

Agenda Item 5 Handout HB2313: HRTPO Structure and Financing

Formation of a Hampton Roads Transportation Authority

HRTPO Legislative Ad-hoc Committee



June 27, 2013

Formation of a Hampton Roads Transportation Authority

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June 27, 2013

Hampton Roads Transportation Authority (HRTA)

- From a credit perspective, HRTA could hold and disperse funds for projects that have been approved by the HRTPO.
- Pledge all HB2313 revenues to bonds, even if only a portion of such revenues are bonded:
 - Better debt service coverage
 - High credit ratings
 - Lower cost of capital
 - Bond indenture could be set up in such a way that any HB2313 revenues not needed to pay debt service would be held in a pay-go account to be dispersed to projects approved by the HRTPO.

Hampton Roads Transportation Authority (HRTA)

- Add flexibility to implement toll projects, but not any requirement, including the flexibility to manage construction, O&M, and R&R of any toll revenue bond financed projects.
- Financing projects in part or in total with project toll revenue bonds:
 - The issuer of the bonds has to be responsible for the project and would have covenants in that regard with bondholders.
 - The General Assembly should not get in the middle of setting toll rates.
 - The General Assembly could create a statewide tolling authority, but that was tried and failed several years ago. By default the State has turned to P3 concessions and for Route 460 using a 63-20 corporation with VDOT essentially managing the project. Or a municipality could be responsible for a project, like Chesapeake has done on the Chesapeake Expressway.
 - A HRTA with the ability to finance toll projects would be a publicly and regionally controlled alternative, but if this alternative is chosen, HRTA would have to be responsible for more than just issuing the toll bonds.