

ITEM #18: APPROVAL OF CONSENT ITEMS

A. MINUTES

Minutes from the November 21, 2019 HRTPO/HRTAC Concurrent meeting are attached.

Attachment 18-A

RECOMMENDED ACTION:

Approve the minutes.

B. HRTPO FINANCIAL STATEMENT

The Statement of Revenues and Expenditures for the activities of November 2019 is attached. This statement reflects the financial status of the HRTPO as a whole.

Attachment 18-B

RECOMMENDED ACTION:

Accept the HRTPO Financial Statement.

Hampton Roads Transportation Planning Organization (TPO)

Board Summary Minutes of November 21, 2019

Held Concurrently with the Hampton Roads Transportation Accountability Commission

The Joint HRTPO and HRTAC Board Meeting was convened at 10:33 a.m. in the Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia. HRTPO Chair Tom Shepperd called the HRTPO Board meeting to order. He then welcomed the HRTAC Board to the meeting. HRTAC Chair Linda Johnson called the HRTAC Board meeting to order at 10:33 a.m. The following members of the HRTPO Board were in attendance:

HRTPO Voting Members in Attendance:

Thomas Shepperd, Jr. (Chair Pro Tem, YK)
Rick West (CH)
Ella Ward (Alternate, CH)*
Barry Cheatham (FR)
James Gray (Alternate, HA)
Joel Acree (IW)*
Michael Hipple (JC)
McKinley Price (NN)
Kenneth Alexander (NO)*
Shannon Glover (Alternate, PO)

Herbert Green (Alternate, PQ)
Barry Porter (SH)
Linda Johnson (SU)
Robert Dyer (VB)*
William Harrell (HRT)
Christopher Hall (VDOT)
Cathie Vick (Alternate, VPA)
Zach Trogdon (WATA)*
Delegate David Yancey (GA)*
Delegate Chris Stolle (GA)

HRTPO Nonvoting Members in Attendance:

Chris Price (CH)
J. Brent Fedors (GL)
Mary Bunting (HA)*
Randy Keaton (IW)
Scott Stevens (JC)
Cindy Rohlf (NN)
Randall Wheeler (PQ)
Patrick Roberts (SU)

Tom Leahy (VB)
Andrew Trivette (WM)
Neil Morgan (YK)
Terry Danaher (CTAC)
John Malbon (CTB)
Shep Miller (CTB)
Ivan Rucker (FHWA)

Invited Participants:

Stephen Brich, VDOT Commissioner
Nicholas Donohue, Deputy Secretary of Transportation
Tom Inghima, Attorney Wilcox & Savage PC
Kevin Page, HRTAC Executive Director
Linda Curtis (HA)

Wynter Benda (NO)
Bob Baldwin (PO)
Scott Denny (FAA)
Captain Michael Moore (Navy)

HRTPO Executive Director:

Robert A. Crum, Jr.

HRTPO Voting Members Absent:

Phillip Bazzani (GL)
Paul Freiling (WM)
Jennifer Mitchell (DRPT)

Senator John Cosgrove (GA)
Senator Mamie Locke (GA)
Randall Burdette (VDA)

HRTPO Nonvoting Members Absent:

Amanda Jarratt (FR)
Chip Filer (NO)
Lydia Pettis-Patton (PO)
Michael Johnson (SH).

Neil Morgan (YK)
Mark Flynn (FAA)
Terry Garcia-Crews (FTA)
Michael Giardino (PAA)
Robert Bowen (NAA)

HRTPO Staff:

Mike Kimbrel
Natalie Brown
Sam Belfield
Rob Case
Andrea Gayer
Kathlene Grauberger
Logan Grimm
Uros Jovanovic

Sharon Lawrence
John Mihaly
Kendall Miller
Keith Nichols
Jeff Raliski
Dale Stith
Theresa Brooks
Joe Turner

*Denotes late arrival or early departure

Others Recorded Attending:

Earl Sorey (CH); Brian DeProfio (HA); Amy Inman, Bridjette Parker (NO); Sherri Neil (PO); Leroy Bennet (SU); Sheila Noll, Mark Bellamy (YK); Michael King (NAVY); Krystel Jordan, David Wickersham (Congresswoman Luria); Will Christopher (FHR); Tony Gibson, Robin Grier, Dawn Odom, Sonya Hallums-Ponton, Eric Stringfield, Tim Haynam (VDOT); Jamik Alexander (FHWA); Tyler Grzegorzczuk (CDM Smith); Mary DiMartino (JP Morgan); Drew Lumpkin (Senator Warner); Karen McPherson (McPherson Consulting); Mark Geduldig-Yatrofsky (Portsmouth City Watch.org); Kirsten Krug (Citigroup); Diana Howard (VISTA); Doug Wilson (ERC); Lui Zukosky (RK&K); Julie Burger (Wellsfargo Securities); Judy Hinch, Vic Nicholls, Rek Viray, John Gergely (Citizen); Lynn Coen, Jennifer Hodnett (HRTAC); Keith Cannady, Kelli Arledge, Cynthia Mulkey, Katherine Rainone, Matt Smith, Tiffany Smith, Chris Vaigneur, Sheila Wilson (HRPDC Staff)

Mr. Bob Crum, HRTPO Executive Director reported that Chair John Rowe and Vice-Chair Donnie Tuck will not be in attendance at the HRTPO Board meeting. Mr. Crum called for the nomination and election of a *Chair Pro Tem* for the HRTPO meeting. Mr. Shannon Glover Moved to nominate Mr. Thomas Shepperd; seconded by Mr. Kenneth Alexander. The Motion Carried.

Dr. Ella Ward arrives

Chair Pro Tem Shepperd introduced Mr. Chris Price, the new City Manager of Chesapeake; Mr. Scott Denny with the Federal Aviation Administration; Mr. Jimmy Gray and Ms. Linda Curtis with the City of Hampton, and Mr. Shannon Glover with the City of Portsmouth.

10:42 a.m. HRTAC Board called back to order

Approval of Agenda

HRTPO Chair Pro Tem Shepperd asked for any additions or deletions to the HRTPO Board Agenda. Hearing none, Mr. Christopher Stolle Moved to approve the agenda; seconded by Mr. Michael Hipple. The Motion Carried.

HRTAC Chair Linda Johnson asked for any additions or deletions to the HRTAC Board Agenda. Hearing none, Mr. Hipple Moved to approve the agenda; seconded by Mr. Stolle. The Motion Carried.

Public Comment Period

Mr. Will Christopher, representing *Future of Hampton Roads* from Portsmouth, Virginia, provided comments and recommendations regarding Autonomous Vehicles.

Delegate David Yancey arrives

Mr. John Gergely from Newport News, Virginia expressed concerns regarding the impact of HOT lanes operations.

A transcription of the public comments made orally during HRTPO Board meetings will be included in the HRTPO Agenda each month. The transcript will also be posted on the HRTPO website when available.

Mr. Mark Geduldig-Yatrofsky addressed the HRTAC Board.

10:48 a.m. HRTAC Board stands at ease.

HRTPO Briefings and Action Items

Executive Director Report

Mr. Robert Crum, HRTPO Executive Director, directed the Board to his written report included in the agenda. He highlighted the following item:

- The HRPDC and HRTPO Regional Legislative Agenda, approved by the HRPDC and HRTPO Boards, articulates the regional positions on important matters on both the state and federal levels for the Hampton Roads region. The Agenda, in the form of an informational brochure, was distributed as a handout, and will be circulated to General Assembly members and to appropriate members of Congress.

Mr. Crum then, on behalf of the HRTPO Board, presented Mr. Thomas Shepperd with a memento in recognition and appreciation of his outstanding service as HRTPO Chair from October 2017 to October 2019.

FY 2019 Audited Financial Statements

Mr. Michael Garber, PBMares Partner, reported that the independent Auditors' Report states that the statements present fairly, in all material respects, the basic financial statements of the HRPDC/HRTPO. There were no material weaknesses or deficiencies identified in any of the internal controls or processes of the financial activity, and all information was free of any material misstatements. The audited financial statements, along with supplemental management letters, and the auditor's opinion report, based on census data reported to the Virginia Retirement System (VRS), have been posted on both websites.

Mr. Michael Hipple Moved to approve the FY 2019 audited financial statements; seconded by Mr. Barry Cheatham. The Motion Carried.

Consent Agenda

The following items were included in the agenda as Consent Items:

- A. Minutes – November 21, 2019 Concurrent HRTPO/HRTAC Board Meeting
- B. HRTPO Financial Statement
- C. FY 2018-2021 TIP Amendment Request: UPC T21555 (115008)
I-64 HRBT Expansion – New Capacity
- D. FY 2018-2021 TIP Amendment Request: UPC 115009
I-64 HRBT Expansion Project – Owners Oversight – HRTAC Portion
(Child project of UPC 115008)
- E. FY 2018-2021 TIP Amendment Request: UPC 115010
I-64 HRBT Expansion Project – Design-Build Contract – SMART SCALE Portion
(Child project of UPC 115008)
- F. FY 2018-2021 TIP Amendment Request: UPC 115011
I-64 HRBT Expansion Project – South Trestles (Child project of UPC 115008)
- G. FY 2018-2021 TIP Amendment Request: UPC 103005
Centerville Turnpike Widening in Virginia Beach
- H. FY 2018-2021 TIP Revision: Request to Transfer RSTP Funding: UPC 97715 Wythe
Creek Road Widening in Hampton
- I. 2019 CMAQ/RSTP Project Selection Process: Recommended Projects and
Allocations
- J. Guide for Adding Historical Markers to the Birthplace of America Trail: Final
- K. Current Status of the Birthplace of America Trail: Final
- L. Impact of HOT Lane Operations – Lessons From I-64 Reversible Lanes: Final
- M. Community Advisory Committee (CAC): Membership
- N. Hampton Roads 2045 Socioeconomic Forecast Interim – Year Data

Mr. William Harrell Moved to approve the HRTPO consent items as written; seconded by Mr. Randy Wheeler. The Motion Carried.

10:56 a.m. HRTPO Board stands at ease.

Mr. Zach Trogdon departs

10:56 a.m. HRTAC Board called back to order

10:57 a.m. HRTPO Board called back to order

I-64 Regional Express Lanes Update

Mr. Kevin Page, HRTAC Executive Director, thanked the VDOT Commissioner for being present and noted the ongoing collaborative effort amongst the parties. He stated that this is an important part of the many regional decisions to be made by Spring 2020.

Mr. Stephen Brich, VDOT Commissioner, introduced today's presentation *Traffic and Revenue Results and Bonding Capacity Analysis* as a follow up to the September and October presentations. Mr. Brich summarized the information provided to the Commission at the October 17, 2019 Concurrent Meeting with the HRTPO. He reviewed the nine scenarios analyzed in VDOT's traffic and revenue study under two different tolling approaches: (1) throughput maximization; and (2) revenue maximization.

Mr. John Lawson, Deputy Secretary of Transportation, highlighted four of the scenarios presented by Mr. Brich, noting the debt capacity range for 9(c) General Obligation Bonds using TIFIA versus the debt capacity range for standalone, non-recourse toll revenue bonds (TRB) using TIFIA. Mr. Lawson emphasized the debt capacity ranges were only in draft form and that the true impact of revenues obtained from weekend traffic on the HOT lanes had not yet been integrated into the analysis. Mr. Lawson indicated that the debt capacity ranges were substantially lower for the TRB with TIFIA.

Mr. Nick Donohue, Deputy Secretary of Transportation, reiterated the commitment from the Secretary of Transportation's office to cooperate with the Region in regard to a tolling policy. He further stated that the tolling policy should reflect and advance the needs of the Region. Finally, he said that the tolling policy is a regional decision with the Commonwealth providing the applicable information.

Mr. Shepperd asked for clarity of the 9(c) debt scenario A and scenario F.

Mr. Donohue listed several factors including operation and management costs. He stated the cost to do major maintenance is considered a fixed cost which will include less revenue at a four-hour peak period relative to a 24/7 operation.

Mr. Shepperd stated that in comparing HOT 3 versus HOT 2, HOT 3 would put more restrictions on who would be able to ride free in the HOT lanes.

Mr. Donohue advised that there are tradeoffs between the HOT 2 and HOT 3. He stated that there would likely be a lower number of carpool vehicles utilizing the managed lanes with HOT 3, so there would be more space for non-HOVs, which would have to pay a toll.

Mr. Shepperd stated that according to the slides, HOT 3 would impact residents more than HOT 2.

Mr. Donohue stated that the HOT 3 would have a higher requirement to be able to use the lanes for free.

Mr. Shepperd stated that he needed clarification on the difference between HOT 2 lanes and the HOT 3 lanes.

Mr. Kenneth Alexander stated that the tolling policy should be focused on congestion management rather than revenue generation. He further stated that the tolling policy should have minimum impact on residents and be about maximum throughput and not maximum revenue.

Mr. Shepperd agreed and stated that the HOT Lanes should provide additional revenue to fund the whole system.

Mr. Lawson clarified that the scenarios are based on throughput maximization and not revenue maximization.

Mr. Shep Miller questioned whether the revenue numbers driving the debt capacity numbers from the analyzed scenarios were available and requested clarification regarding previous discussions in which the Commonwealth had committed to maintaining the projects.

Mr. Donohue confirmed that regular maintenance of the highways, bridges and tunnel would be the responsibility of the Commonwealth, and then clarified that he was referring to the cost associated with the tolling system maintenance being supported by the toll revenues.

Mr. Donohue explained that the difference between scenario I and scenario A is the level of fixed cost, which gives greater bonding capacity and also that the rush hour is longer than two hours.

Mr. Shep Miller asked for clarity of the term fixed cost when changing the sign from two hours to four hours.

Mr. Donohue explained the number of gantries would be the same in scenario I versus scenario A.

Mr. Shep Miller stated that the fixed cost doesn't change, only the gap changes. He stated that the fixed cost is the same and that it is the margin between the fixed and revenue piece that is now driving a higher change.

Ms. Johnson stated that there should be clarification on the term "maintaining", and that we should say "upkeep of tolling equipment."

Mr. Barry Porter questioned what happens to the traffic flow in the General Purpose Lanes between HOT 2 and HOT 3 scenarios.

Mr. Donohue stated that the purpose of the potential of the HOT 3 lanes is to enhance person throughput and in order for that to work there has to be a park and ride structure.

Mr. Porter questioned if the HOT 3 lanes are feasible. He stated that we should not spend a lot of time on the HOT 3 and that HOT 2 should be the obvious choice.

Mr. Donohue stated that in order to maximize the potential of the HOT 3 lanes there would need to be additional investments.

Mr. Porter stated that at this time it is not a realistic alternative.

Mr. Shep Miller stated that one of the primary intentions of the HOT network was to make the throughput better. He stated another vital piece is that there is a financing plan that requires \$375 million to come out of this to fund the plan.

Mr. Kevin Page stated that the HRTAC and their advisers have pulled together a communication tree that would provide more clarity on the numbers. Mr. Page stated that he asked Mr. David Miller of PFM to put together a presentation as to how the numbers in the HRTAC funding plan would fit.

Mr. David Miller reviewed the 2018 A Bond Series used by HRTAC and the actions taken thus far in connection with the 2019 TIFIA Loan and the 2019 Bond Anticipation Notes. Mr. Miller shared with the Board a graphic depicting the funding plan for the six initial projects and the HRBT.

Mr. Page reviewed the implications of integrating the HOT lane network costs into the current HRTAC funding plan. He noted that improvements realized by the HOT lane network would allow the High Rise Bridge Phase II Project to be delayed and those funds to be re-allocated.

Mr. Donohue stated that on I-64 between Bowers Hill and I-464, during rush hour, there could be an additional lane that would allow a four-lane profile.

Mr. Page stated that there has to be an effort for back office tolling integration, which is growing the system and integrating it into the E-ZPass network and to also have the equipment that is on the back office side to include fiber and electrical wires that hook to the gantries and how they integrate into the tolling system.

Mr. Brich discussed the timeline of the toll collection. He explained the proposed opening of projects and the subsequent upgrades to the tolling system that would be necessary.

Mr. Page stated that the tolling system integration would have a lifetime expectancy that would carry forward.

Mr. Brich stated that the presentation in the October meeting was the worst case scenario. He stated that they are considering rehabilitation on the Hampton River bridges which will have significant cost savings over reconstruction.

Mr. Page stated that there are other costs associated with the integration of the HOT network. He stated that there is a \$19 million advance out of the state of Virginia's toll facility revolving account.

Mayor Kenneth Alexander departs

Mr. David Miller reviewed the costs associated with the HOT lane network and how those costs would affect HRTAC's finance plan and the ability to leverage debt. He indicated the effect of toll revenue on HRTAC's financing plan will develop as the Master Tolling Agreement is negotiated in addition to tolling policies implemented across all of the projects.

Mayor Robert Dyer departs

Mr. Shepperd noted the loss of a quorum and indicated that no action items could be voted upon.

Senator Cosgrove questioned how confident and sustainable HRTAC's Finance Plan will be.

Mr. David Miller responded that the Hampton Roads Transportation Fund is a reliable source; however, the team still needed to receive the final traffic and Revenue Analysis and run the scenarios presented by the Commonwealth.

Mr. West asked whether the 464/64/17 Interchange is being taken into consideration.

Mr. Crum noted that it is a candidate project that will be considered in the 2045 LRTP update.

Mr. Page reviewed the motion that would have been presented for action if a quorum existed.

Mr. Joel Acree departed

Mr. Malbon asked whether the finance committee has evaluated if there is a big difference in the terms of the amount of money that could be leveraged with state-issued debt compared to HRTAC debt.

Mr. Shep Miller stated that the resolution should state that HRTAC would decide who was going to issue the debt.

Ms. Mary Bunting departs

Ms. Johnson stated the committee will review the information and will address it at the December 12, 2019 meeting.

Mr. Hipple stated that in the December meeting the quorum should be held long enough in order to address each item.

Ms. Johnson advised that if there are questions before the December meeting, they should be addressed to Mr. Crum before the December meeting.

Mr. Donohue asked who the preferred issuer will be.

Ms. Johnson stated that the committee will be looking at everything and present it to the entire body.

Mr. Wynter Benda stated that the Board should be briefed on the expectations of the upcoming meeting.

Mr. Crum stated that he will be working with Mr. Page under Agenda Item 8, and referenced the resolution included in this month's agenda that will be addressed at the December meeting.

Ms. Johnson suggested a joint meeting in December.

Mr. James Gray arrives.

Mr. Randy Wheeler suggested refining the resolution to more clearly state to what HRTPO and HRTAC will be agreeing.

Adjournment

With no further business to come before the Hampton Roads TPO, the meeting adjourned at 12:18 p.m.

John L. Rowe, Jr
Chair

Robert A. Crum, Jr.
Executive Director/Secretary