supplemental Indenture.

***Debt Service Fund.*** The Trustee shall create and maintain separate accounts within the Debt Service Fund for each Series of Notes issued under the Master Indenture. Moneys in the Debt Service Fund are to be used to pay the principal or purchase price of and redemption premium, if any, and interest on Notes then Outstanding, to redeem or purchase Notes and to make payments under any applicable Credit Facility.

***Flow of Funds from Federal Fund to Debt Service Fund.*** Not later than the last day of each month, the Transportation Board shall transfer from the Federal Fund to the Trustee for deposit in each account of the Debt Service Fund the amount provided for such month pursuant to the respective Supplemental Indenture. The Transportation Board shall cause each Project-Specific Reimbursement to be transferred upon receipt in the Federal

Fund to the appropriate account of the Debt Service Fund. The Trustee shall return to the Transportation Board for re-deposit in the Federal Fund all Indirect Reimbursements in such account to the extent the Project-Specific Reimbursement is sufficient to make the corresponding Note Payment on the Notes. Each month, any remaining Indirect Reimbursements in the Federal Fund may be applied to pay Program Costs, to reimburse Expenditures or to any other purpose permitted by law.

If and to the extent an account in the Debt Service Fund does not contain Federal Highway Reimbursements in an amount sufficient to pay the next ensuing Note Payment ten days before the Note Payment Date, the Trustee shall notify the Transportation Board and the Transportation Board will, subject to appropriation by the General Assembly, pay or cause to be paid to the Trustee from Revenues an amount sufficient to make the Note Payment pursuant to the Payment Agreement within 24 hours after the receipt of such notice.

***Project Fund.*** The Trustee shall create and maintain separate accounts within the Project Fund to account for the receipt and disbursement of proceeds of each Series of Notes, but such separate accounts shall not, unless otherwise specifically provided by Supplemental Indenture, affect the rights of the Owners of the Notes with respect to moneys in the Project Fund. There shall be deposited into the appropriate account of the Project Fund, proceeds of each Series of Notes as provided in the applicable Supplemental Indenture. So long as no Event of Default then exists, moneys held in the Project Fund shall be disbursed to or upon the direction of the Transportation Board to pay Costs upon receipt of a requisition signed by an Authorized Board Representative.

*2016 Notes COI Account and VDOT Funding Account and Certain Subaccounts; Exclusion from Trust Estate.* The Fourth Supplemental Indenture establishes in the Project Fund three accounts to be called the "2016 Notes COI Account," "VDOT Funding Account." On the issuance date of the 2016 Notes, the Transportation Board shall cause to be deposited the proceeds from the sale of the 2016 Notes into the 2016 Notes COI Account and the VDOT Funding Account. Pursuant to the Fourth Supplemental Indenture, as permitted by the Master Indenture, the 2016 Notes COI Account and the VDOT Funding Account, and any money or investments held therein shall not be part of the Trust Estate.

### **Security for Deposits; Investment of Funds**

All moneys held as part of any fund or account created under the Master Indenture shall be deposited or invested and reinvested by the Trustee, at the written direction of an Authorized Board Representative, in Permitted Investments. The Trustee shall, when and as directed by an Authorized Board Representative, sell and reduce to cash a sufficient amount of the investments held in any fund or account whenever the cash balance therein is insufficient to make any payment to be made therefrom. In computing the amount in any fund or account for any purpose under the Master Indenture, investments shall be valued at cost (exclusive of accrued interest) or par, whichever is less.

### **Indenture Covenants Concerning Federal Highway Reimbursements**

In the Master Indenture, the Transportation Board makes certain covenants related to the Projects and Federal Highway Reimbursements, including but not limited to the following:

***Qualification of Projects and Federal Aid Agreements.*** To the extent permitted by law, the Transportation Board covenants that it will take all action necessary to ensure that (i) each Project at all times qualifies as a Qualified Federal Aid Transportation Project; (ii) each Project that may be financed, in whole or in part, with Federal Highway Reimbursements paid pursuant to Title 23, at all times qualifies as a project with respect to which the Transportation Board is entitled to reimbursement of previously-expended funds under 23 U.S.C. Section 115, as amended, and the regulations promulgated thereunder (or any successor provision thereto); and (iii) Federal Aid Agreements are maintained in full force and effect pursuant to which FHWA has agreed to make payments of Project-Specific Reimbursements with respect to the Note Payments due on each Note Payment Date. Such action shall include, but shall not be limited to (i) entering into any modification of a Federal Aid Agreement required to assure that Federal Highway Reimbursements payable thereunder are payable with respect to any Refunding Notes; and (ii) the repayment to FHWA, from moneys other than moneys included in the Trust Estate, of any Federal Highway Reimbursements paid pursuant to a Federal Aid Agreement during any period in which the Project did not qualify under clause (i) or (ii) above.

***Application for Federal Highway Reimbursements.*** To the extent permitted by law, the Transportation Board covenants that it will annually apply for, and reasonably cooperate with FHWA in order to receive, the greatest amount of Federal Highway Reimbursements reasonably available to the Commonwealth that will become Revenues for payment of the principal of and interest on the Note Payments, any Program Costs and the debt service on any Subordinated Obligations.

***Requests for Obligation Authority.*** For each of the Federal Fiscal Years during which Notes are or will be Outstanding, (i) as soon as practicable prior to or in such Federal Fiscal Year the Transportation Board will request Obligation Authority sufficient to pay the principal of and interest on the Note Payments and any Program Costs coming due in that Federal Fiscal Year, and (ii) the Transportation Board will obligate (to the extent not previously obligated) FHWA to pay Federal Highway Reimbursements sufficient to pay the principal of and interest on the Note Payments and any Program Costs coming due in that Federal Fiscal Year prior to obligating Federal Highway Reimbursements for any other purpose. Additionally, the Transportation Board covenants that all Notes are, or will be, eligible debt financing instruments under Title 23 and the payment of Note Payments and Program Costs are all eligible for payment or reimbursement from Federal Highway Reimbursements.

***Construction of Projects.*** The Transportation Board covenants to ensure that each Project will be constructed expeditiously. Upon completion of construction for each Project, the Transportation Board will take all steps necessary to obtain any required approval of FHWA of such Project so that the Transportation Board may receive the maximum amount of Project-Specific Reimbursements with respect thereto.

***General Assembly Appropriations.*** The Transportation Board, pursuant to the Payment Agreement, will utilize its best efforts to have included in each Commonwealth appropriations act an appropriation for any amounts required for Note Payments and Program Costs coming due during the period covered by each such act; provided, however, and notwithstanding any provision of the Master Indenture which may be to the contrary, no failure of the General Assembly to include in any appropriation act an appropriation for any amounts required for Note Payments and Program Costs coming due during the period covered by such act shall constitute an Event of Default under the Master Indenture.

### **Remedies Upon Default**

Upon the occurrence of any Event of Default (other than such an Event of Default relating to payment of Notes constituting Subordinated Obligations), the Trustee shall, without further demand or notice, transfer such amount of moneys held in the Project Fund as is necessary and available to the Debt Service Fund. Further, upon the occurrence of any Event of Default, the Trustee may (i) proceed by mandamus or other action or proceeding or suit at law or in equity to enforce any rights under the Master Indenture against the Transportation Board and compel the Transportation Board to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained in the Master Indenture, and (ii) take whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners and shall deposit any moneys received as a result of such action in the Debt Service Fund.

Notwithstanding any other provision of the Master Indenture which may be to the contrary, neither the Trustee, any Owner of a Note, any provider of a Credit Facility, any provider of an Interest Rate Exchange Agreement nor any holder of any Subordinated Obligation shall have the right to declare any Note Payments or other payments to be immediately due and payable upon the occurrence of an Event of Default. A judgment requiring a payment of money entered against the Transportation Board arising under the Master Indenture may be satisfied only from the Trust Estate.

### **Application of Moneys After Default**

Moneys received by the Trustee resulting from the exercise of remedies following an Event of Default shall be deposited in the Debt Service Fund and shall, together with other moneys in the Debt Service Fund and other moneys available for such purpose, be applied in the following order of priority:

*First*, to the payment of the reasonable and proper fees and expenses of the Trustee determined in accordance with the Master Indenture.

*Second*, to the payment of (i) interest due on the Notes (other than Notes constituting Subordinated Obligations), including interest on past due interest on any Note at the interest rate borne by such Note, compounded on each Interest Payment Date, (ii) the interest component of any unpaid draws on a Credit Facility that are treated as Note Payments and (iii) any unpaid regularly scheduled payments (but excluding any termination payments or settlement amounts) that are treated as Note Payments. If more than one installment of interest is due on such Notes, such installments shall be paid in the order in which they were due, with the first installment being paid first. If more than one draw is unpaid on a Credit Facility or more than one regularly scheduled payment is unpaid under an Interest Rate Exchange Agreement, such amounts shall also be repaid in the order in which they were originally due. If the amount available is insufficient to pay all of any particular installment of interest due on such Notes, unpaid draw on a Credit Facility or unpaid regularly scheduled payment under an Interest Rate Exchange Agreement (including interest on the past due amounts), the amount available shall be paid ratably, based on the ratio of the amount due as interest on each such Note, to each such provider of a Credit Facility or to each provider of an Interest Rate Exchange Agreement to the total amount due.

*Third*, to the payment of (i) principal due on the Notes (other than Notes constituting Subordinated Obligations) (ii) the principal component of any unpaid draws on a Credit Facility that are treated as Note Payments and (iii) any unpaid termination payments or settlement amounts (but excluding any regularly scheduled payments) that are treated as Note Payments. If any of such amounts is due that was to have been paid on more than one date, the amount due on the earliest dates shall be paid first. If the amount available is insufficient to pay all such amounts due on any particular date, the amount available shall be paid ratably, based on the ratio of the amount due on each such Note, to each such provider of a Credit Facility or to each such provider of an Interest Rate Exchange Agreement to the total amount due.

After payment of all amounts set forth above, the amount remaining in the Debt Service Fund, if any, will be applied to the payment of any Subordinated Obligations, in the manner and priority set forth in such Subordinated Obligations.

### **Control of Proceedings**

Notwithstanding any other provision of the Master Indenture, the Owners of a majority in aggregate principal amount of Notes Outstanding (but not including Notes constituting Subordinated Obligations so long as any senior Notes are Outstanding) shall always have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in pursuit of remedies following an Event of Default or otherwise in connection with the enforcement of the terms of the Master Indenture.

### **Individual Noteholder Action Restricted**

No Owner shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any remedy under the Master Indenture or for the enforcement of the terms thereof, unless an Event of Default under the Master Indenture has occurred and the Owners of not less than a majority of the Notes Outstanding (but not including Notes constituting Subordinated Obligations) have made a written request to the Trustee, have agreed to indemnify the Trustee as provided in the Master Indenture and have given the Trustee a reasonable opportunity to take such action in its capacity as Trustee, but the Trustee has failed to take such action. The purpose of the preceding sentence is to assure that no Owner or Owners shall have the right to affect, disturb or prejudice the lien of the Master Indenture by his, her, its or their action or to enforce any right under the Master Indenture except in the manner provided in the Master Indenture and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Master Indenture and for the equal benefit of the Owners of all Outstanding Notes. Nothing contained in the Master Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the Note Payments on any Note at and after the date such payment is due.

### **Waiver of Event of Default**

The Trustee may in its discretion waive any Event of Default and its consequences under the Master Indenture, and notwithstanding anything else to the contrary contained in the Master Indenture shall do so upon the written request of the Owners of a majority in aggregate principal amount of the Notes then Outstanding (but not including

Notes constituting Subordinated Obligations); provided, however, that there shall not be waived without the consent of the Owners of 100% of the aggregate principal amount of Notes then Outstanding any Event of Default in the payment of the Note Payments when due, unless, prior to such waiver, all such amounts (with interest on amounts past due on any Note at the interest rate on such Note or, in the case of a Capital Appreciation Note, the interest rate determined by straight-line interpolation between Accretion Dates) and all expenses of the Trustee in connection with such Event of Default have been paid or provided for. In case of any such waiver, then and in every such case the Transportation Board, the Trustee and the Owners shall be restored to their former positions and rights under the Master Indenture, but no such waiver shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

### **Removal and Resignation of Trustee; Successor Trustee**

The Trustee may resign by giving 60 days' written notice to the Transportation Board. Such resignation shall take effect only upon the appointment of a successor qualified as provided in the Master Indenture. If no successor is appointed within 60 days following the date designated in the notice, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. The Trustee may be removed at any time (i) by the Transportation Board, provided that the Trustee may not be removed during the pendency of an Event of Default without the written consent of the Owners of a majority in aggregate principal amount of Notes then Outstanding; or (ii) by an instrument in writing executed by the Owners of a majority in aggregate principal amount of Notes Outstanding, for any reason or for no reason.

In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Transportation Board. Upon making any such appointment, an Authorized Board Representative shall give notice thereof to each Owner. Subject to the provisions of the Master Indenture, any successor Trustee appointed by an Authorized Board Representative pursuant to the Master Indenture shall be removed by the Transportation Board if the Owners of a majority in aggregate principal amount of Notes then Outstanding object to the appointment within 60 days following the date of the Transportation Board's notice of the appointment of such successor. If the Owners of a majority in aggregate principal amount of Notes then Outstanding object to the appointment of a successor Trustee pursuant to the Master Indenture, the Transportation Board shall appoint another successor Trustee and the Owners shall have the same right to object to the new successor Trustee.

### **Consolidation, Conversion or Merger of Trustee**

Any bank or trust company that otherwise meets the requirements set forth in the Master Indenture into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole shall be the successor of the Trustee under the Master Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties to the Master Indenture.

### **Supplemental Indentures Not Requiring Consent of Owners**

The Transportation Board and the Trustee may, without the consent of, or notice to, the Owners, enter into a Supplemental Indenture for any one or more or all of the following purposes:

- (a) to add additional covenants to the covenants and agreements of the Transportation Board set forth in the Master Indenture;
- (b) to add additional revenues, properties or collateral to the Trust Estate;
- (c) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in the Master Indenture;
- (d) to amend any existing provision of the Master Indenture or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify, or to preserve the qualification of, the interest

on any Notes for exclusion from gross income for federal income tax purposes or for exclusion from federal alternative minimum tax; (ii) to qualify any Notes for exemption from taxation and assessment in the Transportation Board; (iii) to qualify, or to preserve the qualification of, the Master Indenture or any Supplemental Indenture under the federal Trust Indenture Act of 1939, as amended; or (iv) to qualify, or preserve the qualification of, any Notes for an exemption from registration or other limitations under the laws of any state or territory of the United States;

- (e) to provide for or eliminate book-entry registration of any of the Notes;
- (f) to obtain or maintain a rating of the Notes by a nationally recognized securities rating agency;
- (g) to authorize the issuance of any Series of Notes in accordance with the Master Indenture;
- (h) to facilitate the provision of a Credit Facility or an Interest Rate Exchange Agreement in accordance with the Master Indenture and the treatment of reimbursements or payments thereunder as Note Payments;
- (i) to facilitate the receipt or use of Federal Highway Reimbursements that will become Revenues to pay Note Payments, Program Costs or Subordinated Obligations;
- (j) to establish additional funds, accounts or subaccounts necessary or useful in connection with any Supplemental Indenture;
- (k) to authorize the issuance of notes or other obligations secured by a pledge of the Trust Estate expressly subordinate to the pledge thereof in favor of the Notes and, in connection therewith, specify and determine (or provide procedures for an Authorized Board Representative to specify or determine) the matters and things required or permitted by the Master Indenture in connection therewith, and also any other matters and things relative to such Subordinated Obligations which are not contrary to or inconsistent with the Master Indenture;
- (l) to make any amendment, with Rating Confirmation from each Rating Agency, that such amendment will not, in itself, result in the uninsured, underlying rating on the Notes following such amendment being lower than such rating on the Notes immediately prior to such amendment;
- (m) to modify any of the provisions in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Notes of each Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Notes of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Notes issued in exchange therefor or in place thereof;
- (n) to make any amendment required to comply with any continuing disclosure undertaking or obligation applicable to any of the Notes; or
- (o) for any other purpose, provided that Bond Counsel has delivered a written opinion stating that the provisions of the Supplemental Indenture do not materially adversely affect the rights of the Owners of any Notes.

#### **Supplemental Indentures Requiring Consent of Owners**

Except as expressly provided in the Master Indenture, the Transportation Board and the Trustee may not enter into a Supplemental Indenture without the written consent of the Owners of not less than a majority of the aggregate principal amount of Notes then Outstanding (but not including Notes constituting Subordinated Obligations); provided, however, that no Supplemental Indenture containing any of the provisions described below may be entered into without the written consent of the Owner of each Note affected thereby:

- (a) a reduction of the interest rate or Note Payments payable on any Note, a change in the maturity date of any Note, a change in the Original Principal Amount of any Capital Appreciation Note, a change in any

Interest Payment Date for any Current Interest Note or any Accretion Date for any Capital Appreciation Note or a change in the redemption provisions applicable to any Note;

- (b) the deprivation of an Owner to the lien on the Trust Estate granted in the Master Indenture;
- (c) the creation of a priority right in the Trust Estate of another Note over the right of the affected Note, except as permitted in the Master Indenture; or
- (d) a reduction in the percentage of the aggregate principal amount of Notes then Outstanding whose Owners are required to consent to any Supplemental Indenture.

### **Discharge of Master Indenture**

If 100% of the Note Payments due, or to become due, on all the Notes, the fees and expenses due to the Trustee and all other amounts payable under the Master Indenture have been paid, or provision shall have been made for the payment thereof in accordance with the Master Indenture, then (i) the right, title and interest of the Trustee in and to the Trust Estate shall terminate and be discharged; (ii) the Trustee shall transfer and convey to or to the order of the Transportation Board all excess property that was part of the Trust Estate, including but not limited to any moneys held in any fund or account under the Master Indenture, except any escrow account created pursuant to the Master Indenture (which escrow account shall continue to be held in accordance with the agreement governing the administration thereof); and (iii) the Trustee shall execute any instrument requested by the Transportation Board to evidence such discharge, transfer and conveyance.

### **Defeasance of Notes**

All or any portion of the Outstanding Notes shall be deemed to have been paid (referred to herein as "defeased") prior to their maturity or earlier redemption if:

- (a) the defeased Notes are to be redeemed prior to their maturity, an Authorized Board Representative has irrevocably instructed the Trustee to give notice of redemption of such Notes in accordance with the Master Indenture and any applicable Supplemental Indenture;
- (b) there has been deposited in trust in a Defeasance Escrow Account either (i) money in an amount which shall be sufficient, or (ii) Defeasance Securities, the principal of and the interest on which when due, without any reinvestment thereof, will provide moneys which, together with the money, if any, deposited into or held in the Defeasance Escrow Account, shall be sufficient, to pay when due the Note Payments due and to become due on the defeased Notes on and prior to the redemption date or maturity date thereof, as the case may be; and
- (c) a certified public accountant or other verification agent acceptable to the Transportation Board and the Trustee has delivered a verification report verifying the deposit described in clause (2) above.

### **Applicable Law**

The laws of the Commonwealth shall be applied in the interpretation, execution and enforcement of the Master Indenture.

## **THE PAYMENT AGREEMENT**

In addition to the information presented in the section "*Sources of Payment and Security for the GARVEE Notes*" in this Official Statement the following summarizes certain provisions of the Payment Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the Payment Agreement in its entirety, copies of which may be obtained at the office of the Treasury Board, the Trustee or the Transportation Board.

### **Obligations of the Transportation Board**

Under the Payment Agreement, the Transportation Board is obligated to do the following:

(a) Each year and in accordance with the schedule of the Department of Planning and Budget of the Commonwealth, the Transportation Board or the Transportation Board's designee shall request that the Governor include in the budget to be delivered to the General Assembly during their next session a provision that there be appropriated Revenues sufficient to pay the Principal and Interest Requirements coming due on the GARVEE Notes and all other amounts required to be paid under the Master Indenture during the next succeeding FY or biennial period, as applicable.

(b) The Transportation Board shall use its best efforts to have (i) the Governor include, in each biennial or any supplemental budget that is presented to the General Assembly, the amounts described in (a) above and (ii) the General Assembly appropriate and reappropriate, as applicable, such amounts.

(c) The Transportation Board shall provide to the Treasury Board, as and when reasonably requested by the Treasury Board, all requisitions and documents and shall take all actions necessary to have paid to the Treasury Board from Revenues appropriated as described in (a) above all amounts due under the Payment Agreement and to direct the Treasury Board to make from such funds all payments due under the Master Indenture to the Trustee not later than the respective Transfer Date.

(d) The Transportation Board shall take all actions necessary to have payments which are made pursuant to (c) above charged against the proper appropriation made by the General Assembly.

(e) The Transportation Board shall notify the Treasury Board, the Secretary of Finance, and the Trustee promptly upon becoming aware of any failure by the General Assembly to appropriate for the next succeeding FY or biennial period, as applicable, amounts sufficient to pay all debt service on the GARVEE Notes coming due or expected to come due and all other amounts required to be paid under the Master Indenture coming due or expected to come due.

#### **Obligations of the Treasury Board**

Under the Payment Agreement, the Treasury Board is obligated to do the following:

(a) The Treasury Board shall use its best efforts to have (i) the Governor include in each biennial or any supplemental budget of the Commonwealth Revenues sufficient to pay the Note Payments coming due on the GARVEE Notes and all other amounts required to be paid under the Master Indenture during the next succeeding FY or biennial period, as applicable, and (ii) the General Assembly appropriate and reappropriate, as applicable, such amounts.

(b) The Treasury Board shall use its best efforts to obtain each year the appropriate requisitions and documents needed from the Transportation Board to make all payments due under the Master Indenture to the Trustee not later than the respective Transfer Date.

(c) The Treasury Board shall make all payments described in the Payment Agreement solely from moneys appropriated or reappropriated by the General Assembly.

(d) The Treasury Board shall notify the Transportation Board, the Secretary of Finance, and the Trustee promptly upon becoming aware of any failure by the General Assembly to appropriate for the next succeeding FY or biennial period, as applicable, amounts sufficient to pay all Note Payments coming due or expected to come due on the GARVEE Notes and all other amounts required to be paid under the Master Indenture coming due or expected to come due.

#### **Obligations of the Secretary of Finance**

Under the Payment Agreement, the Secretary of Finance is obligated to use his best efforts to have (i) the Governor include in each biennial or any supplemental budget of the Commonwealth Revenues sufficient to pay the Note Payments coming due on the GARVEE Notes and all other amounts required to be paid under the Master Indenture during the next succeeding FY or biennial period, as applicable, and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

The Commonwealth's budgetary process, to which the Payment Agreement provisions relate, is described in the subsection "*Budgetary Process*" within the section "*Financial Factors*" in Appendix C, "*Commonwealth of Virginia, Financial and Other Information.*"

**Trustee as Third Party Beneficiary**

The Trustee is a third party beneficiary of the Payment Agreement and is entitled to enforce, on behalf of the holders of the GARVEE Notes, all of the obligations of the Transportation Board and the obligations and the rights of the parties thereto to the same extent as if the Trustee were one of the contracting parties.

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**APPENDIX B**

**COMMONWEALTH OF VIRGINIA**

**FINANCIAL AND OTHER  
INFORMATION**

**APPENDIX C**

**COMMONWEALTH OF VIRGINIA**

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

**APPENDIX D**

**COMMONWEALTH OF VIRGINIA**

**FINANCIAL STATEMENTS OF THE COMMONWEALTH  
FOR THE YEAR ENDED JUNE 30, 2012**

**APPENDIX E**

**FORM OF BOND COUNSEL OPINION**

**APPENDIX F**

**CONTINUING DISCLOSURE UNDERTAKINGS OF THE COMMONWEALTH  
TRANSPORTATION BOARD AND THE COMMONWEALTH OF VIRGINIA**

**APPENDIX F**

**TABLE OF CONTENTS**

	<u>PAGE</u>
FORM OF CONTINUING DISCLOSURE UNDERTAKING - COMMONWEALTH TRANSPORTATION BOARD .....	F-1
FORM OF CONTINUING DISCLOSURE UNDERTAKING - COMMONWEALTH OF VIRGINIA.....	F-8

## **APPENDIX G**

### **BOOK-ENTRY-ONLY SYSTEM**

## APPENDIX G

### Book-Entry-Only System

*The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the 2016 Notes, payments of principal and interest on the 2016 Notes to DTC, its nominee, Direct Participants, as hereinafter defined, Indirect Participants, as hereinafter defined, or Beneficial Owners, as hereinafter defined, confirmation and transfer of beneficial ownership interest in the 2016 Notes and other bond-related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners is based solely on information furnished by DTC and is not, and should not be construed as, a representation by the Transportation Board as to its accuracy, completeness or otherwise.*

DTC will act as securities depository for the 2016 Notes. The 2016 Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each maturity of the 2016 Notes and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3,500,000 issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the 2016 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Notes on DTC's records. The ownership interest of each actual purchaser of each 2016 Note ("Beneficial Owner") is in turn to be recorded on the Direct Participants and Indirect Participants' records. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2016 Notes are to be accomplished by entries made on the books of the Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2016 Notes, except in the event that use of the book-entry system for the 2016 Notes is discontinued.

To facilitate subsequent transfers, all 2016 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2016 Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2016 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2016 Notes are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2016 Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of the 2016 Notes to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2016 Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2016 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2016 NOTES FOR SUBSTANTIALLY ALL PURPOSES UNDER THE INDENTURE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE TRANSPORTATION BOARD, THE COMMONWEALTH OR DTC, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2016 NOTES THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Principal and interest payments on the 2016 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Transportation Board or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Trustee or the Transportation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Transportation Board or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants. THE TRANSPORTATION BOARD AND THE COMMONWEALTH CAN GIVE NO ASSURANCES THAT DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENT TO BENEFICIAL OWNERS.

So long as Cede & Co. is the registered owner of the 2016 Notes, as nominee of DTC, references herein to the 2016 Note owners or registered owners of the 2016 Notes shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2016 Notes.

DTC may discontinue providing its services as securities depository with respect to the 2016 Notes at any time by giving reasonable notice to the Transportation Board or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2016 Note certificates are required to be printed and delivered.

The Transportation Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2016 Note certificates will be printed and delivered.

The foregoing information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither, the Transportation Board, the Commonwealth nor the Trustee makes any representation or warranty regarding the accuracy or completeness thereof.

**So long as Cede & Co., as nominee for DTC, is the sole noteholder of the 2016 Notes, the Transportation Board and the Trustee shall treat Cede & Co. as the only noteholder of the 2016 Notes for all purposes under the Indenture, including receipt of all principal of and interest on the 2016 Notes, receipt of notices, voting**

**and requesting or directing the Transportation Board and the Trustee to take or not to take, or consenting to, certain actions under the Indenture.**

**The Transportation Board and the Trustee have no responsibility or obligation to the Direct Participants, Indirect Participants or the Beneficial Owners with respect to (i) the accuracy or the maintenance of any records maintained by DTC or any Direct Participant or Indirect Participant; (ii) the payment by any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner with respect to the principal of and interest on the 2016 Notes or the sending of any transaction statements; (iii) the delivery or timeliness of delivery by DTC or any Direct or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to noteholders of the 2016 Notes; (iv) the selection of the Beneficial Owners to receive payments upon any partial redemption of the 2016 Notes; or (v) other action taken by DTC or Cede & Co. as noteholder of the 2016 Notes, including the effectiveness of any action taken pursuant to an Omnibus Proxy.**

The Transportation Board or the Trustee may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the 2016 Notes without the consent of Beneficial Owners or Noteholders of the 2016 Notes.

**COMMONWEALTH TRANSPORTATION BOARD**

\$ \_\_\_\_\_

**Commonwealth of Virginia  
Federal Transportation Grant Anticipation Revenue Notes, Series 2016**

**NOTE PURCHASE AGREEMENT**

\_\_\_\_\_, 2016

Commonwealth Transportation Board  
Richmond, Virginia

Ladies and Gentlemen:

\_\_\_\_\_ (collectively, the "Underwriters"), represented by \_\_\_\_\_ (the "Representative"), offer to enter into this Agreement with the COMMONWEALTH TRANSPORTATION BOARD (the "Transportation Board") concerning the sale by the Transportation Board and the purchase by the Underwriters of the \$ \_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "2016 Notes"). The 2016 Notes are being issued to finance certain eligible transportation projects in the Commonwealth of Virginia (the "Commonwealth") and to pay costs of issuing the 2016 Notes.

This offer is made subject to acceptance by the Transportation Board before 5:00 p.m., Richmond, Virginia time, on the date of this Agreement. Acceptance of this offer must be evidenced by the execution and delivery to the Representative of this Agreement by the Chairman of the Transportation Board or other authorized officer satisfactory to the Representative. Upon such acceptance, this Agreement will be in full force and effect in accordance with its terms and will be binding upon the Transportation Board and the Underwriters. This offer may be revoked by the Underwriters upon written notice delivered to the Transportation Board at any time before acceptance.

The Transportation Board acknowledges that in connection with the purchase and sale of the 2016 Notes, (i) such purchase and sale pursuant to this Agreement is an arm's length commercial transaction between the Transportation Board and the Underwriters and the Underwriters have financial and other interests that differ from those of the Transportation Board, (ii) each Underwriter is acting solely as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the Transportation Board, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the Transportation Board with respect to the offering of the 2016 Notes (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the Transportation Board on matters unrelated to the offering of the 2016 Notes), except as may be expressly set forth in this Agreement and (iv) the Transportation Board has consulted with its own legal, financial or other advisors to the extent it deemed appropriate in connection with the offering of the 2016 Notes.

Capitalized terms used in this Agreement which are not otherwise defined have the meaning set forth in the Indenture (as hereafter defined).

1. Purchase and Sale of the 2016 Notes. In reliance upon the representations, warranties and covenants contained in this Agreement, and subject to its terms and conditions, the Transportation Board agrees to sell to the Underwriters, and the Underwriters agree to purchase from the Transportation Board, all of the 2016 Notes at a price of \$\_\_\_\_\_.

The 2016 Notes will be issued pursuant to a Master Indenture of Trust dated as of February 1, 2012 (the "Master Indenture"), as previously supplemented and amended and as further supplemented by a Fourth Supplemental Indenture of Trust dated as of November 1, 2016 (collectively with the Master Indenture, the "Indenture"), between the Transportation Board and U.S. Bank National Association, as trustee (the "Trustee"). The 2016 Notes will be dated, bear interest and mature on the dates and in the amounts as set forth in Exhibit A, and will be as described in the Indenture in all other respects.

The Underwriters agree to make a bona fide public offering of all of the 2016 Notes, at prices not in excess of the initial public offering prices set forth in Exhibit A, but reserve the right to change initial offering prices as the Underwriters deem necessary in connection with the offering of the 2016 Notes. The Underwriters may offer and sell the 2016 Notes to certain dealers (including dealers depositing the 2016 Notes into investment trusts) at prices lower than the public offering prices set forth in the Official Statement (as hereinafter defined).

2. Liquidated Damages. The Representative is delivering to the Transportation Board a corporate check of the Representative in the amount of \$\_\_\_\_\_ (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligations to accept and pay for the 2016 Notes on the Closing Date in accordance with the provisions hereof. Such check shall be held uncashed until the Closing Date. Concurrently with the delivery of and payment for the 2016 Notes on the Closing Date, such check shall be returned to the Representative by the Transportation Board. If the Transportation Board does not accept this offer or if the Transportation Board fails to deliver the 2016 Notes on the Closing Date or if the Transportation Board is unable to satisfy the conditions contained in this Agreement (unless waived by the Representative) or if this Agreement is terminated for any reason permitted by this Agreement, such check shall be immediately returned to the Representative. If the Underwriters fail (other than for a reason permitted under this Agreement) to accept and pay for the 2016 Notes on the Closing Date, the Transportation Board may retain the Good Faith Deposit as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. The Underwriters understand that in such event the actual damages of the Transportation Board may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the Transportation Board are less than such amount, and the approval by the Transportation Board of the amount set forth herein as and for liquidated damages shall constitute a waiver of any right the Transportation Board may have to additional damages from the Underwriters.

3. Delivery of the 2016 Notes. By 10:00 a.m., New York City time, on November \_\_\_\_, 2016, or such other time as the Transportation Board and the Underwriters may agree in writing (the "Closing Date"), the Transportation Board will cause the 2016 Notes to be delivered

to or at the direction of the Underwriters through the facilities of The Depository Trust Company ("DTC"), or such other place as the Representative may specify. The other documents mentioned in this Agreement will be delivered at such time and on such date at the offices of McGuireWoods LLP, Richmond, Virginia, or at such other place as the Representative and the Transportation Board may agree. On the Closing Date, the Underwriters will pay the purchase price of the 2016 Notes by wire transfer of immediately available funds payable to the order of the State Treasurer for the account of the Transportation Board at the office of the Trustee in Richmond, Virginia. Notwithstanding the foregoing, if the Transportation Board prepares an amendment or supplement to the Official Statement pursuant to Section 5(i) below, the Closing Date may be postponed by the Underwriters to the tenth business day after the preparation of such amendment or such other time as the Representative and the Transportation Board determine.

The 2016 Notes will be delivered in book-entry form, with one typewritten note for each maturity, registered in the name of Cede & Co., nominee for DTC, as registered owner of all the 2016 Notes, duly executed and authenticated, with CUSIP identification numbers typed on them. Neither the failure to type such numbers on any Series 2016 Note nor any error in such numbers or the typing will constitute cause for a failure or refusal by the Underwriters to accept delivery and pay the purchase price of the 2016 Notes.

4. Official Statement; Offering by the Underwriters. Subsequent to the acceptance of this Agreement, when reasonably requested by the Representative, the Transportation Board will deliver to the Underwriters two manually signed copies of the Official Statement in substantially the form of the Transportation Board's Preliminary Official Statement dated \_\_\_\_\_, 2016 (the "Preliminary Official Statement"), revised to include only such changes as have been accepted by the Underwriters and are necessary or desirable to reflect the terms of this Agreement and to complete the document as an Official Statement in final form, executed on behalf of the Transportation Board (together with any amendment or supplement to it, the "Official Statement"). The Transportation Board deems the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof. In addition, the Transportation Board will furnish or cause to be furnished to the Underwriters, within six business days after the date of this Agreement and in any event not later than two business days before the Closing Date, printed and electronic copies of the Official Statement, and all amendments and supplements to it, in such quantities as the Underwriters may reasonably request to comply with Rule 15c2-12 and rules of the Municipal Securities Rulemaking Board and to meet potential customer requests for copies of the Official Statement.

The Underwriters represent and warrant that they will offer the 2016 Notes only pursuant to the Official Statement and only in states where the offer and sale of the 2016 Notes are legal, either as exempt securities or exempt transactions or as a result of due registration of the 2016 Notes for sale in any such state.

The Transportation Board will assist, if necessary, in the qualification of the 2016 Notes for sale under the "blue sky" or other securities laws of such jurisdictions as the Representative designates and will assist, if necessary, in the continuance of such qualifications in effect so long

as required for the distribution of the 2016 Notes; provided, however, that the Transportation Board will not be required to qualify as a "foreign corporation" or to file any general consents to service of process under the laws of any state or to comply with any other requirements deemed by the Transportation Board to be unduly burdensome.

5. Representations, Warranties and Covenants of the Transportation Board. The Transportation Board represents, warrants and covenants with each of the Underwriters that:

(a) The Transportation Board is a board of the Commonwealth, duly created by the General Assembly of the Commonwealth, pursuant to, and with the power and authority set forth in Article 4, Chapter 15, Title 33.2 of the Code of Virginia of 1950, as amended (the "Virginia Code"), with power and authority to issue the 2016 Notes under the State Revenue Bond Act, Section 33.2-1700 et seq. of the Virginia Code, and the Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011, as amended (collectively, the "Act").

(b) The Transportation Board has, and at the Closing Date will have, full legal right, power and authority to (i) enter into the Indenture, the Continuing Disclosure Agreement of the Transportation Board and this Agreement, (ii) issue, sell and deliver the 2016 Notes to the Underwriters as provided in this Agreement, and (iii) carry out and consummate the transactions contemplated by this Agreement. The Transportation Board has taken or will take all action required by the Indenture, the Payment Agreement, the Act and all other applicable laws in connection with such matters.

(c) The execution and delivery of the Indenture, the Continuing Disclosure Agreement of the Transportation Board, the 2016 Notes, this Agreement and any other document used or contemplated for use in the consummation of the transactions contemplated by this Agreement or by the Official Statement do not and will not in any material respect conflict with or constitute on the part of the Transportation Board a breach of or default under any indenture, deed of trust, mortgage, agreement or other instrument to which the Transportation Board is a party, or conflict with, violate, or result in a breach of any existing law, public administrative rule or regulation, judgment, court order or consent decree to which the Transportation Board is subject.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of its knowledge, threatened, (i) affecting or challenging the existence or powers of the Transportation Board, (ii) challenging the validity of the Indenture, the Payment Agreement, the Continuing Disclosure Agreement of the Transportation Board, the Memorandum of Agreement with the Federal Highway Administration dated as of December 28, 2011 (the "MOA"), the 2016 Notes or this Agreement, or of any other agreement or instrument to which the Transportation Board is a party or by which it is bound that would have a material adverse affect on or the transactions contemplated by the Indenture, the Payment Agreement, the MOA, the 2016 Notes, or this Agreement, or (iii) challenging the accuracy or completeness of or the validity of transactions described in the Preliminary Official Statement or the Official Statement.

(e) The Transportation Board has adopted all resolutions necessary to effect

the transactions contemplated by the Indenture, the Payment Agreement, the MOA, the 2016 Notes, the Official Statement and this Agreement at a duly convened public meeting, with respect to which all notices were duly given to all members, and at which meeting a quorum was present and acting throughout.

(f) The Transportation Board has authorized all necessary action for:

(1) the issuance and sale of the 2016 Notes upon the terms set forth in this Agreement;

(2) the execution and delivery of the Indenture, the Continuing Disclosure Agreement of the Transportation Board, the 2016 Notes, the Official Statement and this Agreement by the Transportation Board; and

(3) the taking of any and all actions as may be required by the Transportation Board to carry out, give effect to and consummate the transactions to which the Transportation Board is a party contemplated in this Agreement, the Payment Agreement, the MOA and the Official Statement.

(g) The Transportation Board has authorized the distribution and use of the Preliminary Official Statement and has authorized the distribution of the Official Statement by the Underwriters.

(h) The Transportation Board represents and warrants to the Underwriters that the 2016 Notes, as of the Closing Date will be, and each of the Payment Agreement, the MOA and this Agreement as of their respective dates and as of the Closing Date is and will be, duly authorized, executed and delivered by the Transportation Board and constitute valid and legally binding obligations of the Transportation Board enforceable against it in accordance with their terms.

(i) The Transportation Board will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement. If at any time from the date of this Agreement until the date 25 days after the end of the underwriting period (as hereinafter defined) an event occurs as a result of which, in the reasonable opinion of the Underwriters after notification and discussion with the Transportation Board, the Official Statement as then amended or supplemented would contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained in it, in the light of the circumstances under which they were made, not misleading, then the Transportation Board, if the Underwriters so request, will promptly prepare an amendment or supplement to the Official Statement which will correct such statement or omission. Any such amendment or supplement will be subject to the written approval of the Representative. The "end of the underwriting period," for purposes of this Agreement, means the later of the Closing Date or when the Underwriters no longer retain an unsold balance of the 2016 Notes for sale to the public, provided that the end of the underwriting period shall in no event be later than the date 60 days after the Closing Date.

(j) Any certificate signed by any official of the Transportation Board or the Commonwealth and delivered to the Underwriters pursuant to this Agreement will be deemed a

representation and warranty by the Transportation Board or the Commonwealth, as appropriate, to the Underwriters as to the truth of the statements made in such certificate.

(k) The Transportation Board has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(l) No consent, approval, authorization or order of any governmental or regulatory authority which has not already been obtained is required to be obtained by the Transportation Board as a condition precedent to the issuance of the 2016 Notes or the execution and delivery by the Transportation Board of or the performance of its obligations under the Indenture, the Payment Agreement, the Continuing Disclosure Agreement of the Transportation Board, the MOA or this Agreement.

(m) The Transportation Board, except as set forth below, represents and warrants to the Underwriters that (i) the Preliminary Official Statement (except for the Sections entitled "TAX MATTERS" and "UNDERWRITING" and Appendices B, C and D, as to which no representation or warranty is expressed), as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained in it, in the light of the circumstances under which they were made, not misleading and (ii) as of the date of this Agreement and at the Closing Date, the Official Statement (except for the Sections entitled "TAX MATTERS" and "UNDERWRITING" and Appendices B, C and D, as to which no representation or warranty is expressed) does not and will not contain any untrue statement of a material fact or omit to state any material fact which should be included in it for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained in it, in the light of the circumstances under which they were made, not misleading.

(n) Between the date of this Agreement and the Closing Date the Commonwealth and the Transportation Board will not have issued any bonds or notes or incurred any other obligations for borrowed money payable from Revenues[, except for \_\_\_\_\_ program bonds, secured in part by the Transportation Trust Fund, scheduled to be issued before the Closing Date of which you are aware].

(o) The Transportation Board is not in default in the payment of any bonds, notes or other obligations for borrowed money and, other than the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2012A, Series 2012B, Series 2013A and the 2016 Notes, the Commonwealth and the Transportation Board have not issued any outstanding bonds or notes or incurred any obligations for borrowed money payable from Federal Highway Reimbursements.

(p) During the last five years, the Transportation Board has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12, except as disclosed in the Official Statement.

6. Conditions of the Obligations of the Underwriters. The obligations of the Underwriters are subject to the accuracy of the representations and warranties of the

Transportation Board contained in this Agreement and to the accuracy of the statements of the Transportation Board made pursuant to the provisions of this Agreement, in each case as of the date of this Agreement and as of the Closing Date, and are also subject, in the discretion of the Underwriters, to the following additional conditions precedent:

(a) The Transportation Board will have taken all action required for the valid sale, issuance and delivery of the 2016 Notes.

(b) At the Closing Date, the Indenture, the Payment Agreement, the Continuing Disclosure Agreement of the Transportation Board, the MOA and this Agreement will be in full force and effect and will not have been amended, modified or supplemented and the Official Statement will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative.

(c) The Underwriters may terminate this Agreement at any time before the Closing Date by written notice to the Transportation Board if between this date and the Closing Date:

(1) legislation has been enacted by the Congress or adopted by either House of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration or enacted or proposed by the President of the United States or the Joint Select Committee on Deficit Reduction, or introduced by the General Assembly of the Commonwealth or adopted by either House of the General Assembly or favorably reported for passage to either House of the General Assembly by any committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States of America, including the Tax Court, has been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service, the Commonwealth or other governmental agency has been made or proposed, with respect to federal or Commonwealth taxation upon revenues or other income of the general character derived by the Transportation Board or upon interest received on obligations of the general character of the 2016 Notes or other action or events have transpired that (A) may have the purpose or effect, directly or indirectly, of making interest on the 2016 Notes includable in gross income for federal income tax purposes, or (B) in the reasonable opinion of the Underwriters materially adversely affects the market price of the 2016 Notes or the market price generally of obligations of the general character of the 2016 Notes;

(2) any legislation, ordinance, rule or regulation has been enacted or proposed or actively considered for enactment by any governmental body, department or agency of the Commonwealth, or any decision by any court of competent jurisdiction within the Commonwealth has been rendered that, in the reasonable opinion of the Underwriters, materially adversely affects the market price of the 2016 Notes;

(3) any legislation has been enacted or proposed or actively considered for enactment, any decision by a court of the United States of America has been rendered

or any stop order, ruling, regulation, official statement or no-action letter by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made to the effect that the issuance, offering or sale of the 2016 Notes is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act of 1933, as amended, the Securities and Exchange Act of 1934, as amended, or that the Indenture is required to be qualified under the Trust Indenture Act of 1939, as then in effect;

(4) any event has occurred or condition exists, that, in the reasonable opinion of the Underwriters, makes materially untrue or materially incorrect as of the Closing Date any statement or information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected in it as of such time in connection with the offering and sale of the 2016 Notes in order to make the statements and information contained in the Official Statement, in light of the circumstances under which they were made, not misleading as of such time;

(5) in the reasonable opinion of the Underwriters the market price of the 2016 Notes, or the market price generally of obligations of the general character of the 2016 Notes, has been materially adversely affected because (A) additional material restrictions not in force as of this date have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (B) the New York Stock Exchange, other national securities exchange or any governmental authority has imposed as to the 2016 Notes or similar obligations any material restrictions not now in force, or increased materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters, (C) a general banking moratorium has been established by federal, New York or Virginia authorities, or any devaluation of the dollar has been proposed or effected by any governmental authority of the United States of America or a material disruption in commercial banking or securities settlement or clearance services shall have occurred, or (D) war or an outbreak of hostilities involving the United States of America or other national or international calamity has occurred or escalated or any conflict involving the armed forces of the United States of America has occurred or escalated to such a magnitude as, in the reasonable opinion of the Underwriters, to have a materially adverse effect on the ability of the Underwriters to market the 2016 Notes; or

(6) there has occurred either a financial crisis or a default with respect to the debt obligations or other material change in the affairs of either the Transportation Board or the Commonwealth the effect of which, in the reasonable judgment of the Underwriters, is such as to materially adversely affect the market price or the marketability of the 2016 Notes, or the ability of the Underwriters to enforce contracts for the sale of the 2016 Notes.

(d) At the Closing Date the Transportation Board will have performed all of its obligations required under or specified in this Agreement to be performed on or before the Closing Date.

(e) The Underwriters will have received the following documents:

(1) The approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement.

(2) A supplementary opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, substantially in the form attached as Exhibit B.

(3) An opinion or opinions of the Office of the Attorney General of the Commonwealth, counsel to the Commonwealth, acting through the Transportation Board, addressed to the Underwriters, dated the Closing Date, substantially in the form attached as Exhibit C.

(4) An opinion or opinions of the office of the Attorney General of the Commonwealth, counsel to the Commonwealth, acting through the Treasury Board (as hereinafter defined) and the Secretary of Finance of the Commonwealth addressed to the Underwriters, dated the Closing Date, substantially in the form attached as Exhibit D.

(5) An opinion of \_\_\_\_\_, \_\_\_\_\_, counsel to the Underwriters, addressed to the Underwriters, dated the Closing Date, substantially in the form attached as Exhibit E.

(6) A certificate of the Chairman of the Transportation Board, on behalf of the Transportation Board, substantially to the effect that (A) the representations and warranties on behalf of the Transportation Board in this Agreement are true and correct in all material respects as of the Closing Date, (B) no litigation is pending (or to the best of his information, knowledge and belief threatened) affecting the validity of the 2016 Notes or the power of the Transportation Board to pay them, and (C) to the best of his information, knowledge and belief, the Preliminary Official Statement, as of its date, and the Official Statement as of its date and the Closing Date (except for the Sections entitled "TAX MATTERS" and "UNDERWRITING" and Appendices B, C and D as to which no view is expressed) does not contain any untrue statement of a material fact and does not omit to state a material fact in order to make the statements contained in it, in the light of the circumstances under which they were made, not misleading.

(7) A certificate of the Treasurer of the Commonwealth, dated the Closing Date, substantially in the form attached as Exhibit F.

(8) Two copies of the final Official Statement manually signed by the Chairman of the Transportation Board.

(9) Executed or certified copies of the Indenture, the Payment Agreement, the MOA, the Continuing Disclosure Agreement of the Transportation Board and the Continuing Disclosure Agreement of the Commonwealth.

(10) A certified copy of the resolution of the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") authorizing the execution and delivery of this Agreement and approving the plan of finance for the issuance of the 2016 Notes.

(11) Certified copies of the resolution of the Transportation Board authorizing the issuance of the 2016 Notes, the use and distribution of the Preliminary Official Statement and the execution and delivery of the Indenture, the Official Statement and this Agreement.

(12) An executed copy of Form 8038-G and evidence of timely filing of such form with the Internal Revenue Service.

(13) A certificate of the Comptroller of the Commonwealth substantially in the form attached as Exhibit G.

(14) Written consent to the issuance of the 2016 Notes by the Governor of the Commonwealth of Virginia.

(15) Confirmation satisfactory to the Underwriters that the ratings assigned by Moody's Investors Service, Inc. and Standard & Poor's Ratings Group to the 2016 Notes are the same as of the Closing Date as they are on the date of this Agreement and such ratings are "\_\_\_" and "\_\_\_," respectively.

(16) A copy of the Blue Sky survey with respect to the Bonds.

(17) Such additional certificates, legal opinion, instruments or documents as the Underwriters or their counsel or Bond Counsel may reasonably request to evidence the truth and accuracy, as of this date and as of the Closing Date, of information contained in the Official Statement and the representations and warranties of the Transportation Board contained in this Agreement, and the due satisfaction at or before the Closing Date of all conditions then to be satisfied in connection with the transactions contemplated by this Agreement.

If the Transportation Board or the Commonwealth are unable to satisfy any condition to the obligations of the Underwriters contained in this Agreement and the satisfaction of such condition is not waived by the Underwriters, this Agreement will terminate and neither the Underwriters nor the Transportation Board will have any further obligations or liabilities under this Agreement except for the continued obligations of the Transportation Board with respect to expenses as provided by Section 7.

7. Expenses. The Transportation Board will pay, or cause to be paid, from the proceeds of the 2016 Notes or other funds available to it all expenses incident to the performance of its obligations under and the fulfillment of the conditions imposed by this Agreement, including, but not limited to: (i) the cost, if any, of preparing and delivering the 2016 Notes; (ii) the cost of preparing, printing and delivering the Preliminary Official Statement, the Official Statement and any amendment or supplement to the Official Statement; (iii) the fees and expenses of Bond Counsel; (iv) any fees charged by the Trustee and its counsel for authentication and registration of the 2016 Notes and other services under the Indenture and any fees charged by DTC; (v) any fees charged by investment rating agencies for the rating of the 2016 Notes and any fees for providing CUSIP numbers; (vi) the cost of preparing, printing and delivering this Agreement; and (vii) all other costs and expenses incurred by the Transportation Board in connection with the issuance, sale and delivery of the 2016 Notes. All travel and other

expenses of the Underwriters, the fees and disbursements of their counsel, the Preliminary and Final Blue Sky Surveys, and all advertising expenses in connection with the public offering of the 2016 Notes will be paid by the Underwriters.

8. Agreement to Supply Certain Information. The Underwriters agree to supply to McGuireWoods LLP on or prior to the Closing Date information reasonably requested of them in Underwriters' possession concerning the offering, sale and "issue price" of the 2016 Notes necessary in calculating the "yield" on the 2016 Notes for purposes of Section 148 of the Internal Revenue Code of 1986, as amended, and any applicable regulations or rulings, substantially in the form attached as Exhibit H.

9. Survival of Certain Representations, Warranties and Covenants. The respective representations, warranties, covenants and other statement of the Transportation Board and their officials and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results of any investigation, made by or on behalf of any Underwriter or the Transportation Board, and will survive delivery of and payment for the 2016 Notes or any termination of this Agreement.

10. Notices. Any notice or other communication to be given to the Transportation Board or the Underwriters under this Agreement may be given by mailing or delivering it in writing as follows:

COMMONWEALTH  
TRANSPORTATION  
BOARD:

Department of Transportation  
1401 East Broad Street, Third Floor  
Richmond, Virginia 23219  
Attention: Chief Financial Officer

UNDERWRITERS:

11. Benefit of the Underwriters and the Transportation Board. The agreements set forth in this Agreement are made for the benefit of the Underwriters and the Transportation Board, and their legal successors, and no other person will acquire or have any right or obligation under or by virtue of this Agreement.

12. Authorization and Consent. The Transportation Board authorizes copies of the Indenture, the Payment Agreement, the MOA and the Official Statement to be used by the Underwriters in connection with the public offering and sale of the 2016 Notes.

13. Agent for the Underwriters. The Representative will act for the Underwriters in connection with this financing, and any action under this Agreement taken by the Representative will be binding upon all the Underwriters. The approval of the Underwriters when required under this Agreement or the determination of their satisfaction as to any action or the form and substance of any document referred to in this Agreement will be in writing signed by the Representative and delivered to the Transportation Board.

14. Severability. In case any one or more of the provisions of this Agreement, for any reason, is held to be illegal or invalid, such illegality or invalidity will not affect any other provisions of this Agreement, and this Agreement will be construed and enforced as if such illegal or invalid provisions had not been contained in it.

15. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the Commonwealth.

16. Counterparts. This Agreement may be executed in several counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

[Signature page follows]

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_  
Managing Director

Accepted:

**COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_  
Aubrey L. Layne, Jr., Chairman

Acknowledgment and Consent:

**TREASURY BOARD OF THE  
COMMONWEALTH OF VIRGINIA**

By: \_\_\_\_\_  
Manju S. Ganeriwala, State Treasurer of the  
Commonwealth of Virginia and Chairman,  
Commonwealth of Virginia Treasury Board

**EXHIBIT A**

**NOTE TERMS**

**Principal Amount:** \$ \_\_\_\_\_

**Purchase Price:** \$ \_\_\_\_\_

**Date of 2016 Notes:** \_\_\_\_\_, 2016

**Interest Payment Dates:** March 15 and September 15, beginning [March 15, 2017],  
except final interest payment at maturity on September 15, 20\_\_

**Maturity Dates, Amounts, Interest Rates and Prices:**

Maturity	Amount	Interest Rate	Initial Offering Price
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**Redemption:** The Series 2016 Notes maturing on or before \_\_\_\_\_ 15, 20\_\_ are not

subject to optional redemption prior to maturity. The Series 2016 Notes maturing on or after \_\_\_\_\_ 15, 20\_\_, are subject to optional redemption before maturity on or after \_\_\_\_\_ 15, 20\_\_ at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

**SUPPLEMENTAL BOND COUNSEL OPINION**

\_\_\_\_\_, 2016

\_\_\_\_\_

**Commonwealth Transportation Board  
\$ \_\_\_\_\_ Commonwealth of Virginia  
Federal Transportation Grant Anticipation Revenue Notes, Series 2016**

Dear Ladies and Gentlemen:

We have delivered to you a copy of our executed approving opinion as bond counsel, dated the date hereof, delivered in connection with the issuance by the Commonwealth Transportation Board (the "Board") of its \$ \_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "Notes"). The Board is issuing the Notes under the terms of a Master Trust Indenture of Trust, dated as of February 1, 2012, between the Board and U.S. Bank National Association, as trustee (the "Trustee"), as previously supplemented and amended and as further supplemented by a Fourth Supplemental Trust Indenture, dated as of November 1, 2016, between the Board and the Trustee.

This letter will confirm that you may rely upon the opinions expressed in our approving opinion, subject to the qualifications set forth therein, as fully as if it were addressed to you.

At your request, we have reviewed, in addition to the proceedings and other documents described in our approving opinion, (a) a Note Purchase Agreement dated \_\_\_\_\_, 2016 (the "Note Purchase Agreement"), between you and the Board, (b) the Official Statement, dated \_\_\_\_\_, 2016, relating to the Notes (the "Official Statement"), and (c) certified copies of proceedings of the Board and the Treasury Board, as appropriate, with respect to the Note Purchase Agreement and the Official Statement, and such other matters as we consider relevant and necessary to deliver this opinion. Unless otherwise defined herein, each capitalized term used in this opinion shall have the meaning given it in the Note Purchase Agreement.

With respect to various factual matters material to our opinion we have relied upon certificates and representations of the Board and other public officials. We have assumed the genuineness of all signatures (other than officials of the Board) on all documents seen or reviewed by us, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies.

Whenever an opinion expressed herein is stated to be our knowledge, it means that during the course of our representation as bond counsel for the Board we have not acquired information giving us actual knowledge of the existence or absence of the facts forming the basis for such opinion. We note that we have not conducted an independent investigation to determine the existence or absence of such facts. We further note that we do not represent, and have not represented, the Board as general counsel.

Based on the foregoing, we are of the opinion that:

(1) The Note Purchase Agreement has been duly authorized, executed and delivered by the Board and, assuming its due authorization, execution and delivery by you, constitutes a legal, valid and binding obligation of each, and is enforceable against the Board in accordance with its terms. The enforceability of the obligations of the Board under the Note Purchase Agreement may be limited, however, by bankruptcy, insolvency, reorganization, moratorium and similar laws and by equity principles which may limit the specific enforcement of certain remedies.

(2) Distribution by the Underwriters of the Preliminary Official Statement, dated \_\_\_\_\_, 2016, relating to the Notes and the Official Statement has been duly authorized by the Board.

(3) The statements in the Official Statement in the sections entitled "Introduction," "The GARVEE Notes Program," "The 2016 Notes," "Sources of Payment and Security for the GARVEE Notes," "Tax Matters" and "Legality for Investment" and "Definitions and Summaries of the Indenture and the Payment Agreement" set forth as Appendix A to the Official Statement are fair and accurate summaries of certain provisions of the Notes, the Indenture, the Payment Agreement, the statutes referenced therein and our approving opinion as bond counsel.

(4) Such opinion as executed is in substantially the form set forth in Appendix E to the Official Statement. Nothing has come to our attention that leads us to believe that such statements contain an untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading. We express no opinion as to any other parts of the Official Statement.

(5) The execution and delivery by the Board of the Notes, the Indenture, the Payment Agreement, the Note Purchase Agreement and the Official Statement and the compliance by the Board with the provisions thereof, under the circumstances contemplated thereby, are within the Board's powers and, to our knowledge, do not and will not conflict with, or constitute a breach or result in violation of, (i) any constitutional or statutory provisions, (ii) any agreement or other instrument to which the Board is a party or by which it is bound, or (iii) any order, rule, regulation, judgment, decree or ordinance of any court, government or governmental authority having jurisdiction over the Board or its properties.

We are furnishing this letter solely for your benefit, and it may not be relied on by any other person or firm.

Very truly yours,

**OFFICE OF ATTORNEY GENERAL OPINION – TRANSPORTATION BOARD**

\_\_\_\_\_, 2016

Commonwealth Transportation Board  
Richmond, Virginia

McGuireWoods LLP  
Richmond, Virginia

**Commonwealth Transportation Board**  
**\$ \_\_\_\_\_**  
**Commonwealth of Virginia**  
**Federal Transportation Grant Anticipation Revenue Notes**  
**Series 2016**

Ladies and Gentlemen:

On behalf of the Office of the Attorney General of the Commonwealth of Virginia, \_\_\_\_\_, \_\_\_\_\_, is counsel to the Commonwealth Transportation Board (the "Transportation Board") in connection with the issuance by the Transportation Board of its \$ \_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "Notes"), pursuant to a Master Trust Indenture dated as of February 1, 2012 (the "Master Indenture"), between the Transportation Board and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a Fourth Supplemental Trust Indenture dated as of November 1, 2016 (the "Fourth Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the Transportation Board and the Trustee. This opinion is delivered to you in accordance with Section 6(e) of a Note Purchase Agreement dated \_\_\_\_\_, 2016 (the "Note Purchase Agreement"), between the Transportation Board and the underwriters named therein.

I have examined, among other things, the Preliminary Official Statement of the Transportation Board dated \_\_\_\_\_, 2016 (the "Preliminary Official Statement"), and the Official Statement of the Transportation Board dated \_\_\_\_\_, 2016 (the "Official Statement").

With respect to various factual matters material to my opinion I have relied upon certificates and representations of the Transportation Board and other public officials. I have assumed the genuineness of all signatures (other than officials of the Transportation Board) on all documents seen or reviewed by me, the authenticity of all documents submitted to me as originals and the conformity with the original documents of all documents submitted to me as copies.

Whenever an opinion expressed herein is stated to be to my knowledge, or known to me, it means that during the course of my representation of the Transportation Board, I have not acquired information giving me actual knowledge of the existence or absence of the facts forming the basis for such opinion, and that except to the extent expressly set forth herein, I have not conducted an independent investigation to determine the existence or absence of such facts.

Based on the foregoing, I am of the opinion that:

1. To the best of my knowledge, after due inquiry, there is no litigation at law or in equity or any proceeding before any governmental agency pending or threatened against the Transportation Board with respect to (i) the organization or existence of the Transportation Board, (ii) the Transportation Board's authority to execute or deliver the Documents (as defined below), (iii) the validity or enforceability of the Documents, (iv) the ability of the Transportation Board to perform its obligations under the Documents, (v) the title of the officers of this Transportation Board executing any of the Documents, (vi) any authority or proceeding relating to the execution and delivery of the Documents, or (vii) the validity of the transactions described in the Documents.

2. To the best of my knowledge, the descriptions and statements relative to the Transportation Board contained in the Preliminary Official Statement and the Official Statement in the section entitled "LITIGATION" are true and correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in light of the circumstances under which they were made, not misleading.

"Documents" means, collectively, the Indenture, the Note Purchase Agreement, the Preliminary Official Statement, the Official Statement, and the Payment Agreement dated as of February 1, 2012, among the Transportation Board, the Treasury Board of the Commonwealth of Virginia and the Secretary of Finance of the Commonwealth of Virginia.

Very truly yours,

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Senior Assistant Attorney General, as counsel  
to the Commonwealth Transportation Board

**OFFICE OF ATTORNEY GENERAL OPINION – TREASURY BOARD**

\_\_\_\_\_, 2016

Treasury Board of the  
Commonwealth of Virginia  
Richmond, Virginia

McGuireWoods LLP  
Richmond, Virginia

Secretary of Finance of the  
Commonwealth of Virginia  
Richmond, Virginia

**Commonwealth Transportation Board**  
\$ \_\_\_\_\_  
**Commonwealth of Virginia**  
**Federal Transportation Grant Anticipation Revenue Notes**  
**Series 2016**

Ladies and Gentlemen:

On behalf of the Office of the Attorney General of the Commonwealth of Virginia, Special Counsel to the Attorney General, has represented the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") in connection with the issuance by the Commonwealth Transportation Board of its \$ \_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "Notes"). This opinion is delivered to you in accordance with Section 6(e) of a Note Purchase Agreement dated \_\_\_\_\_, 2016 (the "Note Purchase Agreement"), between the Commonwealth Transportation Board and the Underwriters.

I have examined, among other things, the following:

(a) a Payment Agreement dated as of February 1, 2012 (the "Payment Agreement"), among the Transportation Board, the Treasury Board and the Secretary of Finance of the Commonwealth of Virginia;

(b) a Preliminary Official Statement of the Transportation Board dated February 3, 2016 (the "Preliminary Official Statement"), and an Official Statement of the Transportation Board dated \_\_\_\_\_, 2016 (the "Official Statement"); and

(c) a resolution of the Treasury Board adopted on \_\_\_\_\_, 2016 (the "Treasury Board Resolution"), approving the plan of finance for the issuance of the Notes and delegating approval and final terms and structure to the State Treasurer.

With respect to various factual matters material to my opinion I have relied upon certificates and representations of the Treasury Board and other public officials. I have assumed the genuineness of all signatures (other than those officials of the Treasury Board) on all documents seen or reviewed by me, the authenticity of all documents submitted to me as originals and the conformity with the original documents of all documents submitted to me as copies.

Whenever an opinion expressed herein is stated to be to my knowledge, or known to me, it means that during the course of my representation of the Treasury Board I have not acquired information giving me actual knowledge of the existence or absence of the facts forming the basis for such opinion, and that, except to the extent expressly set forth herein, I have not conducted an independent investigation to determine the existence or absence of such facts.

Based on the foregoing, I am of the opinion that:

1. The Payment Agreement has been duly authorized, executed and delivered by the Treasury Board, is a valid and binding agreement of the Treasury Board, and is enforceable against the Treasury Board in accordance with its terms.

2. The enforceability of the obligations of the Treasury Board with respect to the Payment Agreement is subject to and may be limited by the provisions of bankruptcy, insolvency, reorganization, moratorium or similar laws and may be limited by sovereign immunity or other applicable provisions of law relating to judgments against the Commonwealth or its agencies. The enforceability of such obligations is also subject to usual equity principles, which may limit the specific performance of certain remedies.

3. To the best of my knowledge, after due inquiry, there is no litigation at law or in equity or any proceeding before any governmental agency pending or threatened against the Treasury Board with respect to (i) the organization or existence of the Treasury Board, (ii) the authority of the Treasury Board to execute or deliver the Payment Agreement or adopt the Treasury Board Resolution, (iii) the validity or enforceability of the Payment Agreement, (iv) the ability of the Treasury Board to perform its obligations under the Payment Agreement, (e) the title of the officers of the Treasury Board executing the Payment Agreement, (f) any authority or proceeding relating to the execution and delivery of the Payment Agreement or the adoption of the Treasury Board Resolution, or (g) the validity of the transactions described in the Payment Agreement and the Treasury Board Resolution.

4. To the best of my knowledge, the descriptions and statements contained in the Preliminary Official Statement and the Official Statement in the section entitled "LITIGATION" (as to the Treasury Board) and in the section in Appendix B entitled "LITIGATION" are true and

correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in light of the circumstances under which they were made, not misleading.

Very truly yours,

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Special Counsel to the Attorney General,  
as counsel to the Treasury Board of the  
Commonwealth of Virginia

**OPINION OF UNDERWRITERS COUNSEL**

\_\_\_\_\_, 2016

**COMMONWEALTH TRANSPORTATION BOARD**

\$ \_\_\_\_\_

**Commonwealth of Virginia  
Federal Transportation Grant Anticipation Revenue Notes  
Series 2016**

Ladies and Gentlemen:

We have acted as your counsel in connection with your purchase from the Commonwealth Transportation Board (the "Issuer"), subject to the terms and conditions set forth in the Note Purchase Agreement dated \_\_\_\_\_, 2016 (the "Note Purchase Agreement"), among you and the Issuer, of the above-referenced notes (the "Notes"). This letter is being furnished to you pursuant to Section 6(e)(5) of the Note Purchase Agreement. All capitalized terms used and not otherwise defined herein shall have the meanings set forth or referred to in the Note Purchase Agreement.

In connection with the issuance of the Notes and in accordance with our understanding with you, we rendered legal advice and assistance in the course of your review and participation in the preparation of the Official Statement dated \_\_\_\_\_, 2016 relating to the Notes (the "Official Statement"). In that connection, we have reviewed the resolution adopted by the Issuer on \_\_\_\_\_, 2016, authorizing issuance of the Notes; the resolution adopted by the Treasury Board on \_\_\_\_\_, 2016, approving issuance of the Notes; the Indenture under which the Notes are issued; the Official Statement; the Continuing Disclosure Agreement, dated \_\_\_\_\_, 2016 (the "Continuing Disclosure Agreement"); opinions dated the date hereof of McGuireWoods LLP, Bond Counsel; opinions of dated the date hereof of Virginia's Office of the Attorney General, counsel to the Issuer and to the Treasury Board; and such other records, certificates, opinions and documents; and we have made such investigation of law, as we have deemed appropriate as a basis for the opinions and conclusions hereinafter expressed.

In arriving at the opinions and conclusions hereinafter expressed, we have not, except as specifically identified above, made any independent review or investigation of factual or other matters, including the organization, existence, good standing, assets, business or affairs of the

Issuer. In reviewing the aforementioned certificates, records, proceedings, documents and opinions, we have assumed the due execution of, and genuineness of all signatures on, original and certified documents and the conformity of all documents submitted to us as conformed copies or photocopies to the respective original or certified documents. By offering the opinions and advice hereinafter expressed, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above (including, without limitation, the accuracy of all factual matters represented and legal conclusions contained therein, representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Notes and the tax status of interest on the Notes and all laws, documents and instruments providing for issuance and/or security or payment of the Notes). The opinions and advice expressed herein are based as to matters of law solely on the federal securities laws, and we express no opinion as to any other laws, statutes, ordinances, rules or regulations (including without limitation any federal or state tax or state securities laws or regulations).

Based upon, subject to and limited by the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

(a) The Notes are municipal securities under the Securities Exchange Act of 1934, as amended, and the offering, sale and delivery of the Notes do not require the registration of the Notes under the Securities Act of 1933, as amended, and the Note Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(b) The continuing disclosure undertaking of the Issuer contained in the Continuing Disclosure Agreement meets the requirements of Section (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

This letter does not purport to address the requirements under the laws of any jurisdiction with respect to the registration or licensing of dealers, brokers or salesmen, the form or substance of advertising or the filing requirements applicable thereto, or the legality of investments in the Bonds by any institutional investor that is subject to statutory or other restrictions as to its investments.

We further advise you that we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In connection with the issuance of the Notes and in accordance with our understanding with you, we rendered legal advice and assistance in the course of your investigation pertaining to, and your participation in the preparation of the Official Statement. Rendering such assistance involved, among other things, discussions and inquires concerning various legal and related subjects and reviews of certain public and Issuer records, documents and proceedings. We have also participated in discussions, conversations and conferences with your representatives, representatives of the Issuer and Virginia's Office of the Attorney General, McGuireWoods LLP and certain other parties involved in the preparation of information for the Official Statement, at which conferences the contents of the Official Statement and related matters were discussed and revised. On the basis of the information made available to us in the course of our participation in the preparation of the Official Statement, and

without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, based on our discussions, inquiries, review and participation and in reliance thereon and on the records, proceedings and documents referred to above, nothing has come to the attention of the attorneys in our firm rendering legal services to you in connection with the issuance of the Notes which leads us to believe that the Official Statement, as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. We express no belief or opinion as to Appendices A through E to the Official Statement or as to any CUSIP numbers, financial, technical, statistical, economic, engineering, demographic or tabular data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion included in the Official Statement or as to the information contained in the Official Statement under the captions "CERTAIN LEGAL MATTERS," "TAX MATTERS," "LEGALITY FOR INVESTMENT," "LITIGATION" and "RATINGS" or any information in the Official Statement about the book-entry system, Cede & Co., or DTC, including Appendix G to the Official Statement.

This letter is issued to and for the sole benefit of the addressees, in their role as underwriters of the Notes, and is issued for the sole purpose of the transaction specifically referred to herein. No person (including, but in no way by limitation, the owners (beneficial or registered) of the Notes, or the Issuer) other than the addressees, in their role as underwriters of the Notes, may rely upon this letter without our express prior written consent. This letter may not be utilized by the addressees for any other purpose whatsoever and may not be quoted by the addressees without our express prior written consent.

We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason. Our engagement with respect to the transaction referred to herein terminates upon the date of this letter.

Very truly yours,

**CERTIFICATE OF STATE TREASURER  
OF THE COMMONWEALTH OF VIRGINIA**

The undersigned State Treasurer of the Commonwealth of Virginia (the "Commonwealth") certifies to the Underwriters identified in the Note Purchase Agreement dated \_\_\_\_\_, 2016 (the "Note Purchase Agreement"), relating to the \$ \_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "Series 2016 Notes"), issued by the Commonwealth Transportation Board (the "Transportation Board") under the terms of the Master Trust Indenture dated as of February 1, 2012, as supplemented by the Fourth Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2016, between the Transportation Board and U.S. Bank National Association, as trustee (collectively, the "Indenture"), as follows:

1. I am the duly appointed, qualified and acting State Treasurer of the Commonwealth and as such am familiar with the books and records of the Treasury of the Commonwealth. By law the State Treasurer serves as Chairman of the Treasury Board of the Commonwealth (the "Treasury Board").

2. The information in the sections entitled "INTRODUCTION," "SOURCES OF PAYMENT AND SECURITY FOR THE GARVEE NOTES" and Appendices B and C of the Transportation Board's Official Statement dated \_\_\_\_\_, 2016 (the "Official Statement"), relating to the Series 2016 Notes (except for the section in Appendix B entitled "LITIGATION," as to which no view is expressed) does not contain any untrue statement of a material fact or omit to state a material fact relating to the Commonwealth necessary in order to make the statements contained in it, in light of the circumstances under which they were made, not misleading.

3. No event affecting the Commonwealth has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect, as of this date, any statement or information relating to the Commonwealth contained in the Official Statement or which is not reflected in the Official Statement but is necessary to make the statements and information contained in it not misleading.

4. Except for the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016, and Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2012A, 2012B and 2013A, which the Transportation Board issued on March 1, 2012, July 26, 2012, and November 21, 2013, respectively, the Commonwealth and the Treasury Board have not issued any bonds or notes or incurred any other obligations for borrowed money payable from Federal Highway Reimbursements (as defined in the Indenture).

5. I, as State Treasurer, have full legal right, power and authority to enter into the Continuing Disclosure Agreement of the Commonwealth of Virginia, and carry out and

consummate the transactions contemplated by the Continuing Disclosure Agreement of the Commonwealth of Virginia.

6. The compliance with the provisions of the Payment Agreement and any other document used or contemplated for use in the consummation of the transactions contemplated by the Payment Agreement do not and will not in any material respect conflict with or constitute on the part of the Treasury Board a breach of or default under any indenture, deed of trust, mortgage, agreement or other instrument to which the Treasury Board is a party, or conflict with, violate or result in a breach of any existing law, public administrative rule or regulation, judgment, court order or consent decree to which the Treasury Board is subject.

7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, (i) affecting or challenging the existence or powers of the Treasury Board, (ii) challenging the validity of the Payment Agreement, the Continuing Disclosure Agreement of the Commonwealth of Virginia or the Series 2016 Notes, or of any other agreement or instrument to which the Treasury Board is a party or by which it is bound that would have a material adverse affect on the transactions contemplated by the Payment Agreement or the Series 2016 Notes, or (iii) challenging the accuracy or completeness of or the validity of transactions described in the Preliminary Official Statement of the Transportation Board dated \_\_\_\_\_, 2016 or the Official Statement.

8. The Treasury Board has adopted all resolutions necessary to approve the plan of finance for the Series 2016 Notes at duly convened public meetings, with respect to which all notices were duly given to all members, and at each of which meetings a quorum was present and acting at the time of adoption, and no such resolution has been amended, modified or rescinded in whole or in part.

Dated: \_\_\_\_\_, 2016

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Manju S. Ganeriwala, State Treasurer of the  
Commonwealth of Virginia

**CERTIFICATE OF COMPTROLLER OF COMMONWEALTH  
COMMONWEALTH OF VIRGINIA**

The Comptroller of the Commonwealth of Virginia (the "Commonwealth"), on behalf of the Commonwealth, certifies to the Underwriters identified in the Note Purchase Agreement dated \_\_\_\_\_, 2016 (the "Note Purchase Agreement"), relating to the \$\_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016, issued by the Commonwealth Transportation Board that the tables "Summary of General Fund Revenues, Expenditures and Changes in Fund Balance – Budget and Variance of Actual-Budgetary Basis" and "Commonwealth Transportation Fund" in Appendix B to the Official Statement (as defined in the Note Purchase Agreement) accurately reflect the information concerning revenues, expenditures and other financing sources included in the Annual Report of the Comptroller for each of the fiscal years covered therein. I further certify that there has been no material adverse change in the financial condition of the Commonwealth between the date of the Financial Statements of the Commonwealth included in Appendix D to the Official Statement and this date.

Dated: \_\_\_\_\_, 2016

COMMONWEALTH OF VIRGINIA

By: \_\_\_\_\_  
Comptroller of the Commonwealth of Virginia

**UNDERWRITERS ISSUE PRICE CERTIFICATE**

(See Attached)

## **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed as of November \_\_, 2016 (the "Closing Date"), by the Commonwealth Transportation Board (the "Board") of the Commonwealth of Virginia (the "Commonwealth") in connection with the issuance by the Board of its \$\_\_\_\_\_ Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016 (the "Notes"), pursuant to the provisions of a Master Trust Indenture dated as of February 1, 2012, as previously supplemented and amended, and as further supplemented by a Fourth Supplemental Trust Indenture dated as of November 1, 2016 (collectively, the "Indenture"), both between the Board and U.S. Bank National Association, as trustee. The proceeds of the Notes are being used to provide for the payment of certain costs of certain transportation projects in the Commonwealth and certain costs related to the issuance of the Notes.

The Board hereby covenants and agrees as follows:

**Section 1. Definitions.** In addition to the definitions used for purposes of the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Board pursuant to and as described in Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" means the Board, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent. Notwithstanding anything contained in this definition, the dissemination agent shall not be required to have any agency relationship with the Board for purposes of state law.

"EMMA" means the MSRB's Electronic Municipal Market Access system, the internet address of which is <http://emma.msrb.org/>, and any successor thereto.

"Fiscal Year" means the twelve-month period, at the end of which the financial position of the Board and results of its operations for such period are determined. Currently, the Board's Fiscal Year begins July 1 and continues through June 30 of the next year.

"Holder" means any person who is a record owner or beneficial owner of a Note.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Statement" means the Board's Official Statement with respect to the Notes, dated November \_\_, 2016.

"Rule" means Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Participating Underwriter" means any of the original underwriters of the Notes required to comply with the Rule in connection with the offering of such Notes.

**Section 2. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Board for the benefit of the Holders of the Notes and in order to assist each Participating Underwriter in complying with the Rule. The Board acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

**Section 3. Provision of Annual Reports: Audited Financial Statements.**

(a) By not later than April 30 following the end of each Fiscal Year of the Board, commencing with the Fiscal Year ending June 30, 2016, the Board shall submit, or shall cause the Dissemination Agent (if different from the Board) to submit, to EMMA an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, and (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement;

(b) The Board does not produce separate financial statements, but its financial activity is included in the audited financial statements of the Commonwealth. Accordingly, the Commonwealth is an obligated person for whom financial or operating data is presented in the Official Statement, and the Commonwealth has separately executed and delivered a continuing disclosure agreement dated the date hereof related to the offering and sale of the Notes for the benefit of Holders of the Notes and to assist the Participating Underwriters in complying with the Rule. If, at any time in the future, as a result of a change in law or accounting policy, the Board should produce separate audited financial statement, then the Board will make public such audited financial statements as provided in the Rule; and

(c) If the Board fails to submit an Annual Report to EMMA by the date required in subsection (a) hereof, the Board shall send an appropriate notice to the MSRB in substantially the form attached hereto as Exhibit A.

**Section 4. Content of Annual Reports.** Each Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following information, all with a view toward assisting the Participating Underwriters in complying with the Rule:

(a) updated information regarding the GARVEE Notes Program as set forth under the section bearing such heading in the Official Statement, including bond authorization for the Projects (as defined in the Indenture); and

(b) updated information regarding (1) Information Concerning the Funding of Federal-Aid Highways, the Transportation Trust Fund, all as set forth in sections bearing such headings in the Official Statement and (2) any other funds appropriated by the General Assembly with respect to the Notes, including funds appropriated and allocated to the Federal

Transportation Grant Anticipation Revenue Notes Program, as of the end of the preceding Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements, documents related to debt issues or other documents of the Board or the Commonwealth, that have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

**Section 5. Event Notices.** The Board will submit, or cause the Dissemination Agent (if different from the Board) to submit, in a timely manner not in excess of 10 business days after the occurrence of the event, to the MSRB, notice of the occurrence of any of the following events (listed in subsection (b)(5)(i)(c) of the Rule) with respect to the Notes to which the Board has actual knowledge:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (g) Modifications to rights of Holders of the Notes, if material;
- (h) Note calls;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the Board;
- (m) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary

course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Board does not undertake to provide the above-described notice in the event of a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Official Statement for the Notes, (ii) the only open issue is when Notes will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Holders under the terms of the Indenture, and (iv) public notice of the redemption is given pursuant to Release No. 34-23856 of the Securities and Exchange Commission, even if the originally scheduled amounts may be reduced by prior optional redemption or Note purchases.

**Section 6. Termination of Reporting Obligation.** The obligations of the Board under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Notes.

**Section 7. Dissemination Agent.** The Board, as the initial Dissemination Agent, may, from time to time, appoint or engage another entity to act as Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any such successor Dissemination Agent will be deemed to be appointed pursuant to this Disclosure Agreement. It is currently anticipated that such successor Dissemination Agent may include, among others, Digital Assurance Certification LLC, or similar organizations that may exist from time to time. If at any time there is not any other designated Dissemination Agent, the Board shall be the Dissemination Agent.

**Section 8. Amendment.** Notwithstanding any other provision of this Disclosure Agreement, the Board may amend this Disclosure Agreement if such amendment is supported by an Opinion of independent Counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

**Section 9. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice described in Section 5 above, in addition to that which is required by this Disclosure Agreement. If the Board chooses to include any information in any Annual Report or notice described in Section 5 above, in addition to that which is specifically required by this Disclosure Agreement, the Board shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice.

**Section 10. Default.** Any person referred to in Section 11 (other than the Board) may take such action as may be permitted by law against the appropriate public official to secure

compliance with the obligation of the Board to file its Annual Report or to give notice as described in Section 5. In addition, Holders of not less than a majority in aggregate principal amount of the Notes Outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Disclosure Agreement or to enforce any other obligation of the Board hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture or any applicable resolution or other debt authorization of the Board, and the sole remedy under this Disclosure Agreement in the event of any failure of the Board to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

**Section 11. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Board, the Participating Underwriters, and Holders from time to time of the Notes, and shall create no rights in any other person or entity.

[Signature Page Follows]

IN WITNESS WHEREOF, the Chairman of the Commonwealth Transportation Board has executed this Continuing Disclosure Agreement as of the Closing Date.

**COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_  
Chairman

[Signature Page to Continuing Disclosure Agreement]

NOTICE OF FAILURE TO FILE ANNUAL REPORT  
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COMMONWEALTH TRANSPORTATION BOARD

in connection with

Commonwealth of Virginia  
Federal Transportation Grant Anticipation Revenue Notes, Series 2016

CUSIP Numbers:  
927790 \_\_\_ to \_\_\_

Dated: November \_\_, 2016

**NOTICE IS HEREBY GIVEN** that the Commonwealth Transportation Board (the "Board") has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds. The Board anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by \_\_\_\_\_ [or it has been filed as of \_\_\_\_\_].

Dated: \_\_\_\_\_, 20\_\_

**COMMONWEALTH TRANSPORTATION BOARD**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**INTERSTATE**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
J66	57048	FROM: 0.757 MI. S. CURLEW DRIVE	TUTOR PERINI CORPORATION	4	\$107,380,000.00	\$111,544,370.40
	0264-122-108,C508,B602-5, B616	TO: 0.832 MI. E. WBL I-64	NEW ROCHELLE			
	STATE	NORFOLK	NY			
	Construction Funds	HAMPTON ROADS DISTRICT				
		RTE 264 - INTERCHANGE IMPROVEMENTS - 64 WB RAMP TO 264 EB				

1 Recommended for AWARD: \$107,380,000.00

**BID RESULTS FOR THE CTB**

**INTERSTATE**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
K21	108326	LOCATION: VARIOUS	FORT MYER CONSTRUCTION CORPORATION	7	\$5,084,290.20	\$6,238,972.10
	(NFO) 0095-966-687, B603-B608		WASHINGTON			
	NHPP-BR06(270)	STAFFORD	DC			
	Maintenance Funds	FREDERICKSBURG DISTRICT				
		BRIDGE REPAIRS AT VARIOUS LOCATIONS ON I-95				

1 Recommended for AWARD: \$5,084,290.20

**BID RESULTS FOR THE CTB**

Letting Date: 7/27/2016

**PRIMARY**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
J74	86598	FROM: 0.002 MI. NORTH INTERSECTION NEWLAND HOLLAND RD. (RTE. 707)	VECELLIO & GROGAN, INC.	8	\$6,530,330.56	\$6,948,570.68
	(NFO) 0023-084-659, C501, B621	TO: 0.003 MI. SOUTH INTERSECTION RIVER ROAD (RTE. 614)	BECKLEY			
	BR-5102(162)	SCOTT	WV			
	Construction Funds	BRISTOL DISTRICT				
		ROUTE 23 OVER N.F. HOLSTON RIVER BRIDGE REPLACEMENT				

1 Recommended for AWARD: \$6,530,330.56

Letting Date: 7/27/2016

**SECONDARY**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
U01	108350	LOCATION: VARIOUS	GEOSTABILIZATION INTERNATIONAL, LLC	2	\$5,591,902.25	\$9,854,606.25
	VAR-968-315, N501		GRAND JUNCTION			
	STATE	STAUNTON	CO			
	Maintenance Funds	STAUNTON DISTRICT				
		ON-CALL CONTRACT ROCK SLOPE REPAIR				

1 Recommended for AWARD: \$5,591,902.25

**INTERSTATE**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
J73	56899	FROM: 0.555 MI. SOUTH MONTGOMERY/ PULASKI COUNTY LINE	VECELLIO & GROGAN, INC.	5	\$48,012,792.71	\$53,886,676.00
	(NFO) 0081-060-126,B603, B608, C501	TO: 0.530 MI. NORTH MONTGOMERY/ PULASKI COUNTY LINE	BECKLEY			
	NHPP-081-1(342)	MONTGOMERY	WV			
	Construction Funds	SALEM DISTRICT				
		REPLACE I-81 NBL BR. OVER NEW RIVER, & RTE. 232 BR. OVER I-81				

1 Recommended for AWARD \$48,012,792.71

# September 2016 CTB Meeting

J66

**0264-122-108, C508, B602-5, B616**

**City of Norfolk**

The purpose of the project is to address deficiencies in safety, capacity, and geometry of the current I-64/I-264 interchange, specifically associated with the existing WB I-64 to EB I-264 ramp movements. The interchange of I-64 with I-264 is one of the Commonwealth's busiest crossroads. Crash rates along the project segments are among the highest for freeways in Hampton Roads. The proposed improvements include widening westbound I-64 by adding a second exit lane from Twin Bridges to the I-64/I-264 interchange, relocating and widening of the ramp to two lanes from westbound I-64 to eastbound I-264, introducing a new two lane Collector-Distributor (C-D) roadway from I-64 to the Newtown Road interchange, and a new two-lane flyover ramp from westbound I-64 tying into the existing eastbound I-264 C-D road. Most of the proposed improvements are on bridge structures. Sound barriers are proposed along eastbound and westbound I-64.

Fixed Completion Date: October 24, 2019

J74

**(NFO) 0023-084-659, C501, B621**

**Scott County**

The purpose of this project is to replace the existing bridges on Route 23 over North Fork Holston River with a single combined bridge for both travel directions. The existing south bound lane bridge is posted for weight restriction and has a superstructure in very poor condition supported by a substructure in poor condition with significant deterioration. The existing north bound lane bridge is in fair condition. The proposed project work includes complete bridge replacement of the south bound lane structure and superstructure replacement with substructure reuse of the north bound lane structure including approach roadway adjustments. Temporary crossovers will provide a detour to either adjacent bridge as part of the traffic management plan. Local traffic may also use route 224 as an alternative route. A southbound left turn lane will be provided for Route 707 (Newland Hollow Road), and a northbound left turn lane will be provided for a new access road, which has been advertised for construction by Scott County Economic Development Authority.

Fixed Completion Date: November 21, 2018

K21

**(NFO)0095-966-687, B603-B608**

**Spotsylvania and Stafford Counties**

This project involves rehabilitation of six bridges on I-95: NBL and SBL over Aquia Creek, NBL and SBL over Potomac Creek, NBL and SBL over Ni River. The project includes deck repairs, superstructure repairs, and substructure and crack repairs. The work entails performing sub surface and crack repairs, install dry rip rap, complete joint reconstruction, mill concrete deck, perform patching, and installing a latex modified concrete on deck

Fixed Completion Date: November 5, 2018

U01

**VAR-968-315, N501**

**Staunton District**

The purpose of this project is to provide a districtwide contract for the repair of rock slopes on various routes within the counties of Augusta, Alleghany, Bath, Highland, Rockbridge, Rockingham, Frederick, Shenandoah, Clark, Page, and Warren. This contract will allow the Staunton District to create individual rock slope repair projects with accelerated schedules, as compared to traditional construction projects. Individual task orders will be developed when funding becomes available. This project consists of rock excavation (including blasting), rock scaling, concrete buttresses, shotcrete facing, the installation of rock anchors and rock bolts, and polyurethane resin stabilization.

Fixed Completion Date: December 24, 2017

The purpose of this project is to replace the I-81 NB Bridge over the New River, as well as the Rte. 232 Bridge over the interstate. The NB Bridge was originally built in 1965 and widened in 1986 to its current configuration. The existing typical section provides for two 12-foot travel lanes in the NB direction. There are 15-foot (10-foot paved) outside shoulders and 8-foot (3-foot paved) median shoulders. The NB deceleration does not extend on to the bridge. The NB Bridge has two 12-foot travel lanes with 10-foot shoulders on the right side and 6-foot shoulders on the left side.

The proposed roadway typical section for I-81 will provide two 12-foot travel lanes with 14-foot to 17-foot shoulders (12-foot paved outside and 8-foot paved median side to match the proposed inside shoulder width on the I-81 NB Bridge). The proposed bridge typical section will provide two 12-foot travel lanes; one 12-foot auxiliary lane (deceleration lane for NB direction); a 12-foot outside shoulder width; and an 8-foot inside shoulder width. The deceleration lane will be extended to meet current standards. Project design provides for maintaining two lanes of I-81 Mainline traffic in each direction during construction. Offsite detouring of I-81 traffic is not anticipated during construction.

The 2014 average daily traffic for I-81 at Exit 105 was 43,350 vehicles per day; this is anticipated to increase to 76,500 vehicles per day by the design year of 2038, including thirty-three percent (33%) trucks. Four property owners and six parcels are affected by acquisition of right of way and/or easements. The projects will not require the displacement of any businesses or non-profit organizations.

Fixed Completion Date: December 4, 2020

# BALLOT THRESHOLD REPORT

Letting Date: 7/27/2016

## AWARD/EXECUTED

### MISCELLANEOUS

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
K13	108204	LOCATION: VARIOUS	BURLEIGH CONSTRUCTION CO., INC.	3	\$2,789,752.50	\$2,828,571.30
	(NFO)9999-963-366, N501		CONCORD			
	STP-BR0-3(332)	LYNCHBURG	VA			
	Maintenance Funds	LYNCHBURG DISTRICT				
		DISTRICT-WIDE BRIDGE MAINTENANCE				

**1 Recommended for AWARD \$2,789,752.50**

**AWARD/EXECUTED**

**INTERSTATE**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
J88	106938	NORTH OF 5TH STREET ON I-95	MIDASCO VA LLC (USED IN VA BY: MIDASCO, LLC)	2	\$3,059,257.00	\$2,420,027.42
	(NFO)0095-043-848,M501	EXISTING CELL PHONE TOWER HUB BUILDING SOUTH OF SLIDING HILL ROAD	ELKRIDGE			
	HSIP-0951(351)	HENRICO	MD			
	Construction Funds	RICHMOND DISTRICT				
		RTE 95 - INSTALL ITS DEVICES				
K44	106737	LOCATION: VARIOUS	ADAMS CONSTRUCTION COMPANY	1	\$3,521,150.72	\$3,798,233.33
	(NFO)PM2R-011-F17, P401		ROANOKE			
	NHFP-081-2(301)	BOTETOURT	VA			
	Maintenance Funds	SALEM DISTRICT				
		SGR: I-81 NB				
K46	109198	I-81 NB MM 6.78	ADAMS CONSTRUCTION COMPANY	1	\$2,244,847.37	\$2,190,079.29
	(NFO)PM8T-081-F17, N501	I-81 NB MM 9.9	ROANOKE			
	NHPP-081-2(300)	ROCKBRIDGE	VA			
	Maintenance Funds	STAUNTON DISTRICT				
		SGR: PLANT MIX				

**3 Recommended for AWARD \$8,825,255.09**

### BALLOT THRESHOLD REPORT

Letting Date: 8/24/2016

#### AWARD/EXECUTED

#### PRIMARY

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
K31	107120	INT. RTE. 23 NORTON	W-L CONSTRUCTION & PAVING, INC.	2	\$3,680,993.00	\$5,655,041.18
	(NFO)6058-097-S94,N501	RTE. 270N/4TH AVE. ST. PAUL	CHILHOWIE			
	HSIP-097-1(099)	WISE	VA			
	Construction Funds	BRISTOL DISTRICT				
		PAVE SHOULDER RUMBLE STRIPS AND GUARDRAIL				
K48	109258	LOCATION: VARIOUS	ROGERS GROUP, INC.	2	\$2,560,857.10	\$4,016,942.09
	(NFO)PM1K-961-F17,N501		NASHVILLE			
	NHPP-961-1(093)	BRISTOL	TN			
	Maintenance Funds	BRISTOL DISTRICT				
		SGR: PLANT MIX				
K54	109251	LOCATION: VARIOUS	LEE HY PAVING CORPORATION	3	\$3,465,591.14	\$4,730,011.48
	(NFO)PM6S-966-F17,P401		GLEN ALLEN			
	STP-966-6(080)	KING & QUEEN	VA			
	Maintenance Funds	FREDERICKSBURG DISTRICT				
		SGR: PLANT MIX				

Letting Date: 8/24/2016

**AWARD/EXECUTED**

**PRIMARY**

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.
K60	109029, 109030, 109455, 109560	LOCATION: VARIOUS	S. L. WILLIAMSON COMPANY, INCORPORATED	3	\$2,207,661.04	\$2,213,119.48
	(NFO)PM7A-967-F17,P401		CHARLOTTESVILLE			
	STP-PM07(300)	FLUVANNA	VA			
	Maintenance Funds	CULPEPER DISTRICT				
		SGR: PLANT MIX				
K61	103321, 109052, 109456	LOCATION: VARIOUS	CHEMUNG CONTRACTING CORPORATION	4	\$2,748,613.07	\$2,687,804.11
	(NFO)PM7F-967-F17,P401		PINE CITY			
	NHPP-PM0-7(307)	FAUQUIER	NY			
	Maintenance Funds	CULPEPER DISTRICT				
		SGR: PLANT MIX				
K66	109559, 109561	LOCATION: VARIOUS	BOXLEY MATERIALS COMPANY	2	\$2,113,815.69	\$2,228,708.16
	(NFO) PM3X-963-F17, N501		LYNCHBURG			
	NHPP-963-3(049)	AMHERST	VA			
	Maintenance Funds	LYNCHBURG DISTRICT				
		SGR: PLANT MIX				

**6 Recommended for AWARD \$16,777,531.04**