



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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

MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD AGENDA

VDOT Central Office Auditorium

1221 East Broad Street

Richmond, Virginia 23219

January 12, 2022

9:00 a.m. or upon adjournment of the January 11, 2022 Workshop if that meeting carries over to January 12, 2022.

**Attendees will be required to wear a mask unless
Proof of COVID vaccination is provided.**

Public Comments:

Approval of Minutes:

MAINTENANCE DIVISION:

Presenting: Robbie Prezioso
Division Administrator

1. Action on the Commemorative naming of the bridge on Route 650, Fincastle Road, over Stock Creek, Scott County as the "O. Gene Dishner Memorial Bridge", Located in the Bristol District.
2. Action on the Commemorative naming of the intersection of U. S. Alternate Route 58, Castlewood Road and Route 683, Memorial Drive, Russell County as the "SFC Fred Taylor Memorial Intersection", Located in the Bristol District.
3. Action on the Commemorative naming of the bridge on State Route 72, Dungannon Road, over the Guest River, Wise County as the "Roger Ralph Kus Memorial Bridge", Located in the Bristol District.

4. Action on Highway Naming: Renaming Portion of State Route 309 (Old Lee Highway) to “Cherry Hill Road” in Arlington County Located in the Northern Virginia District.

LOCATION AND DESIGN:

Presenting: Emmett Heltzel
State Location & Design Engineer

5. Action on Location Approval for the Progress Park Connector Wythe County and the Town of Wytheville Located in the Bristol District.

RIGHT OF WAY & UTILITIES DIVISION:

Presenting: Lori Snider
Division Administrator

6. Limited Access Control Change on Interstate 66 in Fairfax County Located in the Northern Virginia District.

LOCAL ASSISTANCE DIVISION:

Presenting: Russ Dudley
Division Administrator

7. Action on Economic Development Access Fund Policy (2022 Revision).
8. Action on Revenue Sharing Deallocation of Project Funds (Statewide)

VIRGINIA DEPARTMENT OF TRANSPORTATION:

Presenting: Laura Farmer
Chief Financial Officer

9. Action Authorizing the Issuance and Sale of Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U. S. Route 58 Corridor Development Program).
10. Action on the Second Amended District Contract by and Among the Commonwealth Transportation Board, the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation Improvement District Commission.
11. Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation.

INFRASTRUCTURE INVESTMENT DIVISION:

Presenting: Kimberly Pryor
Division Director

12. Action on Adoption of the Revised FY2022-2027 Revised Six-Year Improvement Program.
13. Action on SMART SCALE Project Cancellation Route 220 Business and Route 40 Intersection Realignment UPC 111369 Located in the Salem District.

NORTHERN VIRGINIA DISTRICT:

Presenting: Susan Shaw
Megaprojects Director

14. Action on Designation of lanes on the Opitz Boulevard Ramp and the Seminary Road Ramp as HOT Lanes Located in the Northern Virginia District.

TRAFFIC ENGINEERING DIVISION:

Presenting: Mark Cole
State Highway Safety Engineer

15. Action on Approval of Virginia Highway Safety Investment Strategy.

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION:

Presenting: Jennifer DeBruhl
Chief of Public Transportation

16. Action on Six-Year Improvement Program Transfers for December 1, 2021 through December 30, 2021.
17. Action on Approval of Second Amended and Restated Memorandum of Agreement with the Northern Virginia Transportation Commission Relating to the I-395 Express Lanes Annual Transit Investment.

SCHEDULING AND CONTRACT:

Presenting: Harold Caples
Assistant State Construction Engineer

18. Bids.

NEW BUSINESS:

ADJOURNMENT:

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Agenda item #1

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ **Seconded By:** _____

Action: _____

Title: Bridge Naming: "O. Gene Dishner Memorial Bridge"

WHEREAS, in accordance with § 33.2-213 of the *Code of Virginia*, the Scott County Board of Supervisors has requested, by resolution dated December 1, 2021, that the Commonwealth Transportation Board (CTB), to honor and memorialize the dedicated life and service to the Commonwealth of Virginia of O. Gene Dishner, name the bridge on Route 650, Fincastle Road, over Stock Creek, Scott County as the "O. Gene Dishner Memorial Bridge"; and

WHEREAS, Scott County, by resolution dated December 1, 2021, has agreed to pay the cost of producing, placing, and maintaining the signs calling attention to this naming; and

WHEREAS, § 33.2-213 provides that the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located or by the private entity whose name is attached to the transportation facility so named.

NOW THEREFORE, BE IT RESOLVED, pursuant to § 33.2-213 of the *Code of Virginia*, the CTB hereby names the bridge on Route 650, Fincastle Road, over Stock Creek, Scott County as the "O. Gene Dishner Memorial Bridge"; and

BE IT FURTHER RESOLVED, that VDOT is directed to produce, place, and maintain the signs calling attention to this naming, and secure payment from Scott County for these costs as required by law.

CTB Decision Brief

Bridge Naming: "O. Gene Dishner Memorial Bridge"

Issue: Commemorative naming of the bridge on Route 650, Fincastle Road, over Stock Creek, Scott County as the "O. Gene Dishner Memorial Bridge".

Facts: Scott County enacted a resolution on December 1, 2021 to honor the life and dedicated service to the Commonwealth of Virginia of O. Gene Dishner of Glenita, Scott County, Virginia.

According to the Scott County resolution:

Mr. Dishner was a native to Scott County from the community of Glenita. He graduated from Rye Cove High School and went on to earn two degrees from East Tennessee State University. He served as Scott County's first administrator beginning in 1968 after which he was appointed the first Director of the Virginia Department of Housing and Community Development in 1978 where he served for seven years

In 1985 Mr. Dishner was appointed Director of the new Virginia Department of Mines, Minerals and Energy (DMME) where he continued until his retirement in 2005. He was recognized with the Outstanding Public Administrator of the Year award by the Virginia Chapter of the American Society of Public Administrators in 1975 and during his tenure as the Director of DMME, that agency was awarded three United States Senate productivity and quality awards. Mr. Dishner passed away in 2020.

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 a highway or bridge, as appropriate. A resolution will be provided for the Board's consideration.

Result if Approved: The bridge on Route 650, Fincastle Road, over Stock Creek, Scott County will be known as the "O. Gene Dishner Memorial Bridge". In accordance with law and by resolution, Scott County agrees to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

Options: Approve, Deny, or Defer.

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

BOARD OF SUPERVISORS

DARREL W. JETER
MARSHALL D. TIPTON
JEREMY P. HERRON
MICHAEL K. BRICKEY
DANNY P. MANN
SELMA G. HOOD
STEFANIE A. CRUBY

We're a Natural



**SCOTT COUNTY
BOARD OF SUPERVISORS**

**COUNTY ADMINISTRATOR
Freda R. Stames**

190 Beech Street, Suite 201
GATE CITY, VIRGINIA 24251
PHONE: (276) 386-6521
FAX: (276) 386-9198

EMAIL: fstames@scottcountyva.com
www.scottcountyva.com

SCOTT

VIRGINIA

At a meeting of the Scott County Board of Supervisors begun and held in the Supervisors' meeting room located at the Community Services Building in Gate City, Virginia on Wednesday the 1st day of December, 2021 at 8:30 a.m.

PRESENT: Darrel W. Jeter
Marshall D. Tipton
Jeremy P. Herron
Danny P. Mann – Chairman
Michael K. Brickey
Selma G. Hood
Stefanie A. Cruby – Vice-Chairman

ABSENT: None.

On a motion by Selma G. Hood, duly seconded by Jeremy P. Herron, this Board hereby adopts the following:

RESOLUTION NO: 2021-24

**BRIDGE NAMING ON ROUTE 650, FINCASTLE ROAD, IN SCOTT COUNTY AS THE
“O. GENE DISHNER MEMORIAL BRIDGE”**

WHEREAS, O. Gene Dishner (1938 - 2020) was a native to Scott County from the community of Glenita, a graduate of Rye Cove High School, and earned two degrees from East Tennessee State University, and

WHEREAS, Mr. Dishner served as Scott County's first administrator beginning in 1968 after which he was appointed the first Director of the Virginia Department of Housing and Community Development in 1978 where he served until 1985, and

WHEREAS, in 1985 Mr. Dishner was appointed Director of the new Virginia Department of Mines, Minerals and Energy (DMME) where he continued until his retirement in 2005, and

WHEREAS, he was recognized with the Outstanding Public Administrator of the Year award by the Virginia Chapter of the American Society of Public Administrators in 1975, and during his tenure as the Director of DMME, that agency was awarded three U.S. Senate productivity and quality awards, and

WHEREAS, throughout his career as a public administrator Mr. Dishner always demonstrated his commitment to serve the people of the Commonwealth of Virginia and has consistently exhibited a high level of effective leadership, and

WHEREAS, Section 33.2-213 of the *Code of Virginia* authorizes the Commonwealth Transportation Board (CTB) to give suitable names to state highways, bridges, interchanges, and other transportation facilities and change the names of any highways, bridges, interchanges, or other transportation facilities forming a part of the systems of state highways, and

WHEREAS, Section 33.2-213 provides that the Virginia Department of Transportation shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located.

NOW, THEREFORE, BE IT RESOLVED, that Scott County, in accordance with the requirements of Section 33.2-213 of the *Code of Virginia*, does hereby request that the CTB name structure number 6069, located on Route 650, Fincastle Road, in Scott County as the O. Gene Dishner Memorial Bridge.

BE IT FURTHER RESOLVED, that Scott County agrees to pay the cost of producing, placing, and maintaining the signs calling attention to this naming.

Voting aye: Darrel W. Jeter, Marshall D. Tipton, Jeremy P. Herron, Danny P. Mann, Michael K. Brickey, Selma G. Hood, and Stefanie A. Cruby.

Voting nay: None.

Attest:


CLERK

Proposed Bridge Naming

Proposed "O. Gene Dishner Memorial Bridge"

GPS: 36.430747, -82.450379

Route 650 - Fincastle Road

Structure No.: 6069

Legend



Proposed Bridge to be Named

Natural Tunnel Pkwy

650

Proposed Bridge to be Named

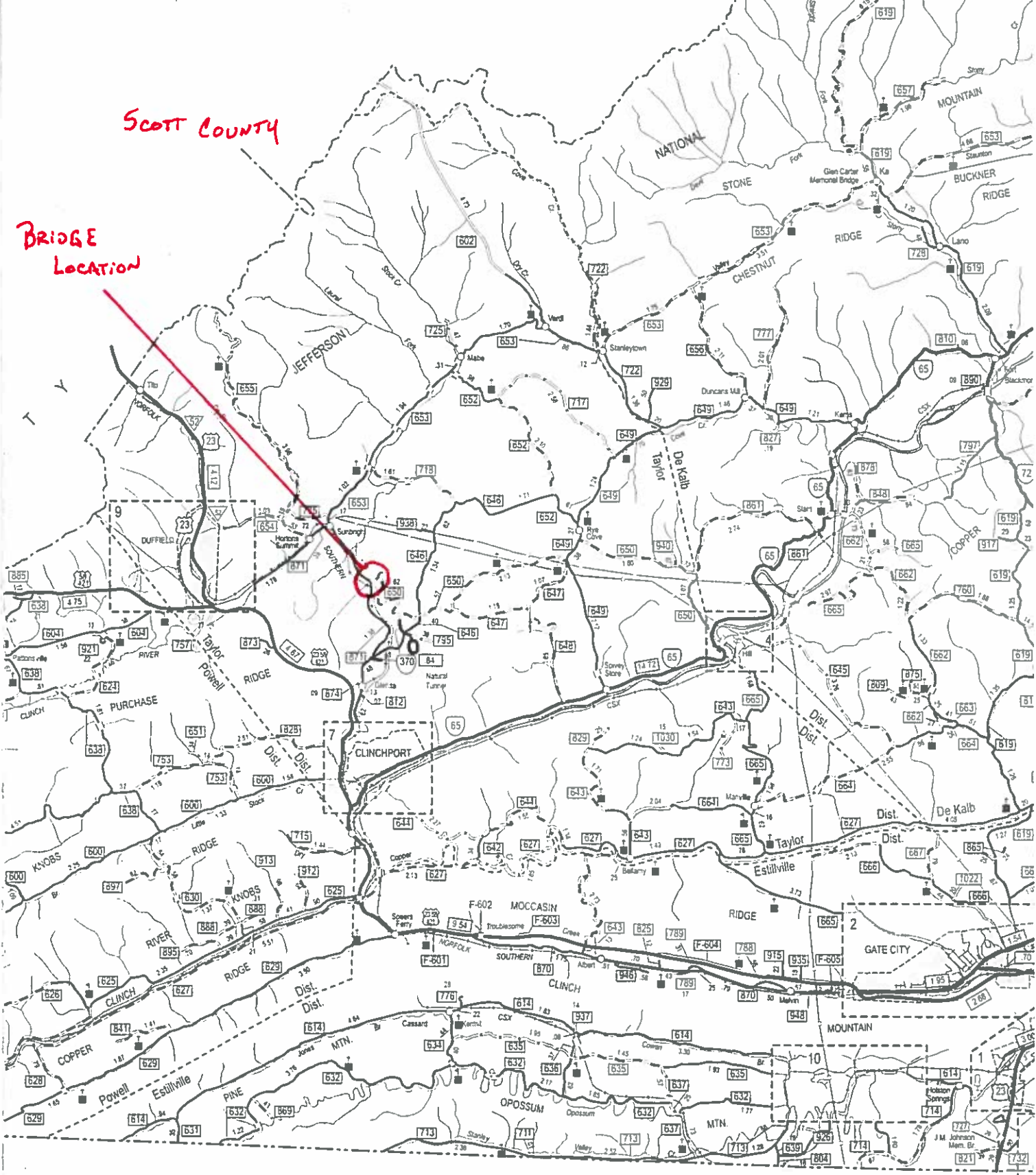
Google Earth

900 ft



W I S

SCOTT COUNTY
BRIDGE
LOCATION



T E N N E S S E E



Scott County



Virginia Department of Transportation
Maintenance Division

CTB MEETING: January 12, 2022

Scott County

Proposed Bridge Naming:
"O. Gene Dishner Memorial Bridge"



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item #2

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Intersection Naming: "SFC Fred Taylor Memorial Intersection"

WHEREAS, in accordance with § 33.2-213 of the *Code of Virginia*, the Russell County Board of Supervisors has requested, by resolution dated July 12, 2021, that the Commonwealth Transportation Board (CTB), to honor and memorialize the life, service and ultimate sacrifice to his country of Fred Taylor, name the intersection of U. S. Alternate Route 58, Castlewood Road, and Route 683, Memorial Drive, Russell County as the "SFC Fred Taylor Memorial Intersection"; and

WHEREAS, Russell County, by its July 12, 2021 resolution, has agreed to pay the cost of producing, placing, and maintaining the signs calling attention to this naming; and

WHEREAS, § 33.2-213 provides that the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located or by the private entity whose name is attached to the transportation facility so named.

NOW THEREFORE, BE IT RESOLVED, pursuant to § 33.2-213 of the *Code of Virginia*, the CTB hereby names the intersection of U. S. Alternate Route 58, Castlewood Road, from 0.05 miles south of Route 683 to 0.05 miles north of Route 683, and Route 683, Memorial Drive, from U. S. Alternate Route 58 to 0.05 miles east of U. S. Alternate Route 58, Russell County as the "SFC Fred Taylor Memorial Intersection"; and

Resolution of the Board
Bridge Naming: "SFC Fred Taylor Memorial Intersection"
January 12, 2022
Page 2 of 2

BE IT FURTHER RESOLVED, that VDOT is directed to produce, place, and maintain the signs calling attention to this naming, and secure payment from Russell County for these costs as required by law.

####

CTB Decision Brief

Intersection Naming: "SFC Fred Taylor Memorial Intersection"

Issue: Commemorative naming of the intersection of U. S. Alternate Route 58, Castlewood Road and Route 683, Memorial Drive, Russell County as the "SFC Fred Taylor Memorial Intersection".

Facts: Russell County enacted a resolution on July 12, 2021 to honor the life, service and ultimate sacrifice of Fred Taylor to his country and fellow soldiers. Sergeant First Class Fred Taylor was a member of the United States Army Special Forces, also known as the Green Berets.

He was a member of Detachment B-52, Project Delta, which was a deep-cover classified operation in Vietnam with United States Special Forces personnel training and leading indigenous irregular forces in the conduct of long-range reconnaissance patrols deep within enemy-controlled territory within the Republic of Vietnam.

On July 11, 1965, Master Sergeant Henry J. Gallant and SFC Fred Taylor were the leaders of an eight-man long range reconnaissance patrol to gather intelligence north of Highway 19 prior to a large-scale allied operation to reopen that route. At approximately 1600 hours on July 13, 1965 the team was ambushed by an enemy force of unknown size as it moved through jungle foliage on the south side of a mountain approximately five miles north of Highway 19. The initial burst of fire caused the team to split up. SFC Taylor immediately established radio contact with friendly forces requesting an emergency extraction.

As the intense battle raged around them, Henry Gallant suffered a gunshot wound to the stomach. The last time MSG Gallant and SFC Taylor were seen by the surviving indigenous patrol members, Fred Taylor was helping Henry Gallant into the surrounding jungle as hostile forces pressed towards them.

Once extraction was requested, a search and rescue operation was conducted over the next several days. Five of the indigenous team members were recovered alive but the rescue personnel were unable to locate any trace of SFC Taylor, MSG Gallant or the other three indigenous personnel. Henry Gallant and Fred Taylor were reported as Missing in Action.

In July 1966, one year after loss, a Board of Inquiry examined the witness debriefing statements and other relevant information and determined the missing men's status should be altered to Killed in Action/Body Not Recovered.

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 a highway or bridge, as appropriate. A resolution will be provided for the Board's consideration.

Result if Approved: The intersection of U. S. Alternate Route 58, Castlewood Road, from 0.05 miles south of Route 683 to 0.05 miles north of Route 683, and Route 683, Memorial Drive, from U. S. Alternate Route 58 to 0.05 miles east of U. S. Alternate Route 58, Russell County will be known as the “SFC Fred Taylor Memorial Intersection”. In accordance with law and by resolution, Russell County agrees to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

Options: Approve, Deny, or Defer.

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

Russell County Virginia

"The Heart of Southwest Virginia"

Oris Christian At-
Large

Lou Ann Wallace
District 2

Carl Rhea
District 3

Rebecca Dye, Chairperson
District 6

Tim Lovelace, Vice-Chairman
District 1

David Eaton
District 4

Steve Breeding
District 5

Lonzo Lester
County Administrator

Russell County Boards of Supervisors

Resolution

Title : Naming of the Alternate Route 58 (Castlewood Road) Intersection with Route 683 (Memorial Drive) in Russell County, Va. as the "SFC Fred Taylor Memorial Intersection".

WHEREAS, On 11 July 1965, Sergeant First Class Fred Taylor US Army Special Forces (the "Green Berets"). Detachment B-52 (Project Delta), where he made the ultimate sacrifice.

WHEREAS, Project Delta was a deep-cover classified operation in Vietnam with US Special Forces personnel training and leading indigenous irregular forces in the conduct of long-range reconnaissance patrols deep within enemy-controlled territory within the Republic of Vietnam. Their missions included locating enemy units, gathering intelligence, bomb damage assessments, artillery/air strike coordination, special purpose raids and conducting harassing and deception missions. Project Delta had the capability of deploying into any tactical zone within South Vietnam.

WHEREAS, On 11 July 1965, Master Sergeant Henry J. Gallant and Sergeant First Class Fred Taylor were the leaders of an eight-man long range reconnaissance patrol. The team was inserted by helicopter into its area of operation to gather intelligence north of Highway 19 prior to a large-scale allied operation to reopen that route. At approximately 1600 hours on 13 July 1965, the team was ambushed by an enemy force of unknown size as it moved through jungle foliage on the south side of a mountain approximately five miles north of Highway 19. The initial burst of enemy gunfire caused the team to split up with Fred Taylor, Henry Gallant, and a South Vietnamese soldier in one group and the other seven team members in another. SFC Taylor immediately established radio contact with friendly forces informing them of the team's location and requesting an emergency extraction. As the intense battle raged around them, Henry Gallant suffered a gunshot wound to the stomach, although its severity is not known. The last time MSG Gallant and SFC Taylor were seen by the surviving indigenous patrol members, Fred Taylor was helping Henry Gallant into the surrounding jungle as hostile forces pressed toward them.

WHEREAS, Once extraction was requested, a search and rescue (SAR) operation was conducted for the missing team members. Over the next few days SAR personnel, using both air and ground assets, successfully recovered five of the indigenous team members alive, but were unable to locate any trace of SFC Taylor, MSG Gallant or the other three indigenous personnel. At the time the formal search effort was terminated, Henry Gallant and Fred Taylor were reported as Missing in Action.

WHEREAS, In July 1966, one year after loss, a Board of Inquiry was convened to examine all known fact and circumstances surrounding the loss of MSG Gallant and SFC Taylor. After examining the witness debriefing statements and other relevant information, the Board determined the missing men's status should be altered to Killed in Action/Body Not Recovered (KIA/BNR).

WHEREAS, Section 33.2-213 of the *Code of Virginia* authorizes the Commonwealth Transportation Board (CTB) to give suitable names to state highways, bridges, interchanges, and other transportation facilities and change the names of any highways, bridges, interchanges, or other transportation facilities forming a part of the systems of state highways; and

WHEREAS, Section 33.2-213 provides that the Virginia Department of Transportation shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located.

NOW, THEREFORE, BE IT RESOLVED, that Russell County, in accordance with the requirements of Section 33.2-213 of the *Code of Virginia*, does hereby request that the Commonwealth Transportation Board name the intersection of Alternate Route 58 (Castlewood Road) and Route 683 (Memorial Drive) on Alternate Route 58 from 0.05 mile south of Rt 683 to 0.05 miles north of Rt 683 and on Rt 683 from Alternate Route 58 to 0.05 miles east of Alternate Route 58 as the "SFC Fred Taylor Memorial Intersection".

BE IT FURTHER RESOLVED, that Russell County agrees to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

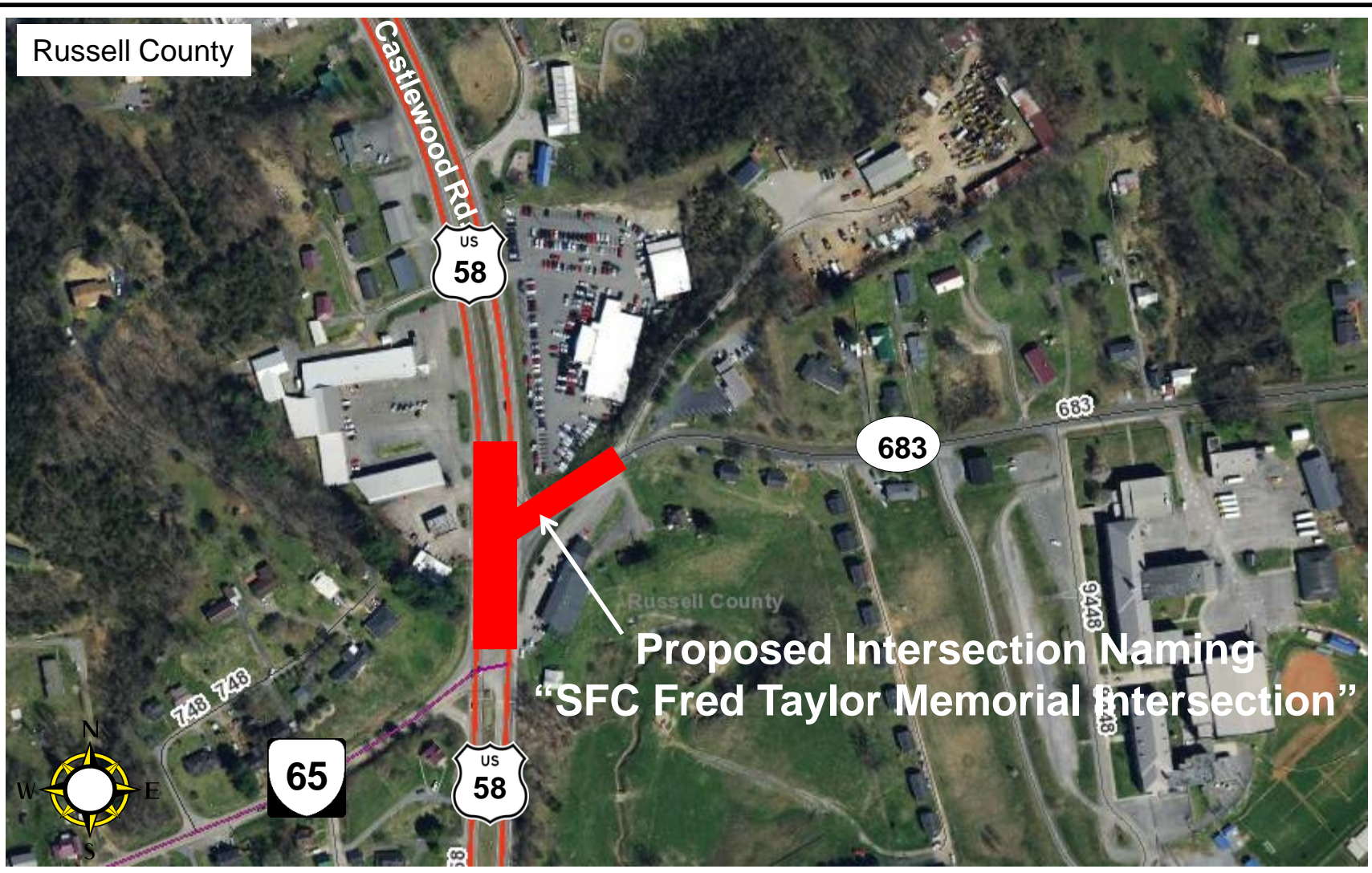


Board of Supervisors Chairperson

7/12/201

Date

Russell County



Proposed Intersection Naming
"SFC Fred Taylor Memorial Intersection"



CTB MEETING: January 12, 2022

Russell County

Proposed Intersection Naming:
"SFC Fred Taylor Memorial Intersection"



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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Agenda item #3

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ **Seconded By:** _____

Action: _____

Title: Bridge Naming: “Roger Ralph Kus Memorial Bridge”

WHEREAS, in accordance with § 33.2-213 of the *Code of Virginia*, the Wise County Board of Supervisors has requested, by resolution dated October 14, 2021, that the Commonwealth Transportation Board (CTB), to honor and memorialize the dedicated life and service to the Commonwealth of Virginia of Mr. Roger Ralph Kus, name the bridge on State Route 72, Dungannon Road, over the Guest River, Wise County as the “Roger Ralph Kus Memorial Bridge”; and

WHEREAS, Wise County, by resolution dated October 14, 2021 and by letter dated November 17, 2021, has agreed to pay the cost of fabrication, installation, and future maintenance of the signs calling attention to this naming; and

WHEREAS, § 33.2-213 provides that the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located or by the private entity whose name is attached to the transportation facility so named.

NOW THEREFORE, BE IT RESOLVED, pursuant to § 33.2-213 of the *Code of Virginia*, the CTB hereby names the bridge on State Route 72, Dungannon Road, over the Guest River, Wise County as the “Roger Ralph Kus Memorial Bridge”; and

Resolution of the Board

Bridge Naming: "Roger Ralph Kus Memorial Bridge"

January 12, 2021

Page 2 of 2

BE IT FURTHER RESOLVED, that VDOT is directed to produce, place, and maintain the signs calling attention to this naming, and secure payment from Wise County for these costs as required by law.

CTB Decision Brief

Bridge Naming: "Roger Ralph Kus Memorial Bridge"

Issue: Commemorative naming of the bridge on State Route 72, Dungannon Road, over the Guest River, Wise County as the "Roger Ralph Kus Memorial Bridge".

Facts: Wise County enacted a resolution on October 14, 2021 to show their appreciation and respect for, and to honor honor the life and dedicated service to the Commonwealth of Virginia, of Roger Ralph Kus of Coeburn, Virginia, Wise County, Virginia.

According to the Wise County resolution:

Mr. Kus worked for the Virginia Department of Transportation with a total of 44 years and 10 months of dedicated service at the Wise Residency. He enjoyed serving the citizens of Wise and Dickenson Counties during his time with the Department. Roger began as an hourly employee and worked his way up to Area Supervisor in Dickenson County. At the time of his passing, Roger was the senior employee with the Wise Residency.

He also loved racing cars and was very active as a car inspector with the Lonesome Pine Rach Track in Coeburn, Virginia. Mr. Kus passed away on January 18, 2021 due to complications from COVID-19.

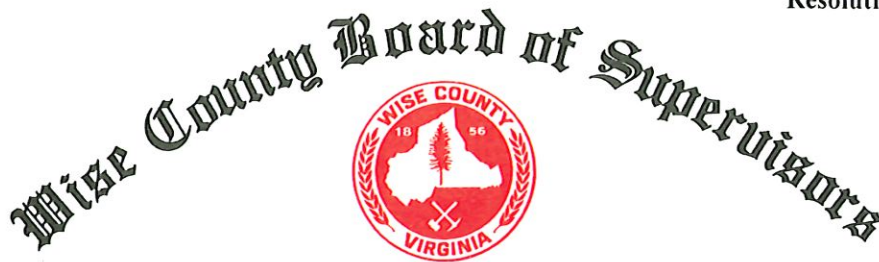
Recommendations: The Virginia Department of Transportation (VDOT) recommends this request be approved.

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

Result if Approved: The bridge on State Route 72, Dungannon Road, over the Guest River, Wise County will be known as the "Roger Ralph Kus Memorial Bridge". In accordance with law and by resolution and letter, Wise County agrees to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

Options: Approve, Deny, or Defer.

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



Office of County Administrator

COURTHOUSE

TELEPHONE 276-328-2321
FAX 276-328-9780

P.O. BOX 570
206 E. MAIN STREET

WISE, VIRGINIA 24293

RESOLUTION

ROGER RALPH KUS MEMORIAL BRIDGE

WHEREAS, the Wise County Board of Supervisors is extremely proud of its citizens, both past and present; and

WHEREAS, Roger Ralph Kus, a resident of Coeburn, Virginia, was born in Cleveland, Ohio on July 17, 1954, and died on January 18, 2021, due to complications from COVID-19; and

WHEREAS, Roger Ralph Kus worked for the Virginia Department of Transportation with a total of 44 years and 10 months of dedicated service working at the Wise Residency Virginia Department of Transportation as a senior employee. He enjoyed serving the citizens of Wise and Dickenson Counties during his time with the Department. Roger began as an hourly employee and worked his way up to Area Supervisor in Dickenson County, Virginia. At the time of his passing, Roger was the senior employee within the Wise Residency Virginia Department of Transportation.

WHEREAS, Roger Ralph Kus loved racing cars and was very active as a car inspector with the Lonesome Pine Race Track in Coeburn, Virginia; and

WHEREAS, Roger Ralph Kus was a hard worker and dedicated to his family and Wise County, Virginia.

NOW, THEREFORE, BE IT RESOLVED that the Wise County Board of Supervisors wishes to show its sincere appreciation and respect for Roger Ralph Kus and respectfully requests the Commonwealth Transportation Board and the Virginia Department of Transportation to formally designate and name the bridge located within one mile of Roger's home, known as Bridge #1058 located on Route 72 in the Coeburn area of Wise County, which he crossed daily while serving the public of Virginia, as the "**Roger Ralph Kus Memorial Bridge**" to commemorate and honor Roger Ralph Kus and allow permanent signs to be erected to recognize this honor.

BE IT FURTHER RESOLVED that the County of Wise shall pay all associated expenses in fabricating and future maintenance of the signs.

ADOPTED this the 14th day of October 2021.

ATTEST:

WISE COUNTY BOARD OF SUPERVISORS


Michael W. Hatfield, Clerk


J.H. Rivers, Chairman

Wise County Board of Supervisors



Office of County Administrator

TELEPHONE 276-328-2321
FAX 276-328-9780

COURTHOUSE
WISE, VIRGINIA 24293

P.O. BOX 570
206 E. MAIN STREET

November 17, 2021

Virginia Department of Transportation
Wise Residency
Attn: Glenn M. Cantrell, Eng. Tech., Sr. – Permits
703 Hurricane Road, NE
Wise, VA 24293

Re: Bridge Naming Requests

Dear Mr. Cantrell:

This is to confirm that the Wise County Board of Supervisors agrees to pay for the fabrication, installation, and future maintenance for the signage for the following bridge naming:

“Roger Ralph Kus Memorial Bridge” – Resolution adopted October 14, 2021

If you should need anything further in this matter, please contact this office.

Sincerely,

Michael W. Hatfield
County Administrator

MWH/a/memorial bridge maintenance letter

Proposed Bridge Naming

Proposed: "Roger Ralph Kus Memorial Bridge"

GPS: 36.554560, -82.272589

Route 72 - Dungannon Road

Structure Number: 1058

Over: Guest River

Legend

-  Proposed Bridge to be named





COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
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Fax: (804) 786-2940

Agenda Item #4

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Highway Naming: Renaming Portion of State Route 309 (Old Lee Highway) to “Cherry Hill Road” in Arlington County

WHEREAS, Arlington County seeks to and has requested that the Commonwealth Transportation Board (CTB) rename the portion of State Route 309 from North Quincy Street to U. S. Route 29, Arlington County, from “Old Lee Highway” to “Cherry Hill Road”; and

WHEREAS, in accordance with § 33.2-213 of the *Code of Virginia*, by resolution dated October 19, 2021, Arlington County, through its Board of Supervisors, has expressed its intent and requested that the CTB rename the portion of State Route 309, (Old Lee Highway), from North Quincy Street to U. S. Route 29, located within the boundaries of Arlington County, to “Cherry Hill Road”; and

WHEREAS, § 33.2-213 provides that the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located or by the private entity whose name is attached to the transportation facility so named; and

WHEREAS, Arlington County, in their resolution of October 19, 2021, has agreed, pursuant to § 33.2-213, to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.

Resolution of the Board

Highway Naming: Renaming Portion of State Route 309 to “Cherry Hill Road” in Arlington County

January 12, 2022

Page 2 of 2

NOW THEREFORE BE IT RESOLVED, pursuant to § 33.2-213 of the *Code of Virginia*, the CTB hereby renames the portion of State Route 309, from North Quincy Street to U. S. Route 29, located within Arlington County, from “Old Lee Highway” to “Cherry Hill Road”.

BE IT FURTHER RESOLVED, that VDOT is directed to produce, place, and maintain the signs calling attention to this naming as funding is made available by the locality, and to secure payment from Arlington County for these costs as required by law.

####

CTB Decision Brief

Highway Naming: Renaming Portion of State Route 309, Old Lee Highway, to “Cherry Hill Road” in Arlington County

Issue: Approval of the Commonwealth Transportation Board (CTB) is sought for the renaming of a portion of State Route 309, from North Quincy Street to U. S. Route 29, within the boundaries of Arlington County, from “Old Lee Highway” to “Cherry Hill Road”, as requested by Arlington County, pursuant to § 33.2-213 of the *Code of Virginia*.

Facts: The Arlington County Board of Supervisors enacted a resolution on October 19, 2021 requesting that the CTB rename the portion of State Route 309 from North Quincy Street to U. S. Route 29 within Arlington County to “Cherry Hill Road”.

Pursuant to § 33.2-213, the CTB has the power and duty to give suitable names to state highways, bridges, interchanges, and other transportation facilities and change the names of any highways, bridges, interchanges, or other transportation facilities forming a part of the systems of state highways, provided that, in a case such as this, the governing body within which the portion of the facility is located has passed a resolution requesting such naming. Pursuant to the statute, the Virginia Department of Transportation (VDOT) shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the CTB, while the costs of producing, placing, and maintaining these signs shall be paid by the localities in which they are located.

Recommendations: VDOT recommends this request be approved.

Action Required by CTB: The *Code of Virginia*, § 33.2-213, requires a majority of the CTB members to approve a resolution naming a highway or bridge, as appropriate. A resolution will be provided for the CTB’s consideration.

Result if Approved: The portion of State Route 309, Old Lee Highway, from North Quincy Street to U. S. Route 29 within Arlington County, will be renamed to “Cherry Hill Road”, as requested by Arlington County. Arlington County, in their October 19, 2021 resolution, has agreed to bear the costs of producing, placing, and maintaining the signs calling attention to this naming.

Options: Approve, Deny, or Defer.

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

RESOLUTION REQUESTING THE COMMONWEALTH TRANSPORTATION BOARD TO CHANGE THE NAME OF THAT PORTION OF S.R. 309, ALSO REFERRED TO AS “LEE HIGHWAY,” OR “OLD LEE HIGHWAY,” TO “CHERRY HILL ROAD” FROM N. QUINCY STREET TO U.S. ROUTE 29

Adopted by the Arlington County Board on October 19, 2021

WHEREAS, the Arlington County Board has long expressed its interest in renaming all portions of “Lee Highway;” and

WHEREAS, State Route (S.R.) 309 from N. Quincy Street to U.S. Route 29 is currently designated as “Lee Highway” or “Old Lee Highway;” and

WHEREAS, after considerable community feedback and engagement led by the Langston Boulevard Alliance (LBA) and through enabling authority pursuant to the Governor’s adoption of HB1854, the County Board on July 17, 2021 voted to officially rename U.S. Route 29 to Langston Boulevard within the boundaries of Arlington County; and

WHEREAS, since July 17, 2021, the Langston Boulevard Alliance has undertaken engagement efforts with the public to solicit input and feedback to provide recommended names for S.R. 309 from N. Quincy Street to U.S. Route 29 to be considered by the Arlington County Board; and

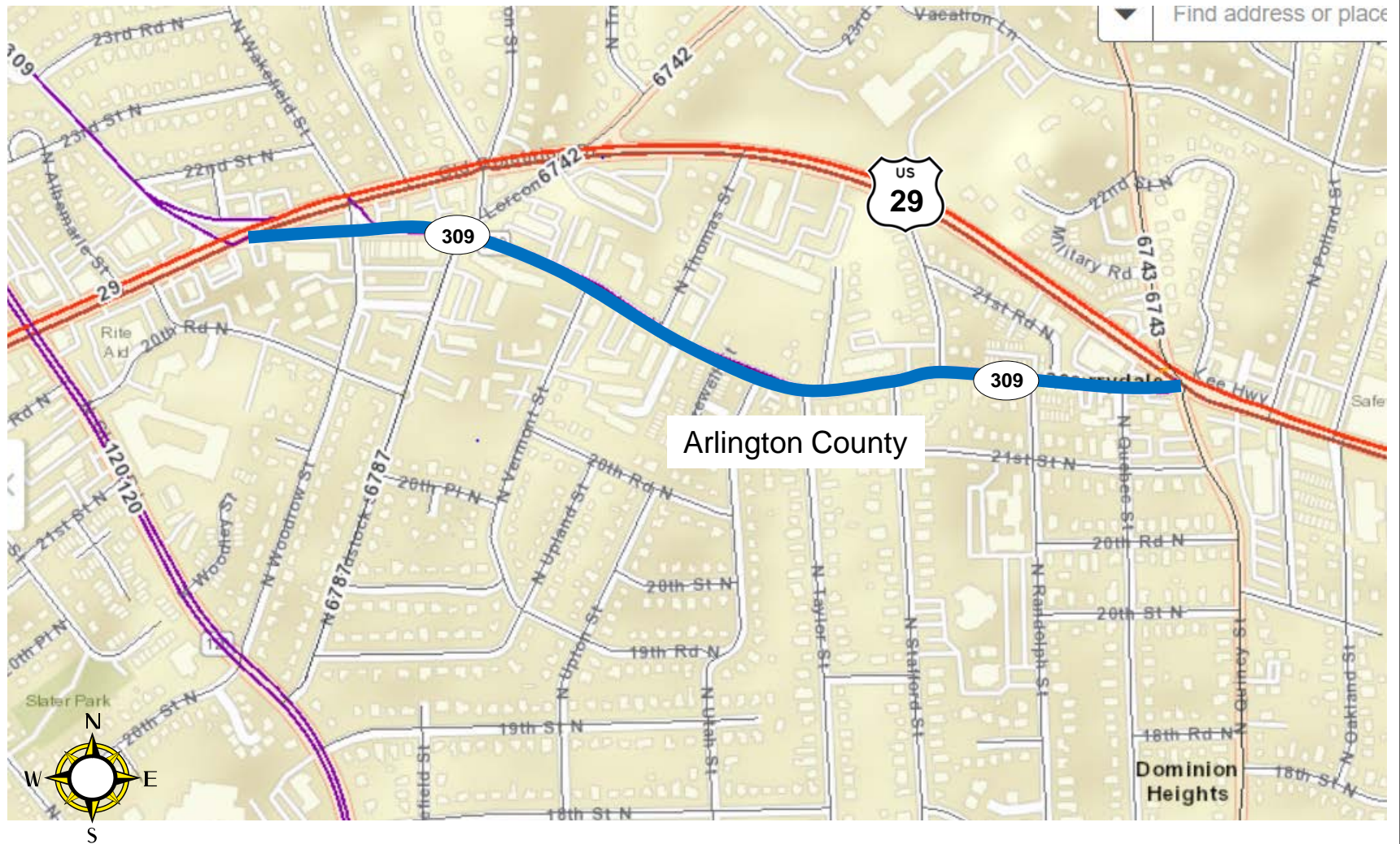
WHEREAS, the Arlington County Board seeks to change the name of S.R. 309 to avoid confusion and to promote a welcoming, inclusive community through its use of names and symbols; and

WHEREAS, Section 33.2-213 of the Code of Virginia authorizes the Commonwealth Transportation Board to give suitable names to state highways, bridges, interchanges, and other transportation facilities and change the names of any highways, bridges, interchanges, or other transportation facilities forming a part of the systems of state highways; and

WHEREAS, Section 33.2-213 provides that the Virginia Department of Transportation shall place and maintain appropriate signs indicating the names of highways, bridges, interchanges, and other transportation facilities named by the Commonwealth Transportation Board, and requires that the costs of producing, placing, and maintaining such signs shall be paid by the localities in which they are located;


NOW, THEREFORE, BE IT RESOLVED, that the Arlington County Board, in accordance with 33.2–213, hereby requests the Commonwealth Transportation Board to rename the portion of S.R. 309 from N. Quincy Street to U.S. Route 29 to Cherry Hill Road effective upon approval; and

BE IT FURTHER RESOLVED, that the Arlington County Board agrees to pay the costs of producing, placing, and maintaining the signs calling attention to this naming.



Maintenance Division
 CTB Meeting December 8, 2021

Arlington County
 Proposed Highway Segment Naming:
“Cherry Hill Road”

 Proposed Highway Naming



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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

Agenda item # 5

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: Seconded By: Action:

**Title: Location Approval for the Progress Park Connector
Wythe County and the Town of Wytheville**

WHEREAS, State Highway Project 9999-098-840, P101, R201, C501 (UPC# 115540) known as the Progress Park Connector will construct a new roadway approximately 2.3 miles in length, beginning at Nye Road approximately 0.5 mile south of Route 610 (Peppers Ferry Road) in the Town of Wytheville and ending at existing E. Lee Trinkle Drive in the Progress Park Industrial Complex in Wythe County (the "Project"); and

WHEREAS, in accordance with the § 33.2-208 of the *Code of Virginia* and the policies and regulations of the Commonwealth Transportation Board (CTB), including 24 VAC 30-380-10, the Virginia Department of Transportation (VDOT) held a Virtual Location and Design Public Hearing ("Hearing") on Tuesday, November 16, 2021, at 5:00 p.m. for the purpose of considering the three (3) alignment alternatives for the location of the Project as shown on the attached exhibit; and

WHEREAS, proper notice of the Hearing and the three (3) alignment alternatives to be considered were given in advance and posted on the Project website, and all citizens were given a full opportunity to express their opinions and recommendations on the alternatives under consideration, and their statements have been duly recorded; and

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

WHEREAS, VDOT's Environmental Division have completed environmental reviews and coordination to identify environmental resources in the project vicinity, provide natural and historic resource agencies an opportunity to review and comment on the project during development, determine the potential for environmental impacts upon the local community and surrounding area and identifies opportunities for avoidance and minimization of potential and unavoidable environmental impacts; and

WHEREAS, the Categorical Exclusion for the Project was approved by the Federal Highway Administration on August 16, 2021, in accordance with the National Environmental Policy Act; and

WHEREAS, the Wythe County Board of Supervisors, and the Wytheville Town Council endorsed the Preferred Alignment - Alternative Alignment #3 on November 24, 2021 for the location of the Project (see attached); and

WHEREAS, review of all data resulted in VDOT's recommendation that the Project be located on Alternative Alignment #3.

NOW, THEREFORE, BE IT RESOLVED, that the CTB hereby approves Alternative Alignment #3 as proposed and presented at the Hearing held on November 16, 2021, for the location of the Project.

#####

Commonwealth Transportation Board (CTB) Decision Brief

Progress Park Connector in Wythe County and the Town of Wytheville

Issue: The Progress Park Connector will provide the construction of a new roadway approximately 2.3 mile in length, beginning at Nye Road approximately 0.5 mile south of Route 610 (Peppers Ferry Road) in the Town of Wytheville and ending at existing E. Lee Trinkle Drive in the Progress Park Industrial Complex in Wythe County. The new roadway will include grading and the construction of two (2) twelve-foot (12') lanes with six-foot (6') shoulders, four-foot (4') of which will be paved on each side. Approximately 1,300 feet of Lovers Lane will be realigned at its intersection with the Progress Park Connector, which will include grading and the construction of two (2) twelve-foot (12') lanes with two-foot (2') paved shoulders on each side. Nye Road will be widened at the new intersection with the Progress Park Connector to accommodate an additional twelve-foot (12') wide left turn lane with 200' storage length and 200' taper length from the eastbound direction. Curb and gutter will be installed with ten-foot (10') wide shoulders at the new intersection of Nye Road and the Progress Park Connector.

Facts:

- Provides a direct connection to Progress Park from Nye Road to E. Lee Trinkle Drive.
- Reduces travel times for both employees and freight associated with the developing Progress Park, which currently has six existing industries on 1,210 acres in central Wythe County.
- Boosts economic development, regional employment and streamline access to this facility.

Recommendations: The Virginia Department of Transportation (VDOT) recommends approval of the Preferred Alignment - Alternative Alignment #3 for the location of the Project as proposed and presented at the Hearing held on November 16, 2021, and shown on the attached exhibit.

Action Required by CTB: § 33.2-208 of the *Code of Virginia* requires the majority vote of the CTB to locate and establish the routes to be followed by the roads comprising systems of state highways between points designated in the establishment of such systems.

Result, if Approved: If approved by the CTB, the Project will move forward to the final design phase.

Options: Approve, Deny or Defer

Public Comments/Reaction: VDOT held a Virtual Location and Design Public Hearing on November 16, 2021. Citizens were able to view the displays on the Project website and submit comments. Five (5) citizens attended the Hearing. There were zero (0) written comments and

zero (0) verbal comments received for the record. The Wythe County Board of Supervisors and the Wytheville Town Council endorsed the Preferred Alignment - Alternative Alignment #3 on November 24, 2021 for the location of the Project.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1401 East Broad Street
Richmond, Virginia 23219

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

January 3, 2022

The Honorable Shannon Valentine
The Honorable Stephen C. Brich, P. E.
The Honorable Jennifer Mitchell
The Honorable Jerry L. Stinson
The Honorable Mary Hughes Hynes
The Honorable Alison DeTuncq
The Honorable Bert Dodson, Jr.
The Honorable W. Sheppard Miller III
The Honorable Carlos M. Brown
The Honorable Cedric Bernard Rucker
The Honorable Stephen A. Johnsen
The Honorable Mark H. Merrill
The Honorable E. Scott Kasprowicz
The Honorable Raymond D. Smoot, Jr.
The Honorable Marty Williams
The Honorable Frederick T. Stant, III
The Honorable Greg Yates

Subject: Location Approval for the Progress Park Connector in Wythe County and the Town of Wytheville.

Dear Commonwealth Transportation Board Members:

The Department has initiated the above request for Location Approval for your consideration. The proposed Location Approval on State Highway Project 9999-098-840, P101, R201, C501 has been recommended for approval by the Department's staff.

I have reviewed the staff's recommendations and determined that this request should be considered by the Board.

Sincerely,

Barton A. Thrasher, P.E.
Chief Engineer



November 23, 2021

Virginia Department of Transportation
Attn: James Jones, Project Manager
2111 Bonham, Road
Bristol, VA 24201

COUNTY of BLAND

Board of Supervisors

Karen Hodock
Supervisor
Rocky Gap District

Randy Johnson
Supervisor
Mechanicsburg District

K. Adam Kidd
Supervisor
Sharon District

Stephen Kelley
Supervisor
Seddon District

RE: Letter of Support: VDOT Progress Park Connector Road Preferred Alternate Alignment #3

Commonwealth Transportation Board:

On behalf of the County of Bland and the Bland County Board of Supervisors, please accept this letter of support for the location and design of 'Preferred Alternate Alignment #3' for the Progress Park Connector Road.

The timing for this connector road aligns well with the expansion of industry in Progress Park, to include the most recent announcement of Blue Star NBR to manufacturer nitrile and gloves in Lot 24. Bland County is a regional partner of Wythe County on various projects and endeavors. We view the success of Wythe County having a positive impact on the lives and wellbeing of its citizens as well as citizens and residents of the surrounding counties. We support to the future of industry in Progress Park and the value, safety, and connectivity this project will bring.

Therefore, on behalf of the County of Bland, we respectfully submit this letter of support.

Sincerely,

Eric R. Workman, Ed.D.
County Administrator

Eric R. Workman, Ed.D.
County Administrator

P.O. Box 510
Bland, Virginia 24315

Telephone 276 688 4622
Toll free 800 519 3468
Fax 276 688 9758

Email:
eworkman@bland.org
www.blandcountvva.gov

CTB LOCATION AND DESIGN PUBLIC HEARING SUMMARY

Progress Park Connector Wythe County and Town of Wytheville

State Project: 9999-098-840, P101, R201, C501

UPC: 115540

Federal Project: STP-098-1(045)

Fr: Int. Nye Road

To: Int. E. Lee Trinkle Dr.

Project Length: 2.291 Mi.

PROJECT HISTORY – The project alignment was originally presented by Wythe County to the public on March 23, 2017. As the Department’s plan development was underway, a historic cemetery was discovered on the proposed alignment. As a result of this, the western portion of the alignment was shifted to the north to avoid the cemetery and an approved solar farm, which is currently being constructed on a parcel to the south of the current alignment. The alignment alternatives were presented by the Department at the November 16, 2021 Virtual Location and Design Hearing and Alternative alignment #3 was approved by letters of support from the Wythe County Board of Supervisors and the Town of Wytheville dated November 24, 2021, the Mount Rogers Planning District Commission, by letter of support dated November 29, 2021, the Bland County Board of Supervisors, by letter of support dated November 23, 2021, and Virginia’s Industrial Advancement Alliance, by letter of support dated November 23, 2021 (see attached).

Currently, traffic accesses the Progress Park Industrial complex by traveling approximately 3.5 miles on Route 610 (Peppers Ferry Road) or by traveling approximately 5 miles along Nye Road and Kent’s Lane. The project is in close proximity to I-77 Exit 41 and the intersection of I-81 and I-77. This project is currently planned to be advertised with UPC 116164, which is located approximately 0.5 mile from the western terminus of the connector road. It is anticipated that surplus material from the connector road may be used on UPC 116164.

PROJECT PURPOSE - The purpose of this project is to construct a new road approximately 2.3 miles in length from Nye Road to E. Lee Trinkle Drive, providing a direct connection to Progress Park in Wythe County.

TYPICAL SECTION – The Progress Park Connector will provide two (2) twelve-foot (12’) wide travel lanes with six-foot (6’) shoulders, four-foot (4’) of which will be paved on each side. The proposed typical section for Lovers lane will provide two (2) twelve-foot (12’) travel lane with two-foot (2’) paved shoulders on each side. Nye Road will be widened at the new intersection with the Progress Park Connector to accommodate an additional twelve-foot (12’) left turn lane with 200’ storage length and 200’ taper length. Curb and gutter will be installed with ten-foot (10’) shoulders at the new intersection of Nye Road and the Progress Park Connector.

CTB Location and Design Public Hearing Summary
Location Approval for the Progress Park Connector
Wythe County and Town of Wytheville
January 12, 2022
Page 2 of 2

PUBLIC HEARING –

Type - Location and Design
Date - November 16, 2021
Location - Virtual

ATTENDANCE – Five (5) citizens attended the Virtual Location and Design Hearing.

COMMENTS RECEIVED – No (0) written and no (0) verbal comments were received for the record.

ENVIRONMENTAL DATA – The National Environmental Policy Act process for Project # 9999-098-840, P101, R201, C501 (UPC# 115540) has been completed and a Categorical Exclusion was approved by the Federal Highway Administration on August 16, 2021.

ESTIMATED COST –

Preliminary Engineering	-	\$ 1,593,554
Right of Way and Utilities	-	\$ 3,600,000
Construction	-	<u>\$ 18,140,000</u>
Total estimated cost	-	\$ 23,333,554

ADVERTISEMENT – Construction is currently scheduled for late 2023.

RIGHT OF WAY – (2) families, (0) businesses and (0) non-profit organizations will be displaced as a result of this project development.

TRAFFIC DATA – It is anticipated that in the design year of 2046 the average daily traffic volume will be 6,070 vehicles per day on the new roadway.

STAFF RECOMMENDS – Approval of Preferred Alignment - Alternative Alignment #3 as proposed and presented at the Hearing for the location of the Progress Park Connector.



MOUNT ROGERS PLANNING DISTRICT COMMISSION

WILLIE GREENE, Chair
RANDY PENNINGTON, Vice Chair

STEVEN GOBBLE, Treasurer
AARON SIZEMORE, Executive Director

1021 Terrace Drive Marion, Virginia 24354 Phone 276-783-5103 Fax 276-783-6949

November 29, 2021

Virginia Department of Transportation
2111 Bonham, Road
Bristol, VA 24201
ATTN: James Jones, Project Manager

RE: VDOT Progress Park Connector Road – Preferred Alternate Alignment #3

Commonwealth Transportation Board:

After considerable planning and due diligence by VDOT and partners, Mount Rogers Planning District Commission would like to voice support for the 'Preferred Alternate Alignment #3' for the Progress Park Connector Road. The work and preparation have identified this to be the most optimal path forward that addresses concerns, and most effectively implements the project.

The timing for this connector road aligns well with the expansion of industry in Progress Park that includes the most recent announcement of Blue Star NBR to manufacturer nitrile and gloves in Lot 24. We look forward to the future of industry in the park and the value, safety, and connectivity this project will bring.

Sincerely,

Aaron Sizemore
Executive Director
Mount Rogers PDC

*SERVING LOCAL GOVERNMENTS IN
BLAND – CARROLL – GRAYSON – SMYTH – WASHINGTON – WYTHE
BRISTOL – GALAX*

MRPDC is an equal opportunity provider and employer.

TOWN OF WYTHEVILLE

COUNCIL-MANAGER FORM OF GOVERNMENT SINCE 1924

TOWN COUNCIL

MAYOR
BETH A. TAYLOR

VICE-MAYOR
CATHY D. PATTISON

COUNCIL MEMBERS
HOLLY E. ATKINS
MARK J. BLOOMFIELD
GARY L. GILLMAN



Wytheville...there's only one!

P.O. BOX 533
150 EAST MONROE STREET
WYTHEVILLE, VIRGINIA 24382-0533
TELEPHONE (276) 223-3333
WWW.WYTHEVILLE.ORG

TOWN MANAGER
BRIAN FREEMAN
(276) 223-3450

TOWN TREASURER
MICHAEL G. STEPHENS, MGT
(276) 223-3333

CLERK OF COUNCIL
SHERRY G. CORVIN, CMC
(276) 223-3349

TOWN ATTORNEY
MICHELLE WORKMAN CLAYTON
(276) 223-3393

November 24, 2021

Virginia Department of Transportation
Attn: James Jones, Project Manager
2111 Bonham Road
Bristol, Virginia 24201

RE: Letter of Support for VDOT Park Connector Road
Preferred Alignment #3

Commonwealth Transportation Board

On behalf of the Town of Wytheville and the Wytheville Town Council, please accept this letter of support for the location and design of 'Preferred Alternate Alignment #3' for the Progress Park Connector Road.

The timing of this connector road aligns well with the expansion of industry in Progress Park, including the most recent announcement of Blue Star NBR to manufacture nitrile and gloves on Lot 24. The Town of Wytheville is a regional partner with Wythe and Bland Counties in various projects and endeavors. We view the success of Wythe County as having an incredibly positive impact on the lives and wellbeing of its citizens and the residents of surrounding counties. We support the future of industry in Progress Park and the value, safety and connectivity this project will bring.

On behalf of the Town of Wytheville, we respectfully submit this letter of support.

Sincerely

Beth A. Taylor
Mayor

BAT/sgc



County Administrator's Office

340 South Sixth Street
Wytheville VA 24382-2598
Telephone (276) 223-4500
Fax (276) 223-4515

November 24, 2021

James Jones, Project Manager
Wythe County Progress Park Connector Road
Virginia Department of Transportation
2111 Bonham Road
Bristol, VA 24201

Commonwealth Transportation Board & VDOT Staff:

Thank you for your hard work and consideration of the alternatives and impacts of the Progress Park Connector Road. Wythe County very much looks forward to the construction and completion of the project, particularly in light of the recent announcement that Blue Star NBR and Blue Star AGI will invest \$714.3 million to create 2,464 new jobs making medical gloves. The development will cover over 200 acres of Progress Park, with the first phase opening in late summer 2022 with additional phases over the next five years.

The Progress Park Connector Road is critical infrastructure to accommodate the national security and public health effort represented by Blue Star's construction and operation.

VDOT staff has presented Alternative Number 3 to the public at the most recent public input opportunity. We have not received public feedback on that alternative, but realize some property owners have concerns about remainder parcels and access from their property to the new road.

The Wythe County Board of Supervisors considered the alternative at its November 23 meeting, and asked that I convey Wythe County's support of Alternative 3. As right-of-way acquisition proceeds, I ask that you give due consideration to the property impacts but realize that speed of development is our primary consideration.

Please feel free to reach out to me or my staff with any questions you may have regarding this project or the continued economic development that depends on it.

Sincerely,

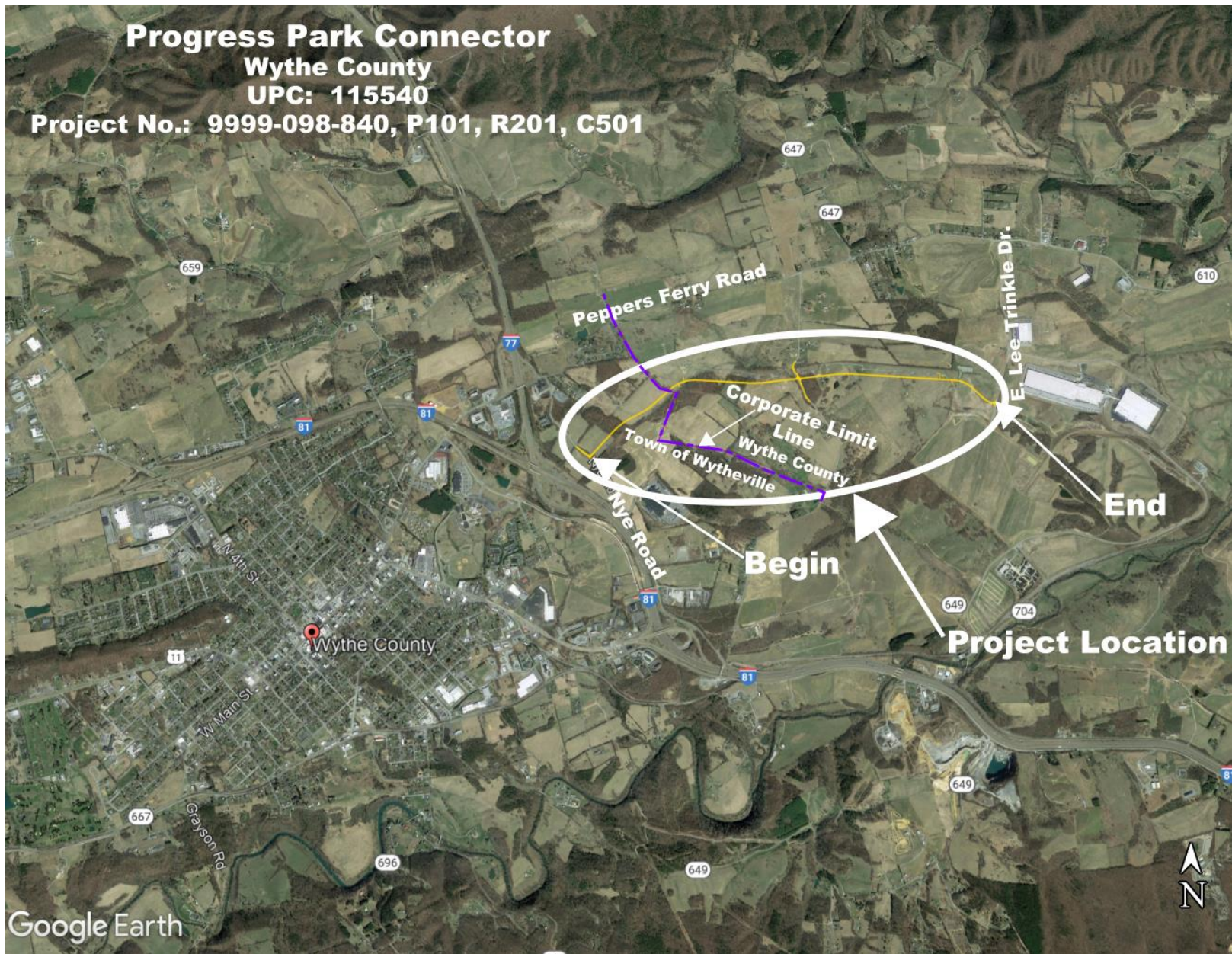
Stephen D. Bear
County Administrator

Progress Park Connector

Wythe County

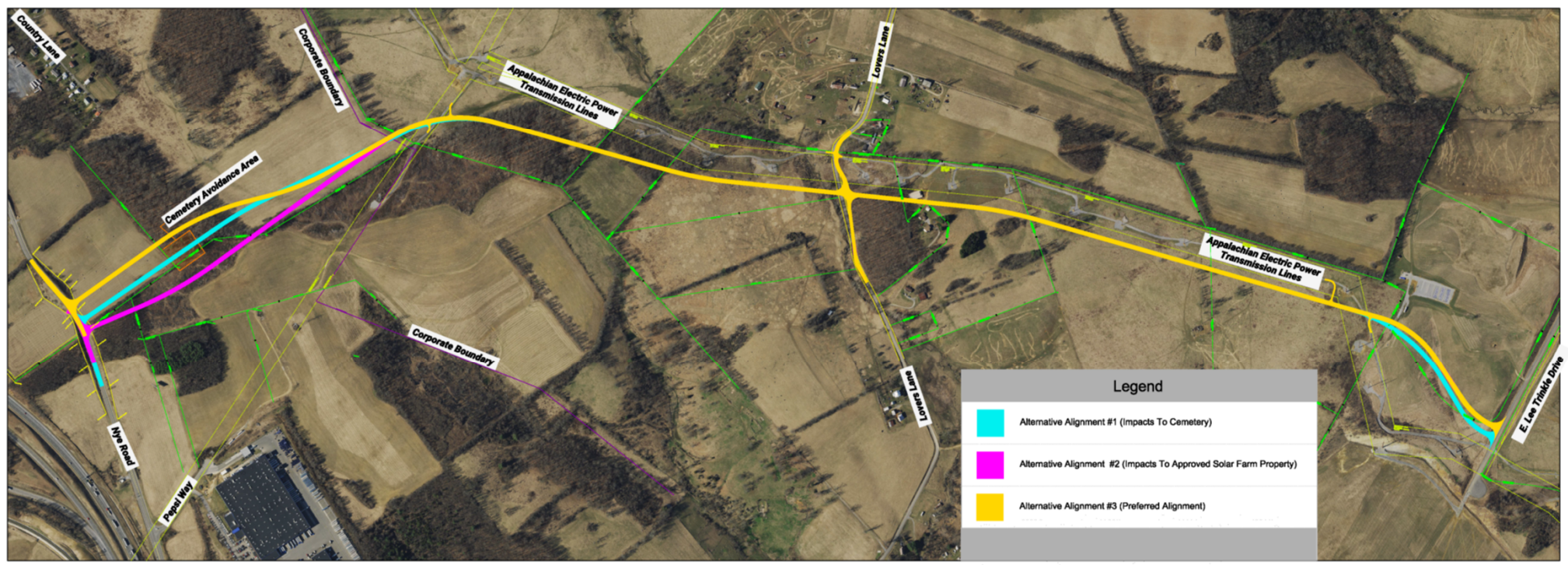
UPC: 115540

Project No.: 9999-098-840, P101, R201, C501



Google Earth

Project Overview – Proposed Conditions – Alternative Alignments



The exhibit illustrates three (3) proposed alternative alignments for the new roadway from Nye Road to E. Lee Trinkle Drive. Proposed improvements include improvements to Nye Road at the intersection, and a new intersection at Lovers Lane with improvements to Lovers Lane.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
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Agenda item #6

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: Seconded By: Action:

Title: Limited Access Control Change

Interstate 66

Fairfax County

WHEREAS, Interstate 66 was designated as Limited Access Highway by the State Highway Commission, predecessor to Commonwealth Transportation Board (CTB), on October 4, 1956; and

WHEREAS, in connection with State Highway Project 066-029-103, RW-202, the Commonwealth acquired a certain limited access control easement from Albert T. Young, Jr., *et al.* by deed dated June 13, 1963, recorded in Deed Book 2322, Page 70, and recorded in the Office of the Clerk of Circuit Court of the County of Fairfax; and

WHEREAS, Eduardo Lopes, the adjoining landowner, has requested a shift in limited access control along Interstate 66 to remedy an encroachment of an existing garage and modify the right of way limits to create a surplus property, which the requestor will purchase; and

WHEREAS, the requested shift in the limited access control of Interstate 66 is 37.91 feet in length, shown on Sheet 4 of State Highway Project 0066-96A-417, RW-201, beginning at a point on the existing right of way and limited access line 79.26 feet opposite Station 134+80.1 (Interstate 66 EB construction baseline) to a point 80.25 feet opposite Station 135+16.92 (Interstate 66 EB construction baseline), showing the proposed shift of the current limited access control line; and

WHEREAS, the County of Fairfax, by Resolution dated July 27, 2021, endorses the proposed limited access control change (LACC); and

WHEREAS, the Virginia Department of Transportation's (VDOT's) Northern Virginia District has determined, with the Chief Engineer concurring, that the proposed shift in the limited access control of Interstate 66 will have minimal impact on the operation of the Interstate 66 right of way, and that the proposed LACC is appropriate from a safety and traffic control standpoint; and

WHEREAS, VDOT's Northern Virginia District has determined the location of the proposed LACC is within an air quality maintenance or non-attainment area, but is not considered to be regionally significant for air quality purposes. In addition, the environmental impact analysis was reviewed and approved by the Northern Virginia District and there will be no adverse environmental impacts; and

WHEREAS, public notices of willingness to hold a public hearing and to receive public comment were posted in the *Washington Post* and *Falls Church News-Press* on December 10, 2020, and posted in *El Tiempo Latin* on December 11, 2020; and

WHEREAS, the Federal Highway Administration has provided the requisite approval for the proposed LACC; and

WHEREAS, VDOT has determined no compensation shall be due in consideration of the proposed LACC, as no value will be added to the adjoining land solely by shifting the said limited access line; and

WHEREAS, the requestor has borne all the appropriate costs in accordance with 24 VAC 30-401-20; 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 the requestor; and

WHEREAS, VDOT has reviewed the requested LACC and determined that all are in compliance with § 33.2-401 of the *Code of Virginia* and that the requirements of 24 VAC 30-401-20 have been met; and

WHEREAS, VDOT recommends approval of the LACC as shown on the attached exhibits.

Resolution of the Board
Limited Access Control Change
Interstate 66
Fairfax County
January 12, 2022
Page 3 of 3

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 Interstate 66 continue to be designated as a limited access control area, with the boundaries of limited access control being modified from the current locations as shown on the attached exhibits and subject to the conditions mentioned herein.

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.

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CTB Decision Brief
Interstate 66
Fairfax County
Limited Access Control Change

Issue: Eduardo Lopes, a Fairfax resident living adjacent to Interstate 66, has requested a shift in limited access control to remedy the encroachment of an existing garage. The shift in limited access control will modify the right of way limits to create surplus property that the requestor will purchase. This limited access control change (LACC) requires approval of the Commonwealth Transportation Board (CTB) pursuant to § 33.2-401 of the *Code of Virginia* and 24 VAC 30-401-20 of the *Virginia Administrative Code*.

Facts:

- Interstate 66 in Fairfax County was designated as a Limited Access Highway by the State Highway Commission, predecessor to Commonwealth Transportation Board (CTB), on October 4, 1956.
- In connection with State Highway Project 0066-029-103, RW-202, the Commonwealth acquired certain limited access control easements from Albert T. Young, Jr., *et al.* by deed dated June 13, 1963, recorded in Deed Book 2322, Page 70, and recorded in the Office of the Clerk of Circuit Court of the County of Fairfax.
- The requested break in the limited access control is 37.91 feet in length along the existing limited access control line of the east bound lane of Interstate 66, beginning at a point 79.26 feet opposite Station 134+80.1 (Interstate 66 EB construction baseline) to a point 80.25 feet opposite Station 135+16.92 (Interstate 66 EB construction baseline).
- The County of Fairfax, by resolution dated July 27, 2021, supports the LACC.
- VDOT's Northern Virginia District has determined, with the Chief Engineer concurring, that the proposed shift in the limited access control of Interstate 66 will have minimal impact on the operation of Interstate 66 right of way, and the proposed LACC is appropriate from a safety and traffic control standpoint.
- VDOT's Northern Virginia District has determined the location of the proposed LACC is within an air quality maintenance or non-attainment area, but is not considered to be regionally significant for air quality purposes. In addition, the environmental impact analysis was reviewed and approved by the Northern Virginia District and there will be no adverse environmental impacts.
- Public notices of willingness to hold a public hearing and to receive public comment were posted in the *Washington Post* and *Falls Church News-Press* on December 10, 2020, and posted in *El Tiempo Latin* on December 11, 2020, with one comment received objecting to the request, one question answered and resolved by district staff, and no requests for a public hearing.
- The Federal Highway Administration has provided the requisite approval for the proposed LACC.
- No compensation shall be due in consideration of the proposed LACC, as no value will be added to the adjoining land solely by shifting the said limited access line.
- The requestor has borne all appropriate costs in accordance with 24 VAC 30-401-20.
- All right of way, engineering, construction, and necessary safety improvements shall meet all VDOT standards and requirements.

- All costs of engineering and construction, including all necessary safety improvements, will be borne by the requestor.
- VDOT has reviewed the requested LACC and determined that all are in compliance with § 33.2-401 of the *Code of Virginia* and that the requirements of 24 VAC 30-401-20 have been met.
- These changes are not covered by the General Rules and Regulations of the CTB, 24 VAC 30-21, or by the Land Use Permit Regulations, 24 VAC 30-151, thus requiring action by the CTB.
- The written determination of the Chief Engineer regarding this proposed project is attached for your consideration.

Recommendation: VDOT recommends the approval of the proposed LACC subject to the referenced conditions and facts. VDOT further recommends that the Commissioner be authorized to take all actions and execute all documentation necessary to implement the LACC.

Action Required by CTB: Virginia Code § 33.2-401 requires a majority vote of the CTB approving the recommended LACC. The CTB will be presented with a resolution for a formal vote.

Result, if Approved: The project will move forward as proposed and 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: Two questions or comments were received. The questions or comments were answered/resolved by District staff.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 East Broad Street
Richmond, Virginia 23219

Stephen C. Brich, P.E.
Commissioner

January 1, 2022

MEMORANDUM

To: Barton A Thrasher, P.E.
Chief Engineer

From: Lori A. Snider *LAS*
State Right of Way and Utilities Director

Subject: Limited Access Control Change Request
Interstate 66, Fairfax County

The above referenced limited access control change request and supplemental documents are attached for your review. The requestor seeks a shift in the limited access limits along Interstate 66 to remedy the encroachment of a garage which was built within the existing limited access and right of way limits. The district divisions have reviewed this request and has confirmed that the area is not necessary for the continued operation and maintenance Interstate 66 and supports the shift of the limited access limits, opening the area up, containing 289 square feet, for conveyance to the adjacent landowner.

I concur with the District's recommendations and have approved the disposal of the 289 square feet of surplus land subject to the approval of the LACC by the CTB.

Please let me know if you have any questions. Thank you.



COMMONWEALTH of VIRGINIA

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

Stephen C. Brich, P.E.
COMMISSIONER

January 1, 2022

The Honorable Shannon Valentine
The Honorable Stephen C. Brich, P. E.
The Honorable Alison DeTuncq
The Honorable E. Scott Kasprovicz
The Honorable Marty Williams
The Honorable Greg Yates
The Honorable Carlos M. Brown
The Honorable Mary H. Hynes
The Honorable Stephen A. Johnsen
The Honorable Bert Dodson, Jr.
The Honorable Raymond D. Smoot Jr.
The Honorable W. Sheppard Miller III
The Honorable Cedric Bernard Rucker
The Honorable Mark H. Merrill
The Honorable Frederick T. Stant, III
The Honorable Tom Fowlkes
The Honorable Jennifer Mitchell

Subject: Approval of Limited Access Control Change (LACC) for Interstate 66

Dear Commonwealth Transportation Board Members:

The Department has received a request for your consideration from Eduardo Lopes for a shift in the limited access control along Interstate 66, to remedy the encroachment a garage constructed within the existing limited access and right of way limits. The shift in limited access control will shift the right of way limits to create a surplus property, the requestor will purchase. The Department's staff has determined the proposed shift will have minimal impact on the operation of Interstate 66 and that the proposed LACC is appropriate from a design, safety and traffic control standpoint.

The request meets the engineering criteria and guidelines set forth in Title 24, Agency 30, Chapter 401 of the Virginia Administrative Code. I have reviewed the Staff's recommendations, and determined that approving this shift in 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,

Bart Thrasher

Barton A. Thrasher, P.E.
Chief Engineer

RESOLUTION

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center at Fairfax, Virginia, on Tuesday, July 27, 2021, at which meeting a quorum was present and voting, the following resolution was adopted:

WHEREAS, the Virginia Department of Transportation has proceeded with improvements to Interstate 66 in the vicinity of Hallwood Avenue;

WHEREAS, the limited access line for Interstate 66 is located to the rear of a private residence; and

WHEREAS, the recent improvements to Interstate 66 and impact to the private property owner dictate the need to adjust the limited access line; and

WHEREAS, the adjustment of the limited access line requires review and approval by the Commonwealth Transportation Board; and

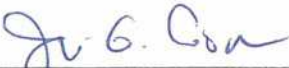
WHEREAS, to process these requests, Section 24VAC30-401-20 of the Virginia Administrative Code requires a resolution, letter of support, or formal request, or any combination of these, from the locality within which the changes in limited access are proposed;

NOW THEREFORE, BE IT RESOLVED, that this Board, supports these proposed changes to the limited access controls along Interstate 66 in the vicinity of Hallwood Avenue; and

BE IT FURTHER RESOLVED, that this Board hereby requests, pursuant to Section 24VAC30-401-20 of the Virginia Administrative Code, that the Commonwealth Transportation Board approve the proposed changes to the limited access controls.

ADOPTED this 27th day of July, 2021.

A Copy - Teste:



Jill G. Cooper

Clerk for the Board of Supervisors





COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1401 East Broad Street
Richmond, Virginia 23219

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

October 21, 2020

Mr. Thomas Nelson, Jr. P.E.
Division Administrator
Federal Highway Administration
400 N. 8th Street Room 750
Richmond, Virginia 23240-0249
Attention Ms. Janice L. Williams

Request for Modification of Limited Access Line

Route: Interstate I-66
VDOT Projects: Acquisition 066-029-103, R202; Current 0066-96A-417, R201/UPC 108424
Federal Project Number: Acquisition Project – I-66-1(45)69 - ROW; I-66-1(101) 70 - Construction
Current Project - NHPP-066-1(356) ROW and Construction

Dear Mr. Nelson,

The Virginia Department of Transportation (VDOT) is processing a request for a shift in limited access along I-66 in Fairfax County.

During the survey process for the Project, it was realized that a garage was encroaching within the limited access and right of way limits of Interstate 66. After completing additional research, it was discovered in 1996 that Fairfax County issued a permit based on the application the then landowner submitted in order to construct a detached garage, which was built within the existing limited access and right-of-way limits.

VDOT has confirmed that the limited access and right of way is no longer needed and would like to convey the property that is necessary and move the lines to ensure the garage is situated only on homeowner's land. To that effect, VDOT has completed a surplus property disposal that is contingent upon the approval and completion of this limited access shift.

Therefore, VDOT is requesting your concurrence in modification to the existing limited access lines along I-66 at this location, as shown on the attached exhibits between station 134+80.1 and 135+16.92

Attached please find a copy of the recent plans, showing with the Limited Access Control Change, and a location map.

VDOT approves of the Limited Access Control Change as shown on the exhibit. We are requesting a quick review and approval of this limited access change so that the Commonwealth Transportation Board can approve the changes at their meeting on December 9, 2020.

If additional information is needed, please contact Kimberly Leckner at 703-346-5445 or by email at Kimberly.Leckner@vdot.virginia.gov.

Best regards,

Kimberly M. Leckner
Assistant Program Manager
Right of Way and Utilities Division

Approved: _____ Date: _____

Minutes of the Meeting of the State Highway
Commission of Virginia, held in
Richmond
October 4, 1956

The Commission met in the Central Office Building, Richmond, Virginia, at 9:00 A.M., Thursday, October 4, 1956. 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 1587-15-16, 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 \$1,064.54 for work by the A. & D. Railroad, making a total of approximately \$114,500.00 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 \$67,455.18 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 1581-10, Routes 681; 640, 0.01 Mile E. of W. Int. Route 681, (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 \$1,226.50 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.

Moved by Mr. Flythe, seconded by Senator Nelson, that, Whereas, under authority of Section 53-115.2 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 53-115.2 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 10.612 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 53-115.2 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.

PROJECT MANAGER: Mark Gibney, P.E. (703) 259-2734, NOVA Location and Design
SURVEYED BY: DATE: Blue Associates, (703) 968-3200, 09/30/2006
DESIGN BY: L&E, GEC, Project Team
SUBSURFACE UTILITY BY: DATE: Acumark, Inc. (804) 550-7740, 10/19/2015

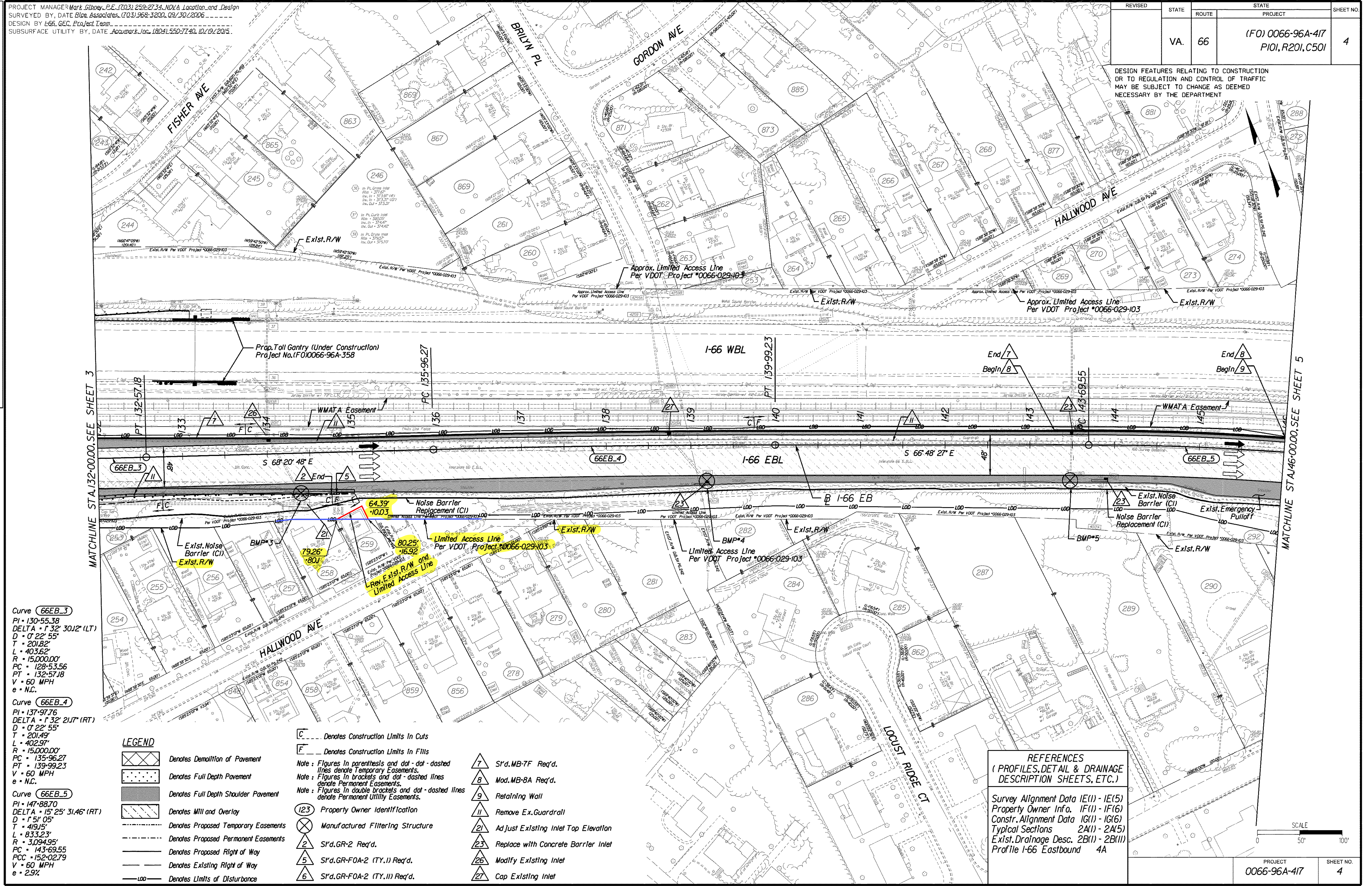
REVISED	STATE	ROUTE	STATE	PROJECT	SHEET NO.
	VA.	66		(FO) 0066-96A-417 PIO, R201, C501	4

DESIGN FEATURES RELATING TO CONSTRUCTION OR TO REGULATION AND CONTROL OF TRAFFIC MAY BE SUBJECT TO CHANGE AS DEEMED NECESSARY BY THE DEPARTMENT

THESE PLANS ARE UNFINISHED AND UNAPPROVED AND ARE NOT TO BE USED FOR ANY TYPE OF CONSTRUCTION OR THE ACQUISITION OF RIGHT OF WAY. ADDITIONAL EASEMENTS MAY BE REQUIRED BEYOND THE PROPOSED RIGHT OF WAY SHOWN ON THESE PLANS.

RFP PLANS

NOVA DISTRICT



Curve (66EB_3)
PI = 130+55.38
DELTA = 7° 32' 30.12" (LT)
D = 0° 22' 55"
T = 201.82'
L = 403.62'
R = 15,000.00'
PC = 128+53.56
PT = 132+57.18
V = 60 MPH
e = N.C.

Curve (66EB_4)
PI = 137+97.76
DELTA = 7° 32' 21.17" (RT)
D = 0° 22' 55"
T = 201.49'
L = 402.97'
R = 15,000.00'
PC = 135+96.27
PT = 139+99.23
V = 60 MPH
e = N.C.

Curve (66EB_5)
PI = 147+88.70
DELTA = 15° 25' 31.46" (RT)
D = 1° 51' 05"
T = 419.15'
L = 833.23'
R = 3,094.95'
PC = 143+69.55
PCC = 152+02.79
V = 60 MPH
e = 2.9%

LEGEND

	Denotes Demolition of Pavement
	Denotes Full Depth Pavement
	Denotes Full Depth Shoulder Pavement
	Denotes Mill and Overlay
	Denotes Proposed Temporary Easements
	Denotes Proposed Permanent Easements
	Denotes Proposed Right of Way
	Denotes Existing Right of Way
	Denotes Limits of Disturbance

	Denotes Construction Limits In Cuts
	Denotes Construction Limits In Fills
	Property Owner Identification
	Manufactured Filtering Structure
	S1d,GR-2 Req'd.
	S1d,GR-FOA-2 (TY.I) Req'd.
	S1d,GR-FOA-2 (TY.III) Req'd.

	S1d,MB-7F Req'd.
	Mod,MB-8A Req'd.
	Retaining Wall
	Remove Ex. Guardrail
	Adjust Existing Inlet Top Elevation
	Replace with Concrete Barrier Inlet
	Modify Existing Inlet
	Cap Existing Inlet

REFERENCES
(PROFILES, DETAIL & DRAINAGE DESCRIPTION SHEETS, ETC.)

Survey Alignment Data 1E(1) - 1E(5)
Property Owner Info. 1F(1) - 1F(6)
Constr. Alignment Data 1G(1) - 1G(6)
Typical Sections 2A(1) - 2A(5)
Exist. Drainage Desc. 2B(1) - 2B(11)
Profile I-66 Eastbound 4A



PROJECT	SHEET NO.
0066-96A-417	4

MATCHLINE STA. 132+00.00, SEE SHEET 3

MATCHLINE STA. 146+00.00, SEE SHEET 5



PMI-10438

Hallwood Ave

Hallwood-Ave

694

Great Falls-S

© 2018 Google

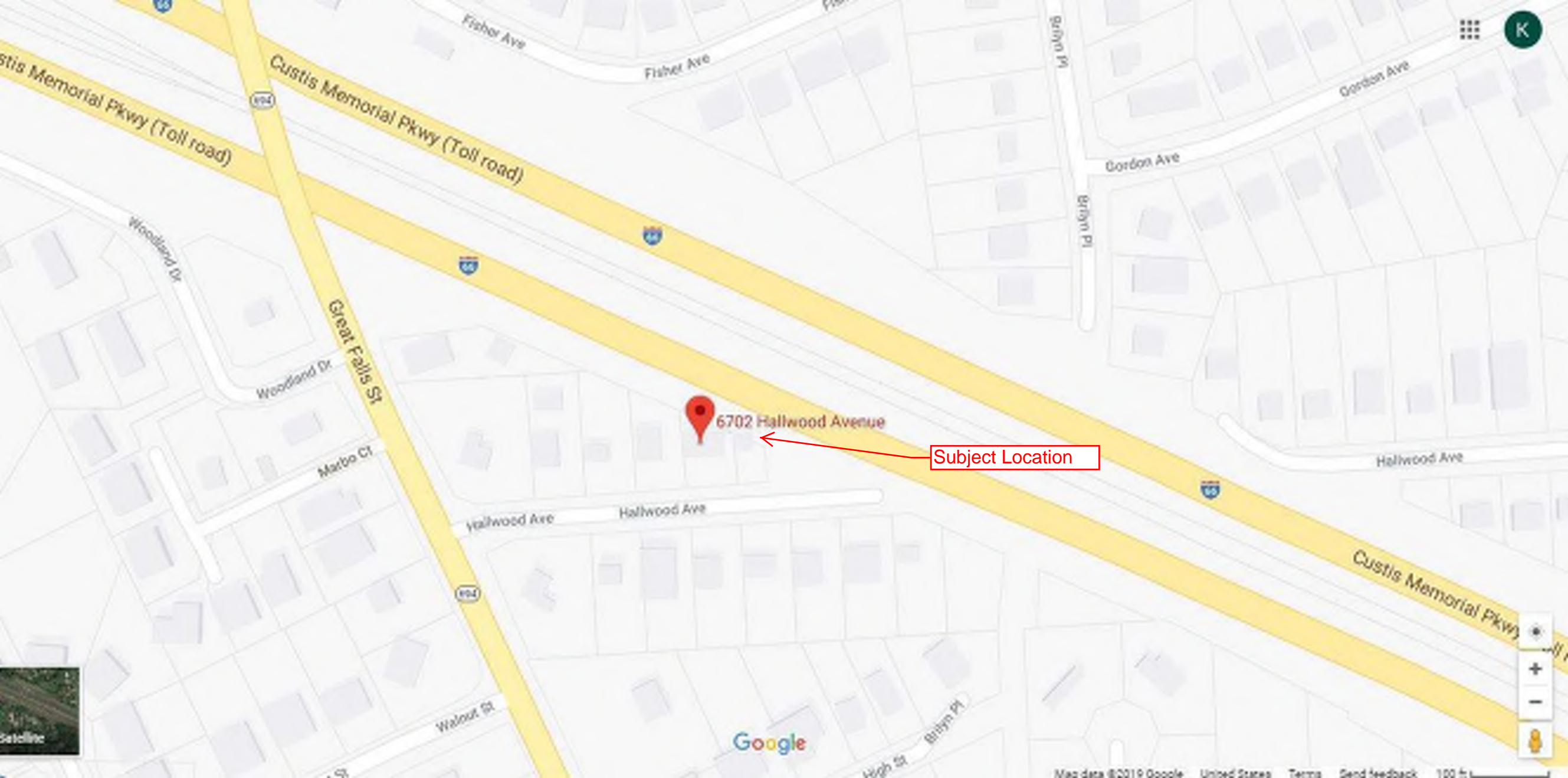
Google earth

Imagery Date: 4/14/2016

1586

38°53'48.88" N 77°10'34.61" W elev: 377 ft

Eye alt: 1136 ft



Custis Memorial Pkwy (Toll road)

Great Falls St

6702 Hallwood Avenue

Subject Location

Custis Memorial Pkwy

Google



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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

Agenda item #7

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ Seconded By: _____ Action: _____

Title: Economic Development Access Fund Policy (2022 Revision)

WHEREAS, The General Assembly has, from time to time, amended Section 33.2-1509 of the *Code of Virginia* (1950) (the *Code*) relating to the fund for construction of economic development access roads; and

WHEREAS, this Board has also, from time to time, revised its policy for the administration of the Economic Development Access Program (CTB EDA Policy); and

WHEREAS, on September 14, 2020 the Virginia Joint Legislative Audit and Review Commission (JLARC) published a review of certain State infrastructure and Regional Economic Incentive Programs (JLARC Study 546), which included recommendations to improve the viability of the Economic Development Access Road program; and

WHEREAS, Chapter 378 of the 2021 Special Session I Acts of Assembly amended Section 33.2-1509 to direct the Commonwealth Transportation Board, in consultation with the Secretary of Transportation and the Secretary of Commerce and Trade, to develop guidelines for the use of funds for access roads to an economic development site; such guidelines to consider the number of jobs that will be created by the economic development project, the proposed capital investment by the private sector at the economic development site, and any other relevant criteria related to the economic development project; and

WHEREAS, staff from the Virginia Department of Transportation and Virginia Economic Development Partnership have coordinated to develop and propose such guidelines,

attached, hereto, as *2022 Commonwealth Transportation Board Economic Development Access Fund Policy*;

NOW, THEREFORE, BE IT RESOLVED that the Commonwealth Transportation Board (CTB) hereby adopts the policy attached hereto and entitled *2022 Commonwealth Transportation Board Economic Development Access Fund Policy*, dated January 12, 2022 to govern the use of economic development access funds pursuant to Section 33.2-1509, as amended, of the *Code*.

BE IT FURTHER RESOLVED that the *2022 Commonwealth Transportation Board Economic Development Access Fund Policy* shall become effective immediately, and shall supersede all policies heretofore adopted by this Board governing the use of economic development access funds and further directs the Department to develop guidelines implementing this revised policy.

#####

CTB Decision Brief

Commonwealth Transportation Board Economic Development Access Policy

Issue: The Economic Development Access (EDA) Program provides adequate access to development sites for qualifying businesses. A qualifying business will meet the Virginia Economic Development metric of a basic employer. Adequate access, in consideration of the type and volume of traffic anticipated to be generated by the subject site, may require the construction of a new roadway, improvement of an existing roadway, or both, to serve the designated site.

A JLARC report published on September 14, 2020, titled Infrastructure and Regional Incentives, recommended several changes to the EDA program to include developing new guidelines that include provisions for the # of jobs, capital investment, or other relevant criteria and to revise guidelines to align with VEDP's project selection criteria, which are designed to enhance economic benefits. At its 2021 Special Session, the General Assembly amended § 33.2-1509 Amendment providing for changes and requiring guidelines for the use of funds to take into account job creation, capital investment, and other relevant economic development considerations. These provisions are not currently reflected in the Economic Development Access Policy

Facts: Virginia Code 33.2-1509 provides funds to the Commonwealth Transportation Board (the Board) to be expended by the Board for “constructing, reconstructing, maintaining, or improving access roads within localities to economic development sites ...”

Recommendations from the JLARC report and resultant revisions to the Code encouraged VDOT to work with VEDP on potential improvements to the EDA policy. VEDP surveyed stakeholders and researched other similar state programs. Based on feedback and research, VEDP presented recommendations to VDOT. VDOT staff then evaluated the recommendations and developed potential modifications to the policy. VDEP has concurred with proposed modifications. The proposed modifications include updating the application process to increase potential for success and address amendments to the Code of Virginia. Modifications also increase maximum allocation to align with current construction costs and provide design-only grants to address lead time and allow potential businesses to increase their level of readiness. The modifications also establish reduced capital investment requirements for economically distressed localities and provide credit for capital investment for jobs created or jobs retained for expansion of existing businesses.

Recommendations:

VDOT recommends that the CTB adopt the proposed Economic Development Access Policy to ensure compliance with § 33.2-1509 of the *Code of Virginia* to provide for updating the application process, increase maximum allocation, provide design-only grants, reduce capital investment requirements for economically distressed localities and provide credit for capital investment for jobs created.

Action Required by the CTB: Implementation of the recommended changes necessitates revision of the CTB's current policy for administering the funds. A resolution is provided for formal vote.

Result, if Approved: The CTB's policy for administering the funds set aside under section 33.2.1509 of the *Code of Virginia* will be revised to reflect the recommended changes.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

2022 Commonwealth Transportation Board

Economic Development Access Fund Policy

GENERAL

1. The Commonwealth Transportation Board and the Department of Transportation (the Department) will consult and work closely with the Virginia Economic Development Partnership (VEDP) in determining the use of economic development road access funds and will rely on the recommendations of the VEDP in making decisions as to the allocation of these funds. In making its recommendations to this Board, the VEDP and the Department will take into consideration the impact of the proposed facility on the employment and tax base of both the area in which the facility is to be located and the Commonwealth of Virginia. Further, in developing guidelines for the use of the funds, the Board directs the Department to develop to take into consideration, at a minimum, the following criteria: site readiness, transportation need, potential and/or predicted job creation, and economic stress of the community in which the project is proposed.
2. The use of economic development access funds shall be limited to: (a) providing adequate access to economic development sites on which new or substantially expanding 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 Business Assistance; (b) improving existing roads that may not be adequate to serve the establishments as described in (a); and (c) providing for costs associated directly with program administration and management of project requests prior to CTB approval with such costs not expected to exceed 1% of the allocation annually.
3. Economic development access funds may not be used for the construction of access roads to schools, hospitals, libraries, airports, armories, speculative office buildings, shopping centers, apartment buildings, professional offices, residential developments, churches, hotels, motels, or similar facilities, whether public or private. (Access roads to licensed, public-use airports, while provided for in the *Code of Virginia (COV)* Section 33.2-1509, are funded and administered separately)
4. No cost incurred prior to this Board's approval of an allocation from the economic development access fund may be reimbursed by such funds. Economic development access funds shall be authorized only after certification that the economic development establishment as listed or meeting the criteria as described will be built under firm contract, or is already constructed, or upon presentation of acceptable surety in accordance with paragraph A. of Section 33.2-1509 of *COV*.
5. Funds for economic development access road projects are to be used only for the physical construction and/or engineering of an access road necessary to support the traffic generated by a new or expanding qualified establishment. Access funds may be used to relocate existing utilities only to the extent the location of those utilities conflict with access road

construction. Economic development access funds shall not be used for the acquisition of rights of way. Where an existing economic development access road is part of the road system of the Department or the locality in which it is located, economic development access funds may be used to upgrade the existing road only to the extent required to meet the needs of traffic generated by new or expanding eligible establishments.

6. Economic development access funds shall not be used to construct or improve roads on a privately owned economic development site. Nor shall the construction of a new access road to serve any economic development site on a parcel of land which abuts a road constituting a part of the systems of state highways or the road system of the locality in which it is located be eligible for economic development access funds, unless the existing road is a limited access highway and no other access exists
7. In the event an economic development site has access according to the foregoing provisions of this policy, but it can be determined that such access is not adequate in that it does not provide for safe and efficient movement of the traffic generated by the eligible establishment on the site or that the site's traffic conflicts with the surrounding road network to the extent that it poses a safety hazard to the general public, consideration will be given to funding additional improvements. Such projects shall be evaluated on a case-by-case basis upon request, by resolution, from the local governing body. Localities are encouraged to establish planning policies which will discourage incompatible mixes such as industrial and residential traffic.
8. Prior to this Board's allocation of funds for such construction or road improvements to an eligible economic development establishment proposing to locate or expand in a county, city or town, the governing body shall by resolution request the access funds and shall be responsible for the preliminary negotiations with the eligible establishment and others interested. Engineers of the Department will be available for consultation with the governing bodies and others, and may prepare surveys, plans, engineering studies, and cost estimates, when requested and funded by the locality.

BOARD ALLOCATIONS

9. Allocations made available under this program may be for projects in Counties, Cities, or Towns which receive street maintenance payments under section 33.2-319 of *COV*. A town whose streets are maintained under either Section 33.2-339 or 33.2-340, of *COV*, shall be considered as part of the county in which it is located.
10. A locality may receive an unmatched allocation of economic development access funds up to \$150,000 in any fiscal year and an additional \$50,000 in economic development access funds matched dollar-for-dollar from funds not administered by this Board for a design-only project. The local governing body shall guarantee by bond or other acceptable surety that the plans will be developed to standards acceptable to the Department and will be completed to standards acceptable to the Department within 24 months of the allocation. The Department is authorized to provide design-only unmatched allocations up to \$100,000 without Board approval provided all other provisions of this policy are met and the Department provides the Board with an annual report of those allocations.
11. A locality may receive an unmatched allocation of economic development access funds up to \$700,000 in any fiscal year for the construction of an access road project or for the

combined design and construction of an access road project. The unmatched allocation may be supplemented with up to \$150,000 in economic development access funds, to be matched dollar-for-dollar from funds other than those administered by this Board. Such supplemental funds shall be considered only if the total estimated cost of eligible items for the economic development access improvement exceeds \$700,000.

12. No locality may receive allocations exceeding \$850,000 in a single fiscal year
13. If an eligible site is owned by a regional industrial facility authority, as defined in Section 15.2-6400 et seq., of the *Code*, funds may be allocated for construction of an access road project to that site without penalty to the jurisdiction in which the site is located. This provision may be applied to one regional project per fiscal year in any jurisdiction, with the same funding limitations as prescribed for other individual projects.
14. Notwithstanding the provisions herein, for Major Employment and Investment (MEI) projects as defined in Section 2.2-2260, of the *Code* and administered by the Virginia Economic Development Partnership, the locality may receive up to \$500,000 unmatched allocation and \$150,000 dollar for dollar matched allocation for a design-only project. The local governing body shall guarantee by bond or other acceptable surety that plans for a MEI project will be developed to standards acceptable to VDOT.
15. In addition, for projects utilizing economic development access funds to serve approved MEI projects, the locality may receive up to \$500,000 unmatched allocation and an additional \$500,000 matched allocation for a road construction project. Project allocations for a given MEI project may be cumulative for not more than two years.
16. Eligible items of construction and engineering shall be limited to those which are essential to providing an adequate facility to serve the anticipated traffic while meeting all appropriate CTB and state policies and standards. However, additional pavement width or other features may be eligible where necessary to qualify the road facility in a city or town for maintenance payments under Section 33.2-319, of the *Code*.
17. Except as provided for in paragraph 15 pertaining to MEI projects, it is the intent of the Board that economic development access funds not be anticipated from year to year. Unused eligibility cannot be allowed to accumulate and be carried forward from one fiscal year to another.
18. As a condition of the any economic development allocations for a construction or combined design and construction project, the locality must demonstrate that capital investment outlay of the eligible establishment and certain investment by the locality in the land and the building on the site occupied by the eligible establishment as follows:
 - a. Investments shall be five times or greater of the allocation for a locality that is not designated as a single or double distressed locality, as defined by VEDP in the year that the allocation is made, or
 - b. Investments shall be four times or greater of the allocation for a locality that is designated as a single distressed locality, as defined by the VEDP, in the year that the allocation is made, or

- c. Investments shall be three times or greater of the allocation for a locality that is designated as a double distressed locality, as defined by the VEDP, in the year the allocation is made.
19. Further, to encourage job creation in the establishment of such facilities, the Department shall consult with VEDP to establish an appropriate dollar value credit toward the required capital investment for jobs created.

BONDED (SPECULATIVE) PROJECTS

20. When an eligible establishment is not yet constructed or under firm contract and a local governing body chooses to guarantee by bond or other acceptable surety that such will occur, the maximum time limit for such bond shall be five years, beginning on the date of the allocation of the economic development access funds by the Commonwealth Transportation Board. At the end of the five-year period, the amount of economic development access funds expended on the project and not justified by eligible capital outlay of one or more eligible establishments acceptable to the Board shall be reimbursed to the Department of Transportation voluntarily by the locality or by forfeiture of the surety unless the locality elects to utilize the payback provisions outlined in paragraph 21.
21. At the end of the five year time bond period specified in paragraph 20 or at the termination of an extended bond period, rather than reimbursing the Department in full those funds expended on the project but not justified by eligible capital outlay, the locality may elect to extend the bond or other acceptable surety for another 4 year period and, on an annual basis, reimburse the Department 20% of those funds expended on the project but not justified by eligible capital outlay, with the first annual payment to be made on or before the 1st day of the new bonded period, until such time that 100% of the required reimbursement is provided or until the locality can document sufficient capital investment by an eligible establishment. The locality's bond or other acceptable surety may be reduced annually by the amount repaid to the Department. In the event that during the extended bonded period, the locality can document sufficient capital investment by an eligible establishment, the locality may request a refund of any reimbursements made to the Department. Such request may be granted if funds are available and on a first come, first served basis in competition with applications for economic development access funds from other localities. The Commonwealth Transportation Commissioner is directed to establish administrative procedures to assure the provisions of this policy and legislative directives are adhered to and complied with.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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

Agenda item # 8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By:

Seconded By:

Action:

Title: Revenue Sharing Deallocation of Project Funds (Statewide)

WHEREAS, § 33.2-357 of the *Code of Virginia* (1950), as amended (“*Va. 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, maintenance or reconstruction of the highway systems within such locality; and

WHEREAS, pursuant to § 33.2-357 of the *Va. Code*, “Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Board”; and

WHEREAS, § 33.2-357 of the *Va. Code* stipulates that the funds allocated by the CTB under this section “shall be distributed and administered in accordance with the revenue sharing program guidelines established by the Board”; and

WHEREAS, at its December 5, 2018 meeting, the CTB adopted its revision of the Revenue Sharing Program Policy and Guidelines, and the process for deallocation of revenue sharing program funds for projects not initiated after two subsequent fiscal years of the allocation is described within these guidelines; and

Resolution of the Board
Revenue Sharing Deallocation of Project Funds (statewide)
January 12, 2022
Page Two

WHEREAS, in accordance with the approved deallocation process, projects that meet the criteria for deallocation or are cancelled at the request of the locality, have been identified and affected localities have received written notification of the Virginia Department of Transportation's intent to remove the Revenue Sharing Program funds from identified projects for the purpose of reallocation by the CTB; and

WHEREAS, "Attachment A," which is made a part of this Resolution, lists all projects and respective Revenue Sharing Program funding to be deallocated and the funding amount indicated to be returned to the statewide Revenue Sharing account for distribution.

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board hereby approves the deallocation of funding from projects as set forth in the "Attachment A" listing.

####

CTB Decision Brief

Revenue Sharing Deallocation of Project Funds (Statewide)

Issue: As stipulated in § 33.2-357 of the *Code of Virginia*, any projects having funds allocated under the revenue sharing program shall be initiated within two subsequent years of the allocation or those funds may be reallocated at the discretion of the Commonwealth Transportation Board (CTB). The Revenue Sharing Program Guidelines (Guidelines), as approved by the CTB, establish circumstances when project funds may be deallocated due to cancellation of projects, project inactivity, or surplus allocations on completed projects. Accordingly, the Virginia Department of Transportation (Department) has prepared a list of projects which meet deallocation/reallocation conditions set forth in § 33.2-357 and in the Guidelines and recommends that the funding previously allocated to these projects be deallocated by the CTB and made available in the Revenue Sharing account for reallocation statewide.

Facts: The deallocation process is described within the Revenue Sharing Program Guidelines, revised and adopted by the CTB at its December 5, 2018 meeting. In adherence with the process, the Department conducted a review of all revenue sharing projects that had no expenditures within the last twenty-four months, or had been completed for six months or more with a surplus balance. Projects meeting the deallocation criteria were identified, and a list of those projects was provided to each locality to offer input regarding the status of the project in order for the Department to determine if the funds should be retained or deallocated. Based on this input, the Department has prepared a final list of projects which are intended to have funding deallocated and made available for reallocation statewide, subject to the approval of the CTB.

Recommendation: The Department recommends that the allocations/funding shown on “Attachment A” be deallocated from the projects specified in Attachment A and returned to the statewide Revenue Sharing account so that they are available for reallocation.

Action Required by CTB: The *Code of Virginia* and the CTB’s Revenue Sharing Program Guidelines specify that the CTB shall approve the deallocation of identified funds that meet the criteria set forth in the deallocation process. A resolution is provided for a formal vote.

Result, if Approved: Seventy-five (75) projects, totaling \$14,120,929, identified on the “Attachment A” listing will have funds deallocated and returned to the statewide Revenue Sharing account rendering them available for reallocation at the discretion of the CTB.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

Revenue Sharing Projects for Deallocation

"Attachment A"

District	Locality	Project Number	UPC	Scope of Work	Project Administered By	Deallocation Reason	State Match Amount to be Deallocated	Allocation Fiscal Year	
Bristol	Tazewell Town	0061-158-R64	91446	Reconstruction w/o Added Capacity	Locality	complete	\$3,110	2010	
		9999-158-R86	115610	Resurfacing	Locality	complete	\$100,212	2020	
	Washington County	9999-095-097	116929	Reconstruction w/o Added Capacity	VDOT	cancelled	\$56,052	2025	
	Wythe County	9999-098-R27	113170	Reconstruction w/o Added Capacity	VDOT	complete	\$7,453	2019	
	Wytheville Town	0011-139-R45	107237	Resurfacing	Locality	complete	\$199,983	2016	
Bristol District Summary		5 projects					\$366,810		
Culpeper	Albemarle County	0677-002-823	95114	Bridge Replacement w/o Added Capacity	VDOT	complete	\$242,272	2013	
	Charlottesville City	U000-104-119	60233	New Construction Roadway	Locality	complete	\$500,000	2010	
	Culpeper County	0784-023-226	67769	New Construction Roadway	VDOT	complete	\$553,285	2016	
		0673-023-R73	113041	Resurfacing	VDOT	complete	\$4,757	2019	
		0630-023-R74	113043	Resurfacing	VDOT	complete	\$1,528	2019	
		0630-023-R75	113044	Resurfacing	VDOT	complete	\$434	2019	
		0626-023-R76	113046	Resurfacing	VDOT	complete	\$1,571	2020	
	Orange Town	U000-275-R37	112985	Resurfacing	Locality	complete	\$15,457	2019	
Culpeper District Summary		8 projects					\$1,319,304		
Fredericksburg	Spotsylvania County	0620-088-182	51845	Reconstruction w/o Added Capacity	VDOT	complete	\$416,829	2011	
		0606-088-622	100829	Bridge Replacement w/o Added Capacity	VDOT	complete	\$601,242	2016	
	Stafford County	0711-089-P53	75919	Reconstruction w/o Added Capacity	Locality	complete	\$111,668	2015	
		0627-089-583	91916	Relocation	Locality	complete	\$478,754	2016	

District	Locality	Project Number	UPC	Scope of Work	Project Administered By	Deallocation Reason	State Match Amount to be Deallocated	Allocation Fiscal Year
	Stafford County	0608-089-R03	98170	Reconstruction w/o Added Capacity	Locality	complete	\$10,352	2019
		0001-089-R29	103082	Reconstruction w/o Added Capacity	Locality	complete	\$74,479	2016
Fredericksburg District Summary		6 projects					\$1,693,324	
Hampton Roads	Chesapeake City	0337-131-104	18591	Reconstruction w/o Added Capacity	Locality	complete	\$340,223	2016
		R001-131-R19	107351	Reconstruction w/o Added Capacity	Locality	complete	\$119,898	2016
	Hampton City	0152-114-102	83454	Reconstruction w/o Added Capacity	Locality	complete	\$79,276	2016
	Isle of Wight County	0603-046-R07	113200	Facilities for Pedestrians and Bicycles	Locality	complete	\$96,887	2019
	James City County	0615-047-169	50057	Reconstruction w/o Added Capacity	VDOT	complete	\$93,054	2008
	Newport News City	0060-121-R99	94832	Bridge Replacement w/o Added Capacity	Locality	complete	\$287,838	2016
		0143-121-R29	103027	New Construction Roadway	Locality	complete	\$397	2016
		U000-121-R07	108725	New Construction Roadway	Locality	cancelled	\$63,956	2022
	Southampton County	6058-087-E11	17728	Relocation	VDOT	complete	\$170,804	2006
	Suffolk City	0629-061-279	8327	Reconstruction w/o Added Capacity	VDOT	complete	\$175,000	2001
		U000-133-R86	107261	Facilities for Pedestrians and Bicycles	Locality	complete	\$300	2018
Hampton Roads District Summary		11 projects					\$1,427,633	
Lynchburg	Campbell County	9999-015-R11	113329	Reconstruction w/o Added Capacity	VDOT	complete	\$8,635	2019
		9999-015-R10	113330	Reconstruction w/o Added Capacity	VDOT	complete	\$17,809	2019
	Farmville Town	U000-144-R15	113287	Traffic Management/Engineering	Locality	complete	\$98,281	2019
	Lynchburg City	U000-118-259	106320	Reconstruction w/o Added Capacity	VDOT	complete	\$53,146	2014
	South Boston Town	U000-130-R21	113289	Reconstruction w/o Added Capacity	Locality	complete	\$24,404	2025
		U000-130-R22	113325	Reconstruction w/o Added Capacity	Locality	complete	\$44,864	2025
		7501-130-R24	117094	Other	Locality	not needed	\$25,716	2025

District	Locality	Project Number	UPC	Scope of Work	Project Administered By	Deallocation Reason	State Match Amount to be Deallocated	Allocation Fiscal Year	
	Danville City	U000-108-R22	113332	Reconstruction w/o Added Capacity	Locality	complete	\$174,002	2022	
Lynchburg District Summary		8 projects					\$446,857		
NOVA	Alexandria City	U000-100-R34	106967	Resurfacing	Locality	complete	\$248,192	2016	
	Herndon Town	U000-235-R72	115708	Resurfacing	Locality	complete	\$179,660	2020	
	Prince William County	0001-076-070	100426	Reconstruction w/o Added Capacity	Locality	complete	\$4,818,124	2016	
	Vienna Town	U000-153-R13	113219	Reconstruction w/o Added Capacity	Locality	complete	\$9,617	2020	
NOVA District Summary		5 projects					\$5,255,593		
Richmond	Amelia County	0666-004-R51	104199	Resurfacing	VDOT	complete	\$11,223	2014	
	Brunswick County	0732-012-R79	113298	Resurfacing	VDOT	complete	\$262	2020	
	Chesterfield County	0654-020-R82	108641	Reconstruction w/o Added Capacity	Locality	complete	\$263,540	2021	
		0651-020-R83	108644	Reconstruction w/o Added Capacity	Locality	complete	\$3,153	2019	
		0609-020-R37	113315	Facilities for Pedestrians and Bicycles	Locality	complete	\$197,221	2020	
	Colonial Heights City	U000-106-157	105690	Reconstruction w/o Added Capacity	Locality	complete	\$8,200	2018	
		U000-106-165	108646	Safety	Locality	complete	\$962	2017	
		U000-106	117707	Reconstruction w/o Added Capacity	Locality	complete	\$48,863	2018	
	Henrico County	9999-043-R82	108642	Facilities for Pedestrians and Bicycles	Locality	complete	\$58,224	2017	
		9999-043-R79	108696	Facilities for Pedestrians and Bicycles	Locality	complete	\$210,883	2026	
	Hopewell City	U000-116-R64	102928	Facilities for Pedestrians and Bicycles	Locality	complete	\$6,867	2016	
		0010-116-R84	107179	Safety	Locality	cancelled	\$29,427	2016	
		0156-116-R85	107180	Reconstruction w/o Added Capacity	Locality	complete	\$1,300	2016	
		9999-116-R94	108697	Reconstruction w/o Added Capacity	Locality	complete	\$24,728	2017	
		9999-116-R91	108708	Reconstruction w/o Added Capacity	Locality	complete	\$13,265	2017	
			9999-116-R97	108710	Reconstruction w/o Added Capacity	Locality	complete	\$20,955	2017

District	Locality	Project Number	UPC	Scope of Work	Project Administered By	Deallocation Reason	State Match Amount to be Deallocated	Allocation Fiscal Year
	Hopewell City	U000-116-R05	113283	Resurfacing	Locality	complete	\$124,002	2020
		U000-116-R07	113284	Reconstruction w/o Added Capacity	Locality	complete	\$238	2019
		U000-116-R08	113285	Reconstruction w/o Added Capacity	Locality	complete	\$2,251	2019
	Prince George County	0460-074-106	18997	Reconstruction w/o Added Capacity	VDOT	complete	\$138,000	2002
	Richmond City	U000-127-R06	102975	Utilities	Locality	complete	\$1,900	2013
		U000-127-R78	108703	Traffic Management/Engineering	Locality	complete	\$330	2017
	Richmond District Summary	22 projects					\$1,165,794	
Salem	Montgomery County	0658-060-R63	102763	Reconstruction w/o Added Capacity	Locality	complete	\$68,385	2013
		0639-060-R91	104245	Other	VDOT	complete	\$103,114	2015
		0685-060-R26	107297	Safety	Locality	complete	\$27	2019
	Pearisburg Town	U000-279-R28	115714	Resurfacing	Locality	complete	\$13,953	2020
	Roanoke City	U000-128-R34	114379	Mitigation of Water Pollution Due to Highway Runof	Locality	complete	\$11,509	2019
Salem	Roanoke County	0761-080-R01	108852	Reconstruction w/o Added Capacity	Locality	complete	\$17,177	2018
	Salem District Summary	6 projects					\$214,165	
Staunton	Frederick County	0011-034-R06	112936	Reconstruction w/o Added Capacity	VDOT	cancelled	\$850,500	2019
	Front Royal Town	U000-112-R53	103003	New Construction Roadway	Locality	complete	\$1,185,213	2017
	Rockingham County	0687-082-R01	105706	Reconstruction w/o Added Capacity	Locality	complete	\$183,672	2016
		EN15-082-102	107517	Facilities for Pedestrians and Bicycles	Locality	complete	\$12,064	2018
	Staunton District Summary	4 projects					\$2,231,449	
				75 projects			\$14,120,929	



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Richmond, Virginia 23219

(804) 786-2701
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Agenda Item # 9

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: Seconded By:

Action:

AUTHORIZING THE ISSUANCE AND SALE OF COMMONWEALTH OF VIRGINIA TRANSPORTATION REVENUE BONDS, SERIES 2022 (U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM)

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 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;

WHEREAS, the General Assembly has declared its intent in Section 33.2-2301 of the Virginia Code that there shall be developed an adequate, modern, safe and efficient highway system generally along Virginia's southern border through the U.S. Route 58 Corridor Development Program (the "Program");

WHEREAS, pursuant to Chapters 8 and 12 of the Acts of Assembly of 1989, Special Session II, as amended by Chapter 538 of the Acts of Assembly of 1999 and Chapter 296 of the Acts of Assembly of 2013, Regular Session, and as amended and reenacted by Chapter 1230 of the Acts of Assembly of 2020, Regular Session (the "Act"), the Board is authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act,

revenue obligations of the Commonwealth of Virginia (the "Commonwealth") to be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series....." (the "Bonds") at one or more times in an aggregate principal amount not to exceed \$1,300,000,000, to finance the costs of the Program plus an amount for issuance costs, reserve funds and other financing expenses;

WHEREAS, pursuant to the Act, an authorized unissued balance of approximately \$595,700,000 of Bonds remains after accounting for previously issued Bonds;

WHEREAS, pursuant to Section 2.2-5002.1 of the Virginia Code, after July 1, 2012, any net original issue premium in excess of a *de minimis* amount received on Bonds must be treated as principal for purposes of determining compliance with the aggregate principal amount limitation to which the Bonds are subject;

WHEREAS, Section 33.2-1701 of the Virginia Code provides that the Bonds shall be secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly; (ii) to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required, from any other legally available funds that have been appropriated by the General Assembly;

WHEREAS, the Board has entered into a Master Agreement of Trust dated as of November 1, 1989, as previously supplemented and amended (the "Master Agreement") with U.S. Bank National Association, as successor trustee (the "Trustee");

WHEREAS, the Board wishes to authorize the issuance of one or more series of Bonds to be known as the "Commonwealth of Virginia Transportation Revenue Bonds," with one or more series designations, as appropriate (the "2022 Bonds"); and

WHEREAS, the following documents that provide for the issuance and sale of the 2022 Bonds have been prepared by Bond Counsel and the staff of the Virginia Department of Transportation (the "Department") at the direction of the Board, and forms of such documents have been presented at this meeting and will be filed with the records of the Board:

(1) a Seventeenth Supplemental Agreement of Trust (the "Seventeenth Supplement," together with the Master Agreement, the "Agreement"), between the Board and the Trustee, providing for the terms and structure of the 2022 Bonds;

(2) a Preliminary Official Statement of the Board relating to the offering for sale of the 2022 Bonds (the "Preliminary Official Statement"); and

(3) 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 2022 Bonds (the "Continuing Disclosure Agreement").

NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH TRANSPORTATION BOARD:

1. Authorization of the 2022 Bonds. The Board hereby determines that it is in the best interest of the Commonwealth and the Board for the Board (i) to enter into the Seventeenth Supplement to provide for the issuance of the 2022 Bonds, (ii) to issue the 2022 Bonds for the purposes authorized under and in accordance with the provisions of the Act and the Agreement and (iii) to sell the 2022 Bonds. The aggregate principal amount of the 2022 Bonds shall not exceed \$140,000,000, the final maturity date of the 2022 Bonds shall not exceed 26 years from their date of issuance, and the aggregate true interest cost of the 2022 Bonds shall not exceed the maximum aggregate true interest cost approved by the Treasury Board, which is empowered pursuant to Section 2.2-2416(7) of the Virginia Code to approve the terms and structure of all proposed bond issues by state agencies, boards or authorities where debt service payments are expected by such agency, board or authority to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth. The Board expects the debt service payments to be made from appropriations of the Commonwealth.

2. Limited Obligations. The 2022 Bonds shall be limited obligations of the Board and the Commonwealth, payable from and secured by a pledge of the revenues pledged under the Agreement ("Revenues") and amounts in certain funds established pursuant to the Agreement. Nothing in this Resolution or the 2022 Bonds 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 Details of the 2022 Bonds. The Board authorizes the Chairperson of the Board (the "Chairperson"), subject to the criteria set forth in paragraph 1 of this Resolution, to determine the details of the 2022 Bonds, including, without limitation, the aggregate principal amount, the maturity schedule, the interest rates, the redemption provisions, the sale date, the sale price and the reoffering prices. The Board authorizes the Chief Financial Officer of the Department and the Director, Budget and Funds Management Division of the Department (either of whom may act) to effect the Chairperson's award of the 2022 Bonds (if the 2022 Bonds are sold by competitive bid) or execute a purchase contract of the 2022 Bonds (if the 2022 Bonds are sold by negotiated sale).

4. Sale of the 2022 Bonds. The Chairperson is authorized to sell the 2022 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 2022 Bonds by resolution of the Treasury Board. Alternatively, if determined by the Chairperson to be in the best interest of the Commonwealth, the Board authorizes the Chairperson to solicit and consider proposals for a negotiated sale of the 2022 Bonds and to negotiate the terms of such sale. The Chairperson is authorized to execute and deliver a purchase contract or an agreement reflecting such proposal, provided that no such purchase contract or agreement may be executed prior to approval of the terms and structure of the 2022 Bonds by resolution of the Treasury Board.

5. Preliminary Official Statement. The Board approves the Preliminary Official Statement in substantially the form presented at this meeting. The Board authorizes and directs the Chairperson, in collaboration with the staff of the Department and the Board's financial advisor (the "Financial Advisor") and Bond Counsel, 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 2022 Bonds, as the Chairperson may approve. The Board authorizes the Chairperson 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 2022 Bonds by resolution of the Treasury Board.

6. Official Statement. The Board authorizes and directs the Chairperson, in collaboration with Bond Counsel, Department staff and Financial Advisor, to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement") in order to reflect the provisions of the winning bid or the executed purchase contract, as appropriate, for the purchase and sale of the 2022 Bonds. The Board authorizes and directs the Chairperson to execute the Official Statement, which execution shall constitute conclusive evidence of the approval of the Official Statement by the Chairperson 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 winning bidders or underwriters, as appropriate, within seven business days after the date thereof, a sufficient number of copies of the Official Statement for the winning bidders or underwriters to distribute to each potential investor requesting a copy and to each person to whom the winning bidders or underwriters initially sell the 2022 Bonds. The Board authorizes and approves the distribution by the winning bidders or underwriters of the Official Statement as executed by the Chairperson.

7. Seventeenth Supplement. The Board approves the Seventeenth Supplement in substantially the form presented at this meeting. The Board authorizes and directs the Chairperson to prepare, execute, and deliver the final form of the Seventeenth Supplement with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the 2022 Bonds, including without limitation changes to the dated dates thereof, as the Chairperson may approve. Execution and delivery of the Seventeenth Supplement shall constitute conclusive evidence of the approval of such documents by the Chairperson on behalf of the Board.

8. Execution and Delivery of the 2022 Bonds. The Board authorizes and directs the Chairperson and the Secretary of the Board (the "Secretary") to have the 2022 Bonds prepared and to execute the 2022 Bonds in accordance with the Agreement, to deliver the 2022 Bonds to the Trustee for authentication, and to cause the 2022 Bonds so executed and authenticated to be delivered to or for the account of the winning bidders or underwriters upon payment of the purchase price of the 2022 Bonds, all in accordance with the Notice of Sale or executed purchase contract, as appropriate. Execution and delivery by the Chairperson and the Secretary of the 2022 Bonds shall constitute conclusive

evidence of the approval of the 2022 Bonds by the Chairperson and the Secretary on behalf of the Board.

9. Continuing Disclosure. The Board approves the Continuing Disclosure Agreement in substantially the form presented at this meeting. The Board covenants to undertake ongoing disclosure and to provide "annual financial information" and "event notices" for the benefit of holders of the 2022 Bonds and to assist the winning bidders or the underwriters, as appropriate, in complying with the Rule, all in accordance with the Continuing Disclosure Agreement. The Board authorizes and directs the Chairperson to prepare, execute, and deliver the final form of the Continuing Disclosure Agreement, with such completions, omissions, insertions, and changes as are necessary or desirable to effect the issuance and sale of the 2022 Bonds, as the Chairperson may approve. The Chief Financial Officer of the Department is designated as the Dissemination Agent under the Continuing Disclosure Agreement. Execution and delivery by the Chairperson of the Continuing Disclosure Agreement shall constitute conclusive evidence of the approval of the Continuing Disclosure Agreement by the Chairperson on behalf of the Board.

10. Authorization of Further Action. The Board authorizes Department staff (i) to request the Treasury Board to approve the terms and structure of the 2022 Bonds in accordance with Section 2.2-2416(7) of the Virginia Code and the Act, (ii) to request the Governor of the Commonwealth to approve the issuance of the 2022 Bonds 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 2022 Bonds 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 2022 Bonds. The Board further authorizes the Chairperson 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 2022 Bonds, including, without limitation, execution and delivery of a document (i) setting forth the expected application and investment of the proceeds of the 2022 Bonds and the expected use of the property financed or refinanced thereby to show that such expected application, investment and use will not violate the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the Treasury Regulations promulgated thereunder including the provisions applicable to "arbitrage bonds" (as defined in the Tax Code) and (ii) providing for the rebate of any "arbitrage rebate amounts" (as defined in the Tax Code) earned on the investment of the proceeds of the 2022 Bonds to the United States. The Chairperson 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 2022 Bonds as the Chairperson may deem to be in the best interests of the Commonwealth and the Board, in consultation with Bond Counsel and the Financial Advisor.

11. Authorizations and Directions to Certain Officers. Any authorization or direction to the Chairperson or to the Secretary under this Resolution shall also be deemed to be an authorization or a direction to the Vice-Chairperson or to an Assistant Secretary,

respectively, the Commissioner of Highways, and any officer or employee of the Board or the Department designated for such purpose by the Chairperson or the Secretary.

12. Effective Date. This Resolution shall be effective immediately upon adoption and shall remain in effect until December 31, 2022.

SEVENTEENTH SUPPLEMENTAL AGREEMENT OF TRUST

between

COMMONWEALTH TRANSPORTATION BOARD

and

**U.S. BANK NATIONAL ASSOCIATION
(successor in interest to First Union National Bank),
as Trustee**

Dated as of April 1, 2022

Authorizing the Issuance of \$_____
Commonwealth of Virginia Transportation Revenue Bonds,
Series 2022 (U.S. Route 58 Corridor Development Program)

ARTICLE I
SEVENTEENTH SUPPLEMENTAL AGREEMENT

Section 101	Authorization of Supplemental Agreement	2
Section 102	Definitions.....	2
Section 103	Reference to Articles and Sections	3

ARTICLE II
AUTHORIZATION, DETAILS AND FORM OF SERIES 2022 BONDS

Section 201	Authorization of Series 2022 Bonds	3
Section 202	Details of Series 2022 Bonds	3
Section 203	Securities Depository Provisions	4
Section 204	Form of Series 2022 Bonds.....	5
Section 205	Delivery of Series 2022 Bonds	5

ARTICLE III
REDEMPTION OF SERIES 2022 BONDS

Section 301	Redemption Dates and Prices	5
Section 302	Optional Redemption	5
Section 304	Selection of Series 2022 Bonds for Redemption	6
Section 305	Notice of Redemption	6
Section 306	Payment of Redemption Price	6

ARTICLE IV
ESTABLISHMENT OF FUNDS; PROCEEDS OF SERIES 2022 BONDS

Section 401	Use of Proceeds of Series 2022 Bonds	7
-------------	--	---

ARTICLE V
SECURITY FOR SERIES 2022 BONDS

Section 501	Security for Series 2022 Bonds.....	7
-------------	-------------------------------------	---

ARTICLE VI
TAX COVENANTS

Section 601	Tax Covenants	7
-------------	---------------------	---

ARTICLE VII
MISCELLANEOUS

Section 701	Limitation of Rights	8
Section 702	Limitation of Liability of Members, etc., of Board	8
Section 703	Successors and Assigns.....	8
Section 704	Severability	8
Section 705	Applicable Law	9
Section 706	Counterparts	9
Section 707	Patriot Act	9

EXHIBIT A	- Form of Series 2022 Bonds	
EXHIBIT B	- Supplemental Agreements of Trust and Parity Bonds	

This **SEVENTEENTH SUPPLEMENTAL AGREEMENT OF TRUST** dated as of April 1, 2022, between the **COMMONWEALTH TRANSPORTATION BOARD** (the "Board") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as successor trustee (in such capacity, together with any successor in such capacity, herein called the "Trustee") provides as follows:

WITNESSETH:

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 Board has the power to issue revenue bonds to finance the cost of projects authorized by the General Assembly of Virginia (the "General Assembly"), including expenses necessary or incident to the financing, and to issue bonds to refund such revenue bonds;

WHEREAS, the General Assembly has declared its intent in Section 33.2-2301 of the Virginia Code that there shall be developed an adequate, modern, safe and efficient highway system generally along Virginia's southern border through the U.S. Route 58 Corridor Development Program (the "Program");

WHEREAS, Chapters 8 and 12 of the Acts of Assembly of 1989, Special Session II, as amended by Chapter 538 of the Acts of Assembly of 1999 and Chapter 296 of the Acts of Assembly of 2013, Regular Session, and as amended and reenacted by Chapter 1230 of the Acts of Assembly of 2020, Regular Session, authorized the Board, by and with the consent of the Governor, to issue pursuant to the provisions of the State Revenue Bond Act, at one time or from time to time, Commonwealth of Virginia Transportation Revenue Bonds in an aggregate principal amount not exceeding \$1,300,000,000 to finance the costs of the Program plus an amount for issuance costs, reserve funds and other financing expenses;

WHEREAS, the General Assembly, in Section 33.2-2300 of the Virginia Code, established the U.S. Route 58 Corridor Development Fund (the "U.S. Route 58 Development Fund"), a special non-reverting fund as part of the Transportation Trust Fund, consisting of a specified amount of the annual collections from the Commonwealth Transportation Fund pursuant to Section 33.2-1524 of the Virginia Code, such other funds as may be appropriated by the General Assembly and designated for the U.S. Route 58 Development Fund and all interest, dividends and appreciation that may accrue thereto;

WHEREAS, the funds on deposit in the U.S. Route 58 Development Fund may be used to finance costs related to the Program, including payments of debt service on Commonwealth of Virginia Transportation Revenue Bonds;

WHEREAS, the Board and a predecessor in interest to the Trustee entered into a Master Agreement of Trust dated as of November 1, 1989, as amended (the "Master Trust Agreement"), supplemented by the supplemental agreements of trust listed on Exhibit B (each a "Supplemental Trust Agreement"), and pursuant to which the Board issued the bonds listed on Exhibit B (collectively, the "Parity Bonds");

WHEREAS, the Board is not in default under the Master Trust Agreement as amended and supplemented by each such aforementioned Supplemental Trust Agreement (collectively, the "Agreement") or in payment of the principal of or interest on the Parity Bonds;

WHEREAS, within the limitations of and in compliance with the Agreement, the Board is authorized to issue additional bonds ("Additional Bonds"), secured on parity with the Parity Bonds to the extent provided in the Agreement, to pay Costs of all or any portion of the Program;

WHEREAS, the Board has determined to issue a series of Additional Bonds under the Agreement the proceeds of which shall be used to pay Costs of the Program and to pay costs of issuance of such Additional Bonds;

WHEREAS, the Master Trust Agreement provides that, in connection with the issuance of Additional Bonds, the Board shall execute and deliver to the Trustee a supplemental agreement authorizing the issuance of such Additional Bonds and setting forth the provisions thereof; and

WHEREAS, the Board has taken all necessary action to make its Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program) (the "Series 2022 Bonds"), when authenticated by the Trustee and issued by the Board, valid and binding limited obligations of the Board and to constitute this Seventeenth Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 2022 Bonds as a series of Additional Bonds.

NOW, THEREFORE, THIS SEVENTEENTH SUPPLEMENTAL AGREEMENT WITNESSETH that the Board does covenant and agree with the Trustee and with the respective Holders (as defined in the Master Trust Agreement), from time to time, of the outstanding Parity Bonds and Series 2022 Bonds, as follows:

ARTICLE I SEVENTEENTH SUPPLEMENTAL AGREEMENT

Section 101 Authorization of Supplemental Agreement. This Seventeenth Supplemental Agreement is authorized and executed by the Board and delivered to the Trustee pursuant to and in accordance with Articles III and XI of the Master Trust Agreement. All covenants, conditions and agreements of the Agreement shall apply with full force and effect to the Series 2022 Bonds and to the Holders thereof, except as otherwise provided herein.

Section 102 Definitions. Except as otherwise defined herein, terms defined in the Agreement are used in this Seventeenth Supplemental Agreement with the meanings assigned to them in the Agreement. In addition, the following terms shall have the following meanings:

"Closing Date" means April __, 2022, the date of the issuance and delivery of the Series 2022 Bonds.

"Securities Depository" means, with respect to the Series 2022 Bonds, The Depository Trust Company, a corporation organized and existing under the laws of the State of New York,

and any other securities depository for the Series 2022 Bonds appointed pursuant to Section 203, and their successors.

"**Series 2022 Bonds**" means the \$_____ Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program), authorized to be issued by Section 201.

"**Series 2022 Tax Compliance Agreement**" means the Federal Tax Certificate and Compliance Agreement relating to the Series 2022 Bonds.

"**Seventeenth Supplemental Agreement**" means this Seventeenth Supplemental Agreement of Trust between the Board and the Trustee, which supplements the Agreement.

Section 103 Reference to Articles and Sections. Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Seventeenth Supplemental Agreement.

ARTICLE II
AUTHORIZATION, DETAILS AND FORM OF SERIES 2022 BONDS

Section 201 Authorization of Series 2022 Bonds. There are authorized to be issued as Additional Bonds pursuant to Article III of the Master Trust Agreement a series of transportation revenue bonds of the Board in the aggregate principal amount of \$_____ which shall be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program)" to provide funds to pay Costs of the Program and pay costs of issuance of the Series 2022 Bonds.

Section 202 Details of Series 2022 Bonds. (a) The Series 2022 Bonds shall be dated the Closing Date, shall be issued only as registered bonds in denominations of \$5,000 or multiples thereof, shall be numbered R-1 upward, shall bear interest at rates per year (calculated on the basis of a 360-day year composed of 12 months of 30 days each), payable semiannually on each May 15 and November 15, commencing November 15, 2022, and shall mature in installments on May 15 in years and amounts at such rates, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%

Each Series 2022 Bond shall bear interest from its date. If any principal of or interest on any Series 2022 Bond is not paid when due (whether at maturity, by acceleration or call for redemption or otherwise), the overdue installments of principal shall bear interest until paid at the same rate set forth in such Series 2022 Bond.

(b) Principal of the Series 2022 Bonds shall be payable to the Holders thereof upon the surrender of such Bonds at a corporate trust operation office designated by the Trustee. Interest on the Series 2022 Bonds shall be payable by check or draft mailed to the Holders thereof at their addresses as they appear on the registration books kept by the Trustee (on the first day of the month in which the interest payment date occurs) or, upon written request of a Holder of more than \$1,000,000 principal amount of Series 2022 Bonds, by wire transfer to such Holder's account as set forth on such request.

(c) Except as otherwise provided herein, the Series 2022 Bonds shall be payable, executed, authenticated, registered, exchangeable and secured, all as set forth in the Agreement.

Section 203 Securities Depository Provisions. (a) Initially, one bond certificate for each maturity of the Series 2022 Bonds will be issued and registered to the Securities Depository, or its nominee. The Board and the Trustee have entered into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 2022 Bonds.

(b) In the event that (i) the Securities Depository determines not to continue to act as a securities depository for the Series 2022 Bonds by giving notice to the Trustee and the Board discharging its responsibilities hereunder, or (ii) the Board in its sole discretion determines (A) that beneficial owners of Series 2022 Bonds shall be able to obtain certificated Series 2022 Bonds or (B) to select a new Securities Depository, then the Trustee shall, at the direction of the Board, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 2022 Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 204; provided, however, that such form shall provide for interest on the Bonds to be payable (x) from the Closing Date, if it is authenticated prior to November 15, 2022, or (y) otherwise from the May 15 or November 15 that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case interest on such Bonds shall be payable from the date to which interest has been paid). In delivering certificated Series 2022 Bonds, the Trustee shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Series 2022 Bonds will then be registrable, transferable and exchangeable as set forth in Section 204 of the Master Trust Agreement.

(c) So long as there is a Securities Depository for the Series 2022 Bonds (i) it or its nominee shall be the registered owner of the Series 2022 Bonds, (ii) notwithstanding anything to the contrary in the Agreement, determinations of persons entitled to payment of principal and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (iii) the Board and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (iv) references in the Agreement to registered owners of the Series 2022 Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 2022 Bonds, and (v) in the

event of any inconsistency between the provisions of the Agreement and the provisions of the Letter of Representations such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

Section 204 Form of Series 2022 Bonds. The Series 2022 Bonds shall be in substantially the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Agreement and this Seventeenth Supplemental Agreement. There may be endorsed on the Series 2022 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Section 205 Delivery of Series 2022 Bonds. The Trustee shall authenticate and deliver the Series 2022 Bonds when there have been filed with or delivered to it all items required by Section 303 of the Master Trust Agreement.

**ARTICLE III
REDEMPTION OF SERIES 2022 BONDS**

Section 301 Redemption Dates and Prices. The Series 2022 Bonds may not be called for redemption by the Board except as provided in this Article.

Section 302 Optional Redemption. (a) The Series 2022 Bonds maturing on or before May 15, 2032, shall not be subject to redemption at the Board's option before their respective maturity dates.

(b) The Series 2022 Bonds maturing on or after May 15, 2033, may be redeemed prior to their respective maturities, at the option of the Board, from any moneys that may be made available for such purpose, either in whole or in part (in \$5,000 increments), on any date and in such order as the Board may determine on and after May 15, 2032, at 100% of the principal amount to be redeemed together with the interest accrued on the principal amount to be redeemed to the date fixed for redemption.

Section 303 Mandatory Redemption. (a) The Series 2022 Bonds maturing on May 15, 20___, are required to be redeemed in part before maturity by the Board on May 15 in the years and the amounts shown below, at a redemption price equal to 100% of the principal amount of the Series 2022 Bonds to be redeemed, plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Principal Amount</u>
	\$

(final maturity)

(b) The Board will receive a credit for payments required to be made on any mandatory sinking fund redemption date in an amount equal to the principal amount of the Series 2022 Bonds subject to mandatory sinking fund redemption on such date that have been redeemed

(otherwise than by mandatory sinking fund redemption) before such mandatory sinking fund redemption date or purchased by the Board or by anyone acting on behalf of the Board and delivered to the Trustee for cancellation at least 60 days before such date; provided, however, that the principal amount of the Series 2022 Bonds has not previously been applied as a credit against any mandatory sinking fund redemption payment.

(c) Mandatory redemption of the Series 2022 Bonds pursuant to this Section 303 shall not require the Board or an Authorized Representative of the Board to provide notice of the pending redemption to the Trustee.

Section 304 Selection of Series 2022 Bonds for Redemption. If less than all of the Series 2022 Bonds are called for optional redemption, the maturities of the Series 2022 Bonds to be redeemed will be called in such order as the Board may determine.

Section 305 Notice of Redemption. (a) When (i) required to redeem Series 2022 Bonds under any provision of the Master Trust Agreement or this Seventeenth Supplemental Agreement or (ii) directed to do so by an Authorized Representative of the Board in writing at least 45 days before the date fixed for redemption, the Trustee shall cause notice of the redemption to be mailed by first class mail, not less than 30 nor more than 60 days before the redemption date, to all Holders of Series 2022 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee; provided, however, that the failure to mail any such notice or any defect in the mailing to any one or more of the Holders shall not affect the validity of the redemption with respect to any Holders to whom such notice was properly mailed.

(b) Any notice of redemption may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied.

(c) Any notice of redemption mailed in the manner specified above shall be deemed to have been duly given when mailed by the Trustee.

(d) In preparing any notice of redemption, the Trustee shall take into account, to the extent it has knowledge and is applicable, the prevailing tax-exempt securities industry standards and any regulatory statement of any federal or state administrative body having jurisdiction over the Board or the tax-exempt securities industry, including without limitation, Release No. 34-23856 of the Securities and Exchange Commission, or any subsequent amending or superseding release.

(e) Any notices given to DTC under this Section shall be given at the times and in the manner set forth in the Letter of Representations.

Section 306 Payment of Redemption Price. (a) On or before the date fixed for redemption, funds shall be deposited with the Trustee to pay the redemption price of the Series 2022 Bonds called for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date and the required notice shall have been given, the

Series 2022 Bonds called for redemption shall cease to bear interest from and after the redemption date, shall no longer be entitled to the benefits provided by the Master Trust Agreement and this Seventeenth Supplemental Agreement and shall not be deemed to be Outstanding under the provisions of the Master Trust Agreement and this Seventeenth Supplemental Agreement.

(b) The Trustee shall ensure that CUSIP number identification accompanies all redemption payments on the Series 2022 Bonds.

ARTICLE IV ESTABLISHMENT OF FUNDS; PROCEEDS OF SERIES 2022 BONDS

Section 401 Use of Proceeds of Series 2022 Bonds. The proceeds of the sale of the Series 2022 Bonds of \$_____ shall be paid to the State Treasurer, delivered by the State Treasurer to the Trustee and deposited by the Trustee simultaneously with the delivery of the Series 2022 Bonds in the Construction Fund to be invested and used by the Trustee for the purpose of paying the Costs of the Program and issuance expenses for the Series 2022 Bonds.

ARTICLE V SECURITY FOR SERIES 2022 BONDS

Section 501 Security for Series 2022 Bonds. The Series 2022 Bonds shall be issued pursuant to the Agreement and shall be equally and ratably secured under the Agreement with the Outstanding Parity Bonds and any other series of Bonds issued pursuant to Article III of the Master Trust Agreement, without preference, priority or distinction of any Bonds over any other Bonds, as provided in the Agreement.

ARTICLE VI TAX COVENANTS

Section 601 Tax Covenants. (a) The Board agrees that it shall not take any action, or omit to take any action, if any such action or omission would adversely affect the excludability from gross income of interest on the Series 2022 Bonds under Section 103 of the Code. The Board agrees that it will not directly or indirectly use or permit the use of any proceeds of the Series 2022 Bonds or any other funds of the Board or take or omit to take any action that would cause the Series 2022 Bonds 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 of Section 148(f), to the extent applicable to the Series 2022 Bonds.

(b) Without limiting the generality of the foregoing, the Board agrees that (i) it will not directly or indirectly use or permit the investment or use of the proceeds of the Series 2022 Bonds except in accordance with the Series 2022 Tax Compliance Agreement and (ii) insofar as the Series 2022 Tax Compliance Agreement imposes duties and responsibilities on the Board, the Series 2022 Tax Compliance Agreement is specifically incorporated by reference into this Section.

(c) The Trustee agrees to comply with all instructions of the Board given in accordance with the Series 2022 Tax Compliance Agreement, but the Trustee shall not be required to ascertain that the instructions comply with the Series 2022 Tax Compliance Agreement. The Trustee shall be entitled to receive and may request from time to time from the Board written instructions from 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.

(d) Notwithstanding any provisions of this Section, if the Board shall provide to the Trustee an opinion of 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 Series 2022 Bonds 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.

ARTICLE VII MISCELLANEOUS

Section 701 Limitation of Rights. With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Seventeenth Supplemental Agreement is intended or shall be construed to give any person other than the parties hereto and the Holders of the Series 2022 Bonds any legal or equitable right, remedy or claim under or in respect to this Seventeenth Supplemental Agreement or any covenant, condition and agreement herein contained; this Seventeenth Supplemental Agreement and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Series 2022 Bonds as herein provided.

Section 702 Limitation of Liability of Members, etc., of Board. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member, officer, employee or agent of the Board or the Virginia Department of Transportation in his individual capacity, and neither the members of the Board nor any officer thereof executing the Series 2022 Bonds shall be liable personally on the Series 2022 Bonds or be subject to any personal liability or accountability by reason of issuance thereof. No member, officer, employee, agent or advisor of the Board or the Virginia Department of Transportation shall incur any personal liability with respect to any other action taken by him pursuant to the Agreement, provided such member, officer, employee, agent or advisor acts in good faith.

Section 703 Successors and Assigns. This Seventeenth Supplemental Agreement shall be binding upon, inure to the benefit of and be enforceable by the Board and its successors and by the Trustee and its successors and assigns.

Section 704 Severability. If any provision of this Seventeenth Supplemental Agreement shall be held illegal or invalid by any court of competent jurisdiction, such holding

shall not invalidate any other provision hereof and this Seventeenth Supplemental Agreement shall be construed and enforced as if such illegal provision had not been contained.

Section 705 Applicable Law. This Seventeenth Supplemental Agreement shall be governed by the applicable laws of the Commonwealth.

Section 706 Counterparts. This Seventeenth Supplemental Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

Section 707 Patriot Act. 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the Board and the Trustee have signed this Seventeenth Supplemental Agreement by their duly authorized officers, all as of the date first above written.

**COMMONWEALTH TRANSPORTATION
BOARD**

By _____
Chairperson

**U.S. BANK NATIONAL
ASSOCIATION, as Trustee**

By _____
Vice President

[Signature Page to Seventeenth Supplemental Trust Agreement]

EXHIBIT A

REGISTERED

REGISTERED

R-___

\$_____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COMMONWEALTH TRANSPORTATION BOARD

**Commonwealth of Virginia Transportation Revenue Bond
Series 2022**

(U.S. Route 58 Corridor Development Program)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	May 15, 20__	April __, 2022	927793 __

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS (\$)

The Commonwealth Transportation Board (the "Board"), for value received, hereby promises to pay upon surrender hereof at the corporate trust operations office designated by U.S. Bank National Association, Richmond, Virginia (the "Trustee"), solely from the sources and as hereinafter provided, to the registered owner hereof (the "Holder"), or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, and to pay, solely from such sources, interest hereon semiannually on each May 15 and November 15, beginning November 15, 2022, at the annual rate stated above (calculated on the basis of a 360-day year composed of 12 months of 30 days each). Interest is payable by check or draft mailed to the Holder at his address as it appears, on the first day of the month in which the interest payment date occurs, on registration books kept by the Trustee. Notwithstanding the foregoing, if (a) the Holder owns at least \$1,000,000 in aggregate principal amount of Series 2022 Bonds, as herein defined, and (b) such Holder has provided satisfactory prior notice of a wire transfer address to the Trustee, then interest shall be paid by wire transfer. Principal and interest are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, this Series 2022 Bond is subject to a book entry system maintained by The Depository Trust Company ("DTC") and the payment of principal and interest, the providing of notices and other matters will be made as described in the Board's Letter of Representations to DTC.

This Bond is one of an issue of \$_____ Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program) (the "Series 2022 Bonds"), of like date and tenor, except as to number, denomination, rate of interest, and maturity. The Series 2022 Bonds are authorized pursuant to the State Revenue Bond Act and the U.S. Route 58 Commonwealth of Virginia Transportation Revenue Bond Act of 1989 (Chapters 8 and 12 of the Acts of Assembly of 1989, Special Session II) as amended by Chapter 538 of the Acts of Assembly, 1999 Session and Chapter 296 of the Acts of Assembly of 2013, Regular Session, and as amended and reenacted by Chapter 1230 of the Acts of Assembly of 2020, Regular Session, to provide funds to finance costs related to the U.S. Route 58 Corridor Development Program as described in Section 33.2-2301 of the Code of Virginia of 1950, as amended, and to pay costs of issuance of the Series 2022 Bonds.

This Series 2022 Bond and the interest hereon are limited obligations of the Board and are payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly ("Revenues"), (a) from the U.S. Route 58 Corridor Development Fund (the "U.S. Route 58 Development Fund"), a fund within the Transportation Trust Fund (the "Trust Fund"), (b) to the extent required, other revenues legally available from the Trust Fund, and (c) to the extent required, from other legally available funds, and from moneys in certain funds established under the Trust Agreement, as hereinafter defined. This Series 2022 Bond and the interest hereon shall not constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or of any political subdivision thereof.

The Board, the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") and the Secretary of Finance of the Commonwealth of Virginia entered into a Payment Agreement dated as of November 1, 1989 (the "Payment Agreement"), providing, among other things, that the Board and the Treasury Board will request the Governor to include in his budget to be delivered to the General Assembly a provision that it appropriate sufficient revenues, receipts and funds for the payment of principal of and interest on the Series 2022 Bonds. The Payment Agreement provides for the Transportation Board to take all action necessary to have paid to the Treasury Board, and for the Treasury Board to pay to the Trustee amounts sufficient to pay principal of and interest on the Series 2022 Bonds; provided, however, that the obligation of the Treasury Board to make such payments is subject to and dependent on annual or biennial appropriations being made by the General Assembly, which is not obligated to make such appropriations. The Trustee is a third party beneficiary of the Payment Agreement and is entitled to enforce, on behalf of the Holders of the Series 2022 Bonds, all of the obligations and rights of the parties thereunder. Upon appropriation or allocation of Revenues, such Revenues are pledged to the payment of the Series 2022 Bonds.

The Series 2022 Bonds are issued under a Master Agreement of Trust dated as of November 1, 1989, as previously supplemented and amended (the "Master Trust Agreement") and as further supplemented by a Seventeenth Supplemental Agreement of Trust dated as of April 1, 2022 (the "Seventeenth Supplemental Agreement" and collectively, with the Master Trust Agreement, the "Trust Agreement"), each between the Board and the Trustee. Unless otherwise defined, each capitalized term used herein shall have the meaning given it in the Trust Agreement.

The Series 2022 Bonds are secured on parity with certain Outstanding Bonds authorized and issued by the Board pursuant to the Trust Agreement. Reference is made to the Trust Agreement for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Board, the rights of the Holders of the Series 2022 Bonds and the other Outstanding Bonds and the terms upon which the Series 2022 Bonds and the other Outstanding Bonds are issued and secured. Additional bonds ranking equally with the Series 2022 Bonds and the other Outstanding Bonds may be issued on the terms provided in the Trust Agreement.

The Series 2022 Bonds may not be called for redemption except as provided in the Trust Agreement and as described in the succeeding numbered paragraphs.

The Series 2022 Bonds maturing on or before May 15, 2032, shall not be subject to redemption at the Board's option before their respective maturity dates.

The Series 2022 Bonds maturing on or after May 15, 2033, may be redeemed prior to their respective maturities, at the option of the Board, from any moneys that may be made available for such purpose, either in whole or in part (in \$5,000 increments), on any date and in such order as the Board may determine on and after May 15, 2032, at 100% of the principal amount to be redeemed together with the interest accrued on the principal amount to be redeemed to the date fixed for redemption.

The Series 2022 Bonds maturing on May 15, 20__, are required to be redeemed in part before maturity by the Board on May 15 in the years and the amounts shown below, at a redemption price equal to 100% of the principal amount of the Series 2022 Bonds to be redeemed, plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

(final maturity)

The Board will receive a credit for payments required to be made on any mandatory sinking fund redemption date in an amount equal to the principal amount of the Series 2022 Bonds subject to mandatory sinking fund redemption on such date that have been redeemed (otherwise than by mandatory sinking fund redemption) before such mandatory sinking fund redemption date or purchased by the Board or by anyone acting on behalf of the Board and delivered to the Trustee for cancellation at least 60 days before such date; provided, however, that the principal amount of the Series 2022 Bonds has not previously been applied as a credit against any mandatory sinking fund redemption payment.

Mandatory redemption of the Series 2022 Bonds shall not require the Board or an Authorized Representative of the Board to provide notice of the pending redemption to the Trustee.

If less than all of the Series 2022 Bonds are called for optional redemption, the maturities of the Series 2022 Bonds to be redeemed will be called in such order as the Board may determine.

When (i) required to redeem Series 2022 Bonds under any provision of the Master Trust Agreement or the Seventeenth Supplemental Agreement or (ii) directed to do so by an Authorized Representative of the Board in writing at least 45 days before the date fixed for redemption, the Trustee will cause notice of the redemption to be mailed by first class mail, not less than 30 nor more than 60 days before the redemption date, to all Holders of Series 2022 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee; provided, however, that the failure to mail any such notice or any defect in the mailing to any one or more of the Holders shall not affect the validity of the redemption with respect to any Holders to whom such notice was properly mailed.

Any notice of redemption may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied.

Any notice of redemption mailed in the manner specified above shall be deemed to have been duly given when mailed by the Trustee.

On or before the date fixed for redemption, funds shall be deposited with the Trustee to pay the redemption price of the Series 2022 Bonds called for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date and the required notice shall have been given, the Series 2022 Bonds called for redemption shall cease to bear interest from and after the redemption date, shall no longer be entitled to the benefits provided by the Master Trust Agreement and the Seventeenth Supplemental Agreement and shall not be deemed to be Outstanding under the provisions of the Master Trust Agreement and the Seventeenth Supplemental Agreement.

The Holder shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Trust Agreement or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement. Modifications or alterations of the Trust Agreement, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Trust Agreement.

The Series 2022 Bonds are issuable as registered bonds in denominations of \$5,000 or integral multiples thereof. Upon surrender for transfer or exchange of this Series 2022 Bond at the principal corporate trust office of the Trustee, together with an assignment duly executed by the Holder or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Board shall execute, and the Trustee shall authenticate and deliver in exchange, a new Series 2022 Bond or Series 2022 Bonds in the manner and subject to the limitations and conditions provided in the Trust Agreement, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at

the same rate, and registered in the name or names as requested by the then registered owner hereof or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Board, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the Holder as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the Holder, except that interest payments shall be made to the person shown as Holder on the first day of the month in which the interest payment date occurs.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2022 Bond have happened, exist and have been performed.

This Series 2022 Bond shall not be valid or be entitled to any security or benefit under the Trust Agreement until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, the Commonwealth Transportation Board has caused this Series 2022 Bond to be signed by its Chairperson, who is the Commonwealth's Secretary of Transportation, or the facsimile signature of the Chairperson, a seal or a facsimile of its seal to be affixed or printed hereon and attested by the signature or the facsimile signature of its Secretary, and this Series 2022 Bond to be dated the date set forth above.

**COMMONWEALTH TRANSPORTATION
BOARD**

By _____
Chairperson

(SEAL)

Attest:

Secretary

[Signature Page of Series 2022 Bond]

CERTIFICATE OF AUTHENTICATION

Date Authenticated: April __, 2022

This Series 2022 Bond is one of the Series 2022 Bonds described in the within-mentioned Trust Agreement.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Vice President

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 within Bond and all rights thereunder, hereby irrevocably constituting and appointing
_____, Attorney to transfer said Bond
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 Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guarantee

The signature of the transferor of this Bond 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

EXHIBIT B**SUPPLEMENTAL AGREEMENTS OF TRUST AND PARITY BONDS**

<u>Supplemental Agreement of Trust</u>	<u>Name of Bonds Issued</u>
First Supplemental Agreement of Trust dated as of November 1, 1989	\$200,000,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1989 (U.S. Route 58 Corridor Development Program)
Second Supplemental Agreement of Trust dated as of May 15, 1993	\$91,455,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1993A (U.S. Route 58 Corridor Development Program)
Third Supplemental Agreement of Trust dated as of June 1, 1993	\$98,715,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1993B (U.S. Route 58 Corridor Development Program)
Fourth Supplemental Agreement of Trust dated as of November 1, 1996	\$114,285,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1996B (U.S. Route 58 Corridor Development Program)
Fifth Supplemental Agreement of Trust dated as of October 1, 1997	\$96,060,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997C (U.S. Route 58 Corridor Development Program)
Sixth Supplemental Agreement of Trust dated as of November 15, 1999	\$204,945,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 1999B (U.S. Route 58 Corridor Development Program)
Seventh Supplemental Agreement of Trust dated as of September 1, 2001	\$102,165,000 Commonwealth of Virginia Transportation Revenue Bonds, Series 2001B (U.S. Route 58 Corridor Development Program)
Eighth Supplemental Agreement of Trust dated as of November 1, 2002	\$70,670,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 2002B (U.S. Route 58 Corridor Development Program),
Ninth Supplemental Agreement of Trust dated as of April 1, 2003	\$66,255,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 2003A (U.S. Route 58 Corridor Development Program)
Tenth Supplemental Agreement of Trust dated as of November 1, 2004	\$232,260,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 2004B (U.S. Route 58 Corridor Development Program)
Eleventh Supplemental Agreement of Trust dated as of May 1, 2006	\$63,460,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 2006C (U.S. Route 58 Corridor Development Program)

**Supplemental Agreement of
Trust**

Name of Bonds Issued

Twelfth Supplemental Agreement of Trust dated as of February 1, 2007	\$83,955,000 Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 2007B (U.S. Route 58 Corridor Development Program)
Thirteenth Supplemental Agreement of Trust dated as of February 1, 2012	\$37,700,000 Transportation Revenue Refunding Bonds, Series 2012B (U.S. Route 58 Corridor Development Program)
Fourteenth Supplemental Agreement of Trust dated as of February 1, 2014	\$143,390,000 Transportation Revenue Refunding Bonds, Series 2014B (U.S. Route 58 Corridor Development Program)
Fifteenth Supplemental Agreement of Trust dated as of February 1, 2016	\$51,855,000 Transportation Revenue Refunding Bonds, Series 2016C (U.S. Route 58 Corridor Development Program)
Sixteenth Supplemental Agreement of Trust dated as of May 1, 2017	\$26,655,000 Transportation Revenue Refunding Bonds, Series 2017B (U.S. Route 58 Corridor Development Program)

CONTINUING DISCLOSURE AGREEMENT OF THE COMMONWEALTH TRANSPORTATION BOARD

This Continuing Disclosure Agreement (this "Disclosure Agreement") is dated April __, 2022 (the "Closing Date"), and is executed and delivered by the Commonwealth Transportation Board (the "Transportation Board") of the Commonwealth of Virginia (the "Commonwealth") in connection with the issuance by the Transportation Board of its \$_____ Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program) (the "Bonds") pursuant to the provisions of a Master Agreement of Trust dated as of November 1, 1989, as supplemented (the "Trust Agreement,") entered into between the Transportation Board and U.S. Bank National Association, as successor trustee (the "Trustee,").

The Transportation Board hereby covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions used for purposes of the Trust Agreement, 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 Transportation Board pursuant to and as described in Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" means the Transportation 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 Transportation 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.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

"Fiscal Year" means the twelve-month period, at the end of which the financial position of the Transportation Board and results of its operations for such period are determined. Currently, the Transportation Board's Fiscal Year begins July 1 and continues through June 30 of the next year.

"Holder" means, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Statement" means the Transportation Board's Official Statement with respect to the Bonds, dated March __, 2022.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

"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.

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Transportation Board for the benefit of the Holders of the Bonds and in order to assist the Participating Underwriters in complying with the Rule. The Transportation 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 10 months following the end of each Fiscal Year of the Transportation Board, commencing with the Fiscal Year ending June 30, 2022, the Transportation Board shall submit, or shall cause the Dissemination Agent (if different from the Transportation 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 Transportation 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 Bonds for the benefit of Holders of the Bonds 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 Transportation Board should produce separate audited financial statements, then the Transportation Board will make public such audited financial statements as provided in the Rule; and

(c) If the Transportation Board fails to submit an Annual Report to EMMA by the date required in subsection (a) hereof, the Transportation Board shall send, in a timely manner, 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 U.S. Route 58 Corridor Development Program as set forth under the sections bearing such headings in the Official Statement, including bond authorization for the projects in the Program, as defined in the Trust Agreement; and

(b) updated information regarding (1) the Transportation Trust Fund, all as set forth in sections having such headings in the Official Statement, (2) the U.S. Route 58 Corridor

Development Fund, all as set forth in sections bearing such headings in the Official Statement and (3) any other funds appropriated by the General Assembly with respect to the Bonds, including funds appropriated and allocated to the 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 Transportation 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 Transportation Board shall clearly identify each such other document so incorporated by reference.

Section 5. Event Notices. The Transportation Board will submit, or cause the Dissemination Agent (if different from the Transportation 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 Bonds of which the Transportation 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 Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of Holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the Transportation Board;*
- (m) The consummation of a merger, consolidation, or acquisition involving the Transportation Board or the sale of all or

* The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer of the Transportation Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Transportation Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Transportation Board.

substantially all of the assets of the Transportation 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;

- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Holders of the Bonds, if material; and
- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

The Transportation Board does not undertake to provide the above-described notice in the event of a scheduled mandatory 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 Bonds, (ii) the only open issue is when Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Holders under the terms of the Trust Agreement, 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 Bond purchases.

Section 6. Termination of Reporting Obligation. The obligations of the Transportation Board under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Bonds.

Section 7. Dissemination Agent. The Transportation Board 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. If at any time there is not any other designated Dissemination Agent, the Transportation Board shall be the Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Transportation Board may amend this Disclosure Agreement if such amendment is supported by a written opinion of independent counsel to the Transportation Board 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 Transportation 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

Transportation 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 Transportation 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 Transportation Board) may take such action as may be permitted by law against the appropriate public official to secure compliance with the obligation of the Transportation 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 Bonds 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 Transportation Board hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Trust Agreement or any applicable resolution or other debt authorization of the Transportation Board, and the sole remedy under this Disclosure Agreement in the event of any failure of the Transportation 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 Transportation Board, the Participating Underwriters, and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Identifying Information. If the Transportation Board is providing to EMMA the documents required under this Disclosure Agreement, the Transportation Board shall provide such documents with any identifying information prescribed by the MSRB.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Chairperson of the Commonwealth Transportation Board has executed this Continuing Disclosure Agreement as of the Closing Date.

COMMONWEALTH TRANSPORTATION BOARD

By _____
Chairperson

EXHIBIT A

**NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENT]**

COMMONWEALTH TRANSPORTATION BOARD

in connection with

\$ _____

Commonwealth Transportation Board
Transportation Revenue Bonds
Series 2022 (U.S. Route 58 Corridor Development Program)

CUSIP Numbers:

927793 _____

Dated: April __, 2022

NOTICE IS HEREBY GIVEN that the Commonwealth Transportation Board (the "Transportation 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 issuance of the above-named bonds. The Transportation 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: _____

**NEW ISSUE
BOOK-ENTRY ONLY**

Ratings:
Fitch: _____
Moody's: _____
S&P: _____
 (See "Ratings" herein)

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 Bonds (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"), (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed under the Code and (iii) is exempt from income taxation by the Commonwealth of Virginia. See the section "Tax Matters" regarding certain other tax considerations. [To Be Updated As Needed]

Commonwealth Transportation Board
 \$ _____ *
Commonwealth of Virginia
Transportation Revenue Bonds
Series 2022
(U.S. Route 58 Corridor Development Program)

Dated: Date of Delivery

Due: May 15, as shown on the inside 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 bonds (the "Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

- Security** The Bonds are limited obligations of the Commonwealth of Virginia (the "Commonwealth") and the Transportation Board, secured by and payable from the revenues, receipts and funds appropriated for such purpose by the General Assembly or allocated by the Transportation Board for such purpose from revenues, receipts and funds 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.
- Issued Pursuant to** The Bonds will be issued pursuant to a Master Agreement of Trust dated November 1, 1989, as previously supplemented and amended, and a Seventeenth Supplemental Agreement of Trust dated as of April 1, 2022.
- Purpose** The proceeds of the Bonds are being used (i) to finance the costs of the U.S. Route 58 Corridor Development Program and (ii) to pay costs related to such issuance. See "INTRODUCTION – Purpose of the Bonds" and "SOURCES AND USES OF FUNDS."
- Interest Rates/Yields** See inside cover.
- Interest Payment Dates** May 15 and November 15, beginning November 15, 2022.
- Denomination** \$5,000 or multiples thereof.
- Redemption** See inside front cover and the section "THE BONDS – Optional Redemption."
- Closing/Delivery Date** On or about April 5, 2022.*
- Registration** Book-entry only; The Depository Trust Company.
- Trustee/Paying Agent** U.S. Bank National Association, Richmond, Virginia.
- Financial Advisor** Public Resources Advisory Group, New York, New York.
- Bond Counsel** McGuireWoods LLP, Richmond, Virginia.

The Bonds will be awarded pursuant to electronic competitive bidding to be held via BiDCOMP/Parity on March 22, 2022,* unless postponed, as set forth in the Notice of Sale contained in Appendix G to this Official Statement.

Dated: _____, 2022

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Bonds 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 Bonds 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.

COMMONWEALTH TRANSPORTATION BOARD

\$ _____ *

Commonwealth of Virginia Transportation Revenue Bonds Series 2022 (U.S. Route 58 Corridor Development Program)

<u>Maturity May 15</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2023	\$	%	%	
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				

NO OPTIONAL REDEMPTION

The Bonds maturing on or before May 15, 2032,* will not be subject to optional redemption. The Bonds maturing on or after May 15, 2033* will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2032,* in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued on the principal amount to be redeemed 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 successful bidder elects to combine serial maturities into one or more term bonds in the manner set forth in the Notice of Sale. See *"The Bonds – Mandatory Sinking Fund Redemption"* and Appendix G, *"Notice of Sale."*

* Preliminary, subject to change.

† See the last paragraph on page (i) regarding the use of CUSIP numbers in this Official Statement.

[TO BE UPDATED PRIOR TO POSTING]

COMMONWEALTH TRANSPORTATION BOARD

Shannon Valentine, *Chairperson of the Transportation Board and Secretary of Transportation*
Alison DeTuncq, *Vice Chairperson*

Stephen C. Brich	W. Sheppard Miller, III
Carlos M. Brown	Jennifer Mitchell
Bert Dodson, Jr.	Cedric Bernard Rucker
Tom Fowlkes	Raymond D. Smoot, Jr.
Mary H. Hynes	Frederick T. Stant, III
Stephen A. Johnsen	Marty Williams
E. Scott Kasprowicz	Greg Yates
Mark H. Merrill	

VIRGINIA DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, *Commissioner of Highways*
Laura Farmer, *Chief Financial Officer*

OFFICE OF THE ATTORNEY GENERAL

Mark R. Herring, *Attorney General*
Julie Whitlock, *Senior Assistant Attorney General/Section Chief*

TRUSTEE

U.S. Bank, National Association
Richmond, Virginia

FINANCIAL ADVISOR

Public Resources Advisory Group
New York, New York

BOND COUNSEL

McGuireWoods LLP
Richmond, Virginia

The Bonds are exempt from registration under the Securities Act of 1933, as amended. The Bonds 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 Bonds 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 Bonds. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor 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. The information presented in this Official Statement has been obtained from the Transportation Board and other sources that are believed to be reliable, but such information is not guaranteed to be accurate or complete and should not be construed as a representation by a source as to information provided by another source.

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.

Third parties may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds, including transactions to (i) over allot in arranging the sales of the Bonds and (ii) make purchases in sales of Bonds, for long or short accounts, on a when-issued basis or otherwise, at such prices, in such amounts and in a manner beyond the Transportation Board's control. Such stabilization, if commenced, may be discontinued at any time.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of SEC Rule 15c2-12.

CUSIP is a registered trademark of the American Bankers Association (the "ABA"), used by Standard & Poor's in its operation of the CUSIP Service Bureau for the ABA. The CUSIP (Committee on Uniform Securities Identification Procedures) numbers for the Bonds and the referenced refunded bonds 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 identified in this Official Statement.

TABLE OF CONTENTS

INTRODUCTION 1

SOURCES AND USES OF FUNDS 2

THE BONDS 3

DEBT SERVICE REQUIREMENTS 4

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS 4

U.S. ROUTE 58 CORRIDOR DEVELOPMENT FUND 6

TRANSPORTATION TRUST FUND 8

AUTHORIZED, ISSUED AND UNISSUED BONDS PAYABLE FROM TRANSPORTATION TRUST
FUND 18

COMMONWEALTH TRANSPORTATION BOARD AND VIRGINIA DEPARTMENT OF
TRANSPORTATION 24

U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM 26

SUMMARY OF THE U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM TRUST
AGREEMENT 28

SUMMARY OF THE U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM PAYMENT
AGREEMENT 33

CERTAIN LEGAL MATTERS 34

TAX MATTERS 35

LEGALITY FOR INVESTMENT 38

LITIGATION 38

CERTIFICATE CONCERNING OFFICIAL STATEMENT 38

CONTINUING DISCLOSURE 38

RATINGS 39

SALE AT COMPETITIVE BIDDING 39

FINANCIAL ADVISOR 39

MISCELLANEOUS 39

APPENDIX A: Financial Statements of the Commonwealth of Virginia for the Fiscal Year ended
June 30, 2021 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: Form of Bond Counsel Opinion D-1

APPENDIX E: Continuing Disclosure Undertakings of the Commonwealth Transportation Board
and the Commonwealth of Virginia E-1

APPENDIX F: Book-Entry Only System F-1

APPENDIX G: Notice of Sale G-1

OFFICIAL STATEMENT
Commonwealth Transportation Board

\$ _____ *
Commonwealth of Virginia
Transportation Revenue Bonds
Series 2022 (U.S. Route 58 Corridor Development Program)

INTRODUCTION

This Official Statement is provided by the Commonwealth Transportation Board (the "Transportation Board"), a board created pursuant to the laws of the Commonwealth of Virginia (the "Commonwealth"), to furnish information with respect to the offering of \$ _____ * aggregate principal amount of the Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program) (the "Bonds").

The Bonds are expected to be offered for sale at competitive bidding on March 22, 2022.* See the section "*Sale at Competitive Bidding.*"

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 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 is responsible for general policies for the construction and use of Virginia's highway system and for the efficient and economic development of transportation. The powers and duties of the Transportation Board include, among other things, the allocation of funds in the Transportation Trust Fund to finance transportation needs, including needs for highway and public transportation. See the section "*Commonwealth Transportation Board and Virginia Department of Transportation.*"

The Bonds

The issuance of the Bonds is authorized by the provisions of the Transportation Development and Revenue Bond Act, Sections 33.2-1700 et seq. of the Virginia Code, as amended (the "Revenue Bond Act"), Chapters 8 and 12 of the Acts of the General Assembly of Virginia, 1989 Special Session II, as amended by Chapter 538 of the Acts of the General Assembly of Virginia, 1999 General Session and Chapter 296 of the Acts of the General Assembly of Virginia, 2013 Regular Session, and as amended and reenacted by Chapter 1230 of the Acts of Assembly of 2020, Regular Session (collectively, the "U.S. Route 58 Bond Legislation"), and a resolution adopted by the Transportation Board on January 12, 2022. The Bonds are being issued pursuant to a Master Agreement of Trust dated as of November 1, 1989, as previously supplemented and amended (the "U.S. Route 58 Master Trust Agreement") and as further supplemented by a Seventeenth Supplemental Agreement of Trust dated as of April 1, 2022 (the "Seventeenth Supplemental Trust Agreement" and collectively, with the U.S. Route 58 Master Trust Agreement, the "U.S. Route 58 Trust Agreement"), each between the Transportation Board and U.S. Bank National Association, as trustee (the "Trustee"). The Trustee is also the Paying Agent for the Bonds.

The Bonds are the seventeenth series of bonds issued by the Transportation Board under the U.S. Route 58 Corridor Development Program (the "U.S. Route 58 Program"). See the sections "*Sources of Payment and Security for the Bonds*" and "*U.S. Route 58 Corridor Development Program.*" The bonds currently outstanding under the U.S. Route 58 Trust Agreement, the Bonds and any additional bonds issued in the future under the U.S. Route 58 Trust Agreement are referred to collectively in this Official Statement as the "U.S. Route 58 Bonds."

* Preliminary, subject to change.

The U.S. Route 58 Bonds are secured by and payable from revenues, receipts and funds appropriated by the General Assembly of the Commonwealth of Virginia (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, from (i) the U.S. Route 58 Corridor Development Fund (the "U.S. Route 58 Corridor Development Fund"), (ii) to the extent required, other revenues legally available from the Transportation Trust Fund, and (iii) to the extent required, other legally available funds, and from moneys in certain funds established under the U.S. Route 58 Trust Agreement. See the sections "*Sources of Payment and Security for the Bonds*" and "*U.S. Route 58 Corridor Development Fund*."

Purpose of the Bonds

The Transportation Board will use the net proceeds of the Bonds to (i) pay the costs of the U.S. Route 58 Program and (ii) pay certain costs related to the issuance of the Bonds.

Limited Obligations

The Bonds are limited obligations of the Commonwealth and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds 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 of any of its political subdivisions.

The Bonds 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 Bonds when due, the Trustee and the owners of the Bonds shall have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of them.

Approval of Terms and Structure

Section 2.2-2416(7) of the Virginia Code requires the Treasury Board of the Commonwealth (the "Treasury Board") to approve the terms and the structure of all proposed bond issues by state agencies, boards or authorities where debt service payments are expected by the issuing agency, board or authority to be made, in whole or in part, from appropriations of the Commonwealth. On February 16, 2022, the Treasury Board adopted a resolution approving the terms and structure of the Bonds 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 Bonds within such parameters. The State Treasurer must provide this approval before the Transportation Board may issue the Bonds.

SOURCES AND USES OF FUNDS

The estimated sources and uses for the Bonds are as follows:

Sources:	
Principal Amount of Bonds	\$
[Net] Original Issue [Premium/Discount]	_____
Total	\$
 Uses:	
Deposit to Construction Fund:	\$
Underwriters' Discount	
Issuance and Financing Costs	_____
Total	\$ _____

THE BONDS

Description of the Bonds

The Bonds will be issued as fully registered bonds in book-entry form. The Bonds 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 (calculated on the basis of a 360-day year composed of 12 months of 30 days each), payable semiannually on each May 15 and November 15, commencing November 15, 2022, at the rates and will mature on the dates and in the amounts set forth on the inside cover of this Official Statement. Principal of, premium, if any, and interest on the Bonds will be paid by the paying agent to The Depository Trust Company ("DTC") for distribution as described in Appendix F, "*Book-Entry Only System*." The record date for the payment of principal, premium, if any, and interest is the first day of the month preceding the next payment date.

Optional Redemption

The Bonds maturing on or before May 15, 2032,* will not be subject to optional redemption. The Bonds maturing on or after May 15, 2033,* will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2032,* in whole or in part (in increments of \$5,000), at any time, at par plus interest accrued on the principal amount to be redeemed 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 successful bidder elects to combine serial maturities into one or more term Bonds in the manner set forth in the Notice of Sale. See Appendix G, "*Notice of Sale*."

Selection of Bonds for Redemption

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Bonds of any maturity are called for optional or mandatory redemption, the Bonds to be redeemed will be selected by 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 Bond for such purpose.

Notice of Redemption

Notice of redemption will be given by the Trustee by registered or certified mail not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Bonds, to the substitute securities depository, or if none, to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books maintained by the Trustee. Such notice of redemption also will be given to certain securities depositories and certain national information services which disseminate such redemption notices. Such notice may state that the redemption of the Bonds to be redeemed is conditioned upon the occurrence of certain future events, including, without limitation, the deposit of moneys, in an amount sufficient to effect the redemption, with the Trustee on or before the date fixed for redemption. All Bonds called for redemption will cease to bear interest on the specified redemption date, provided funds sufficient for the redemption of such Bonds in accordance with the U.S. Route 58 Trust Agreement are on deposit with the Trustee. If such moneys are not available on the specified redemption date, such Bonds 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 Bonds called for redemption at the place or places of payment, such Bonds will be paid and redeemed provided sufficient funds are on deposit with the Trustee. During the period that DTC or its nominee is the registered owner of the Bonds, the Trustee will not be responsible for mailing notices of redemption to the actual beneficial owners of the Bonds (the "Beneficial Owners").

* Preliminary, subject to change.

DEBT SERVICE REQUIREMENTS

The following table sets forth for each Fiscal Year the amounts needed in each annual period for payment of principal of and interest on the U.S. Route 58 Bonds.

Fiscal Year	Outstanding Debt Service ¹	Series 2022 Bonds		Fiscal Year Debt Service	Total Fiscal Year Debt Service
		Principal	Interest		
2022	\$16,877,000	\$	\$	\$	\$
2023	19,584,000				
2024	19,580,750				
2025	4,724,250				
2026	4,725,000				
2027	-				
2028	-				
2029	-				
2030	-				
2031	-				
2032	-				
2033	-				
2034	-				
2035	-				
2036	-				
2037	-				
2038	-				
2039	-				
2040	-				
2041	-				
2042	-				
2043	-				
2044	-				
2045	-				
2046	-				
2047	-				
Total	\$65,491,000	\$	\$	\$	\$

¹ Reflects debt service for FY 2022 and includes debt service payment made on November 15, 2021.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Limited Obligations

The Bonds are limited obligations of the Commonwealth and the Transportation Board, secured by and payable from the revenues, receipts and funds appropriated for such purpose by the General Assembly, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds 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 of any of its political subdivisions.

The Bonds are not secured by any mortgage or lien on any facilities, transportation or otherwise, of the Commonwealth or the Transportation Board. In the event of a failure to make any payment on the Bonds when due, neither the Trustee nor the owners of the Bonds shall have any right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of them.

The Bonds and Other U.S. Route 58 Bonds

General. Pursuant to the Revenue Bond Act, the U.S. Route 58 Bond Legislation and the U.S. Route 58 Trust Agreement, the Bonds and any other U.S. Route 58 Bonds issued and outstanding will be equally and ratably payable from and secured by (a) "Revenues" defined as 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, from (1) the U.S. Route 58 Corridor Development Fund, (2) to the extent required, other revenues legally available in the Transportation Trust Fund, and (3) to the extent required, other legally available funds, and (b) moneys in certain funds established under the U.S. Route 58 Trust Agreement. 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 \$963,715,000 to refund U.S. Route 58 Bonds that had been previously issued.

See the sections "*U.S. Route 58 Corridor Development Fund*," "*Transportation Trust Fund*" and "*Summary of the U.S. Route 58 Corridor Development Program Trust Agreement*."

U.S. Route 58 Payment Agreement. The Transportation Board entered into a Payment Agreement, dated as of November 1, 1989 (the "U.S. Route 58 Payment Agreement"), with the Treasury Board and the Secretary of Finance. The U.S. Route 58 Payment Agreement provides, among other things, the procedures for requesting appropriations of funds sufficient to pay debt service on the U.S. Route 58 Bonds, and for the payment of such debt service. The U.S. Route 58 Payment Agreement requires the Transportation Board and the Treasury Board to use their best efforts to have (a) the Governor include a sufficient appropriation request in each biennial or any supplemental budget of the Commonwealth and (b) the General Assembly appropriate the amount requested by the Governor. Once the amounts for debt service on the U.S. Route 58 Bonds are appropriated by the General Assembly, the Transportation Board and the Treasury Board are required under the U.S. Route 58 Payment Agreement to process the necessary requisitions and documents for payment to the Trustee of debt service on the U.S. Route 58 Bonds and any other amounts required by the U.S. Route 58 Trust Agreement. See the section "*Summary of the U.S. Route 58 Corridor Development Program Payment Agreement*."

Additional U.S. Route 58 Bonds. The Transportation Board may issue one or more series of additional bonds under the U.S. Route 58 Trust Agreement on a parity with the U.S. Route 58 Bonds upon satisfaction of various conditions. The conditions include: (i) entering into a supplemental trust agreement that authorizes the issuance of such additional U.S. Route 58 Bonds and includes the terms and structure of such bonds, (ii) the Transportation Board authorizing by resolution the issuance of such additional U.S. Route 58 Bonds and the execution and delivery of a supplemental trust agreement, (iii) a representative of the Transportation Board certifying that (1) no default exists under the U.S. Route 58 Trust Agreement or that if such condition exists that the Transportation Board will correct such condition in a manner reasonably acceptable to the Trustee, (2) all of the approvals, limitations, conditions and provisions precedent to the issuance of the additional U.S. Route 58 Bonds have been obtained, observed, met and satisfied and (3) if the additional U.S. Route 58 Bonds are issued to refund other U.S. Route 58 Bonds, the proceeds of such additional bonds, together with any other available funds, are sufficient to pay through maturity or the applicable redemption date, principal and interest on the U.S. Route 58 Bonds to be refunded, (iv) an opinion of counsel that the supplemental trust agreement has been duly authorized, executed and delivered by the Transportation Board, (v) an opinion of counsel that the issuance of the additional U.S. Route 58 Bonds has been duly authorized, that such bonds are valid and binding obligations of the Transportation Board and that interest on such bonds is excludable from gross income for purposes of Section 103 of the Code (or that the issuance of such bonds will not have an adverse effect on the tax status of any outstanding U.S. Route 58 Bonds), (vi) a certificate from the Department of Risk Management of the Commonwealth or a qualified independent insurance consultant that all policies of insurance required by the U.S. Route 58 Trust Agreement, if any, are in full force and effect and satisfy the requirements of the U.S. Route 58 Trust Agreement, (vii) if required by law, a resolution of the Treasury Board approving the sale of the additional U.S. Route 58 Bonds and (viii) if the additional U.S. Route 58 Bonds are issued to refund other U.S. Route 58 Bonds (1) evidence that the Transportation Board has provided for the payment or redemption of the U.S. Route 58 Bonds to be refunded and (2) a written determination by an independent verification agent or certified public accountant that there are funds sufficient to pay through maturity or the applicable redemption date, the principal of and interest on the U.S. Route 58 Bonds to be refunded.

The U.S. Route 58 Trust Agreement provides that additional bonds may be issued only (i) to pay costs of all or any portion of U.S. Route 58 Program, (ii) to refund any U.S. Route 58 Bonds issued under the U.S. Route 58 Trust Agreement, and (iii) for a combination of such purposes. All U.S. Route 58 Bonds issued under the U.S. Route 58 Trust Agreement to provide funds to pay additional costs of the U.S. Route 58 Program must be authorized by the General Assembly. The U.S. Route 58 Bond Legislation currently limits the amount of bonds which may be issued for the U.S. Route 58 Program to \$1,300,000,000, plus an additional amount for issuance costs, reserve funds and other financing expenses. Refunding bonds are not included in this limit. This limit could be changed by the General Assembly.

Outstanding U.S. Route 58 Bonds. The Bonds are the seventeenth series of bonds issued under the U.S. Route 58 Trust Agreement of which \$58,340,000 is outstanding as of March 1, 2022. Set forth in the following chart are the issue dates, original principal amounts and outstanding principal amounts of outstanding series of U.S. Route 58 Bonds:

<u>Series of U.S. Route 58 Bonds</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount as of March 1, 2022</u>
Commonwealth of Virginia Transportation Revenue Refunding Bonds (U.S. Route 58 Corridor Development Program), Series 2014B	February 19, 2014	\$143,390,000	\$10,130,000
Commonwealth of Virginia Transportation Revenue Refunding Bonds (U.S. Route 58 Corridor Development Program), Series 2016C	February 24, 2016	\$51,855,000	48,210,000
Total		<u>\$195,245,000</u>	<u>\$58,340,000</u>

Other Transportation Revenue Bonds

In addition to the Bonds, the General Assembly has authorized and may authorize the issuance of other bonds by the Transportation Board to pay the costs of other transportation improvements in the Commonwealth. Such bonds could be payable from amounts which may be appropriated by the General Assembly from the U.S. Route 58 Corridor Development Fund, other legally available funds in the Transportation Trust Fund, and other legally available funds of the Commonwealth. See the section *"Authorized, Issued And Unissued Bonds Payable From Transportation Trust Fund."*

Information Pertaining to the Commonwealth

Appendices B and C contain, respectively, certain financial and demographic and economic information pertaining to the Commonwealth and Appendix A contains the comprehensive financial statements of the Commonwealth for Fiscal Year 2021. See the subsection *"Transportation Trust Fund – Sources of Revenues – Economic Conditions Affecting Commonwealth Transportation Revenues," "Transportation Trust Fund – Fiscal Impact of the COVID-19 Pandemic on Commonwealth Transportation Revenues,"* and *"Recent Developments Regarding the COVID-19 Pandemic."*

U.S. ROUTE 58 CORRIDOR DEVELOPMENT FUND

The U.S. Route 58 Corridor Development Fund was established by the General Assembly in 1989 by Virginia Code Section 33.2-2300 as a special non-reverting fund of the Transportation Trust Fund which is held by the Department of Treasury. Prior to June 30, 2020, the first \$40 million of annual collections of the state recordation taxes imposed on deeds, deeds of trust, mortgages and certain other instruments were transferred to the U.S. Route 58 Corridor Development Fund pursuant to Section 33.2-2300 of the Virginia Code, although the 1990-92 and 1992-94 biennial budgets adopted by the General Assembly only provided for the appropriation of amounts needed to pay debt service on the bonds outstanding under the U.S. Route 58 Program. Additionally, such other funds as are appropriated and designated for it from time to time by the General Assembly are transferred to the U.S. Route 58 Corridor Development Fund, which, beginning in Fiscal Year 2020, includes an annual transfer of \$20

million from the highway construction share of the Transportation Trust Fund under Chapter 766 (as hereinafter defined). All interest, dividends and appreciation which accrues to money in the U.S. Route 58 Corridor Development Fund also remains therein. The table below shows the amounts appropriated and available for the payment of debt service on the U.S. Route 58 Bonds for Fiscal Years 2016 to 2020.

**Historical U.S. Route 58 Corridor Development Fund Amounts Available for Debt Service
(Fiscal Years 2016 through 2020)
(in millions)**

Fiscal Year	Recordation Taxes	Transportation Trust Fund	Total Funds Available for Debt Service
2016 ⁽¹⁾	\$39.7	\$9.0	\$48.7
2017	40.0	9.0	49.0
2018	40.0	8.0	48.0
2019	39.0	2.0	41.0
2020	40.0	20.0	60.0

Sources: Department of Taxation, Department of Planning and Budget and Department of Transportation.

⁽¹⁾ Appropriation of annual collections of state recordation taxes was \$68 million in FY 2016 for the U.S. Route 58 Corridor Development Fund. Amounts shown were used for debt service and to replenish fund balance used in FY 2015.

Starting at the beginning of Fiscal Year 2021 on July 1, 2020, the provisions of Chapter 1230 of the Acts of the General Assembly of the Commonwealth of Virginia, 2020 Regular Session ("Chapter 1230"), became effective. As described in the section "*Transportation Trust Fund-Chapter 1230 and the Commonwealth Transportation Fund*," Chapter 1230 represents a major restructuring of transportation revenues in the Commonwealth. The wide-ranging changes provided in Chapter 1230 will be discussed in the section "*Transportation Trust Fund*." However, in response to the uncertainty driven by the COVID-19 pandemic, in amendments made to the appropriation act for the biennium commencing July 1, 2020 and ending June 30, 2022 (as amended, the "Current Appropriation Act"), the General Assembly provided the Transportation Board flexibility to take steps to reduce impacts on currently programmed transportation projects, to allow for a phased implementation of the additional revenue made available by Chapter 1230 and to take actions the Transportation Board deems necessary in Fiscal Years 2021, 2022 and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

Under Chapter 1230, the revenues in the Commonwealth Transportation Fund established under Section 33.2-1524 of the Virginia Code, which include the portion of annual collections of the state recordation taxes previously directed to the U.S. Route 58 Corridor Development Fund, must be applied to make several "off-the-top" allocations prior to any other distributions from such fund; provided that in Fiscal Years 2021 through 2023 the "off-the-top" allocations are subject to change under the provisions of the Current Appropriation Act. Commencing in Fiscal Year 2024, the "off-the-top" allocations will include \$40 million annually to be deposited into the U.S. Route 58 Corridor Development Fund. The other "off-the-top" allocations will be \$40 million annually to be deposited into the Northern Virginia Transportation District Fund and \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) to be deposited into the Special Structure Fund. After such "off-the-top" allocations are made, funds in the Commonwealth Transportation Fund are further distributed, including a distribution to the Transportation Trust Fund.

The following table shows the actual amounts appropriated and available for the payment of debt service on the U.S. Route 58 Bonds in Fiscal Year 2021 and the forecasted amounts to be available to pay debt service on the U.S. Route 58 Bonds in Fiscal Years 2022 through 2026.

**U.S. Route 58 Corridor Development Fund Amounts Available for Debt Service
(Fiscal Years 2021 through 2026)
(in millions)**

<u>Fiscal Year</u>	<u>Off-the-Top Allocation from the Commonwealth Transportation Fund</u>	<u>Annual Transfer from the Transportation Trust Fund</u>	<u>Total Funds Available for Debt Service</u>
2021	\$40.0	\$20.0	\$60.0
2022 ¹	40.0	20.0	60.0
2023 ¹	40.0	20.0	60.0
2024 ¹	40.0	20.0	60.0
2025 ¹	40.0	20.0	60.0
2026 ¹	40.0	20.0	60.0

Sources: Department of Taxation, Department of Planning and Budget and Department of Transportation.

¹ Projections based on the \$40 million "off-the-top" allocation from the Commonwealth Transportation Fund, as directed by Chapter 1230, and the \$20 million annual transfer from the highway construction share of the Transportation Trust Fund as directed by Chapter 766. Preliminary estimates and actual results may differ materially from such forward-looking statements.

Application of Moneys in the U.S. Route 58 Corridor Development Fund

All moneys in the U.S. Route 58 Corridor Development Fund will first be used for debt service payments on the Bonds, any other U.S. Route 58 Bonds or other bonds for which the U.S. Route 58 Corridor Development Fund is expressly required for making debt service payments to the extent needed. No such other bonds have been issued or are authorized.

Moneys in the U.S. Route 58 Corridor Development Fund remaining after the payment of the above-described debt service will be used by the Transportation Board to pay the costs of the U.S. Route 58 Program projects, as more particularly described in the section "*U.S. Route 58 Corridor Development Program*" herein. Allocations from the U.S. Route 58 Corridor Development Fund may be paid to any authority, locality, or commission for the above-described purposes.

The Transportation Board makes no representation that the General Assembly (i) will maintain or continue to make transfers to the U.S. Route 58 Corridor Development Fund, (ii) will not authorize the issuance of additional bonds payable from the U.S. Route 58 Corridor Development Fund or (iii) will not repeal or materially modify the legislation creating the U.S. Route 58 Corridor Development Fund or prescribing the revenues to be deposited into the U.S. Route 58 Corridor Development Fund.

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 non-reverting 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. From the effective date of the 1986 Special Session Acts through Fiscal Year 2020, the Transportation Trust Fund was funded primarily from a base of revenues derived from the retail sales and use tax, motor vehicle fuels tax and motor vehicle related taxes and fees. As described below, Chapter 1230 effected numerous changes in the Commonwealth's transportation funding system commencing in Fiscal Year 2021.

The following table summarizes the actual Transportation Trust Fund revenues for Fiscal Years 2016 through 2020. Historical receipts of the Transportation Trust Fund may not be indicative of future receipts, particularly

because of the changes related to Chapter 1230. In addition, the information below includes data for periods prior to the outbreak of COVID-19 and should not be relied upon as representing revenue amounts or trends that may be available in future years. See the sections below "*Transportation Trust Fund – Fiscal Impact of the COVID-19 Pandemic on Commonwealth Transportation Revenues*" and "*Recent Developments Regarding the COVID-19 Pandemic.*"

**Total Transportation Trust Fund Revenues – All Modes (Before Chapter 1230)
(in millions)¹**

Fiscal Year:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Retail Sales and Use Tax	\$723.7	\$743.3	\$751.3	\$786.4	\$813.9
Motor Vehicle Sales and Use Tax ²	265.4	275.4	272.8	285.9	269.9
Motor Fuels Taxes ³	138.9	138.6	136.5	136.5	136.9
Motor Vehicle Registration Fees ⁴	21.6	22.2	21.6	22.5	41.3
Recordation Tax ⁵	29.5	48.1	47.8	47.1	59.7
Investment Income	2.4	3.9	5.4	9.4	10.9
Priority Transportation Fund ⁶	<u>186.0</u>	<u>199.9</u>	<u>205.2</u>	<u>209.2</u>	<u>226.5</u>
Total Transportation Trust Revenues	<u>\$1,367.5</u>	<u>\$1,431.4</u>	<u>\$1,440.6</u>	<u>\$1,497.0</u>	<u>\$1,558.2</u>

Sources: Department of Accounts and Department of Motor Vehicles.

¹ Net of moneys deposited in the Federal Fund, which is part of the Transportation Trust Fund. Totals may not add due to rounding.

² Motor Vehicle Sales and Use Tax and Motor Vehicle Rental Tax. Note these taxes were amended by Chapter 766 (as hereinafter defined).

³ Motor Fuels Tax, Special Fuel Tax, Aviation Special Fuel Tax and Road Tax for Diesel Fuel. Note these taxes were amended by Chapter 766 and Chapter 837 of the Acts of Assembly, 2019 Regular Session ("Chapter 837"). The 2019 increase in road taxes was committed to Interstate Improvements.

⁴ Motor Vehicle Registration Fees includes the revenue anticipated from an increase in truck registration fees beginning July 1, 2019 in accordance with Chapter 837. These funds were committed to Interstate Improvements in Fiscal Year 2020.

⁵ Reflects the deposits into the Transportation Trust Fund on and after July 1, 2008, from the revenues collected each Fiscal Year from \$0.02 of the total state recordation taxes imposed pursuant to §§ 58.1-801 and 58.1-803 of the Virginia Code. Beginning in Fiscal Year 2017, the estimate reflects the revenue from \$0.01 of the total state recordation taxes that was previously dedicated to the HMO Fund and subsequently dedicated to the Commonwealth Transit Capital Fund.

⁶ 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 "*Priority Transportation Fund - General*"). Amounts shown include estimated investment income.

Transportation Trust Fund in Fiscal Years 2021-2023

In the Current Appropriation Act the General Assembly authorized the Transportation Board to take the steps necessary to address the projected reduction in revenues as a result of the COVID-19 pandemic in a manner to reduce the impacts on currently programmed projects and allow for a phased implementation of the allocation of the revenues in the Commonwealth Transportation Fund as directed by Chapter 1230.

In Item 430 of the Current Appropriation Act, the Transportation Board was authorized to utilize revenue sharing funds, which had been allocated to any construction project in Fiscal Year 2020 or previous Fiscal Years and not currently needed to support the project based on the project's current schedule, to increase the funding available for the Commonwealth Transportation Fund for distribution to the funds and programs supported by the Commonwealth Transportation Fund to help mitigate the impacts of the projected reduced revenues resulting from COVID-19. The Virginia Department of Transportation ("VDOT") identified \$495.1 million of project funding that met this criterion. In Fiscal Year 2021, \$303.7 million was provided from construction projects to the Commonwealth Transportation Fund for distribution. The remaining balance of \$191.4 million is planned to support the Commonwealth Transportation Fund in Fiscal Year 2023. These project commitments were replaced in Fiscal Years 2021 through 2024 from funds made available for revenue sharing distribution under § 33.2-357 of the Virginia Code.

The Transportation Board has also planned for targeted investments in program areas through Fiscal Year 2023. These include: funding for construction programs to support High Priority Projects, the Construction District Grant Program, and the Highway Safety Improvement Program; funding for match to Passenger Rail Investment and Improvement Act Projects; funding for transit to support operating and capital costs; funding for the Washington Metropolitan Area Transit Authority; funding for the Transit Ridership Incentive Program; funding for Rail

Programs; and additional funds for the Port Fund, the Aviation Fund, the Commonwealth Spaceflight Fund and for the Department of Motor Vehicles.

**Commonwealth Transportation Fund and Transportation Trust Fund –
Phased Implementation of Chapter 1230
(in millions)¹**

Fiscal Year:	<u>2021</u>²	<u>2022</u>³	<u>2023</u>³
Retail Sales and Use Tax	\$1,265.1	\$1,290.2	\$1,350.3
Motor Vehicles Sales and Use Tax	1,110.5	1,174.0	1,155.1
Motor Fuels Taxes	971.6	1,284.4	1,362.7
Road Tax for Diesel Fuel	56.4	68.2	69.2
International Registration Plan	121.4	124.3	124.2
Motor Vehicle Registration Fees	241.6	234.8	236.6
State Insurance Premium Tax	181.4	180.7	196.0
Recordation Tax	83.8	81.0	81.0
Motor Vehicles Rental Tax	25.8	40.7	42.9
Highway Use Fee	42.7	52.4	59.7
Revenue Sharing Allocation	<u>303.7</u>	<u>--</u>	<u>191.4</u>
Total Commonwealth Transportation Fund Revenues	<u>\$4,403.9</u>	<u>\$4,530.7</u>	<u>\$4,869.1</u>
 Distribution of Commonwealth Transportation Fund			
U.S. Route 58 Corridor Development Fund	\$40.0	\$40.0	\$40.0
Northern Virginia Transportation District Fund	40.0	40.0	40.0
Special Structures Fund	--	60.0	80.0
Targeted Investments	183.8	220.9	228.2
Highway Maintenance and Operating Fund	<u>2,262.4</u>	<u>2,126.6</u>	<u>2,285.3</u>
Allocation to Transportation Trust Fund	<u>\$1,876.7</u>	<u>\$2,043.2</u>	<u>\$2,195.6</u>

Sources: Commonwealth of Virginia Department of Accounts, Department of Motor Vehicles, and Department of Taxation.

¹ Totals may not add due to rounding.

² Preliminary, unaudited results for Fiscal Year 2021.

³ Projections based on Commonwealth Transportation Fund Forecast provided in December 2021. Forecasts may be issued several times a year, and the next forecast is expected in December 2022. Preliminary estimates and actual results may differ materially from such forward-looking statements.

Chapter 1230 and the Commonwealth Transportation Fund

The General Assembly enacted Chapter 1230 in 2020 to effect numerous structural changes to the transportation funding system in the Commonwealth. The General Assembly preserved for transportation purposes the base of revenues allocated to the Transportation Trust Fund in the 1986 Special Session Acts and added new revenue sources. Under Chapter 1230 most of the Commonwealth's transportation-related revenues have been directed to a new, special non-reverting fund known as the Commonwealth Transportation Fund, and the distribution of revenues has been streamlined, based on codified formulas, to sub-funds established to meet the Commonwealth's varying transportation needs and different modes of transportation.

Under Chapter 1230, the transportation revenues allocated to the Commonwealth Transportation Fund include: (i) motor vehicles fuels taxes and road taxes for diesel fuel, including taxes on liquid alternative fuel, set at the rate for gasoline; (ii) vehicle registration fees; (iii) highway use fees; (iv) 0.5% statewide sales and use taxes; (v) 0.3% statewide sales and use taxes for transportation; (vi) 4.15% motor vehicles sales and use taxes; (vii) motor vehicle rental taxes (10% of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation taxes; (ix) International Registration Plan fees; and (x) one-third of the revenue from insurance premium taxes. See the subsection below "*Sources of Revenues.*"

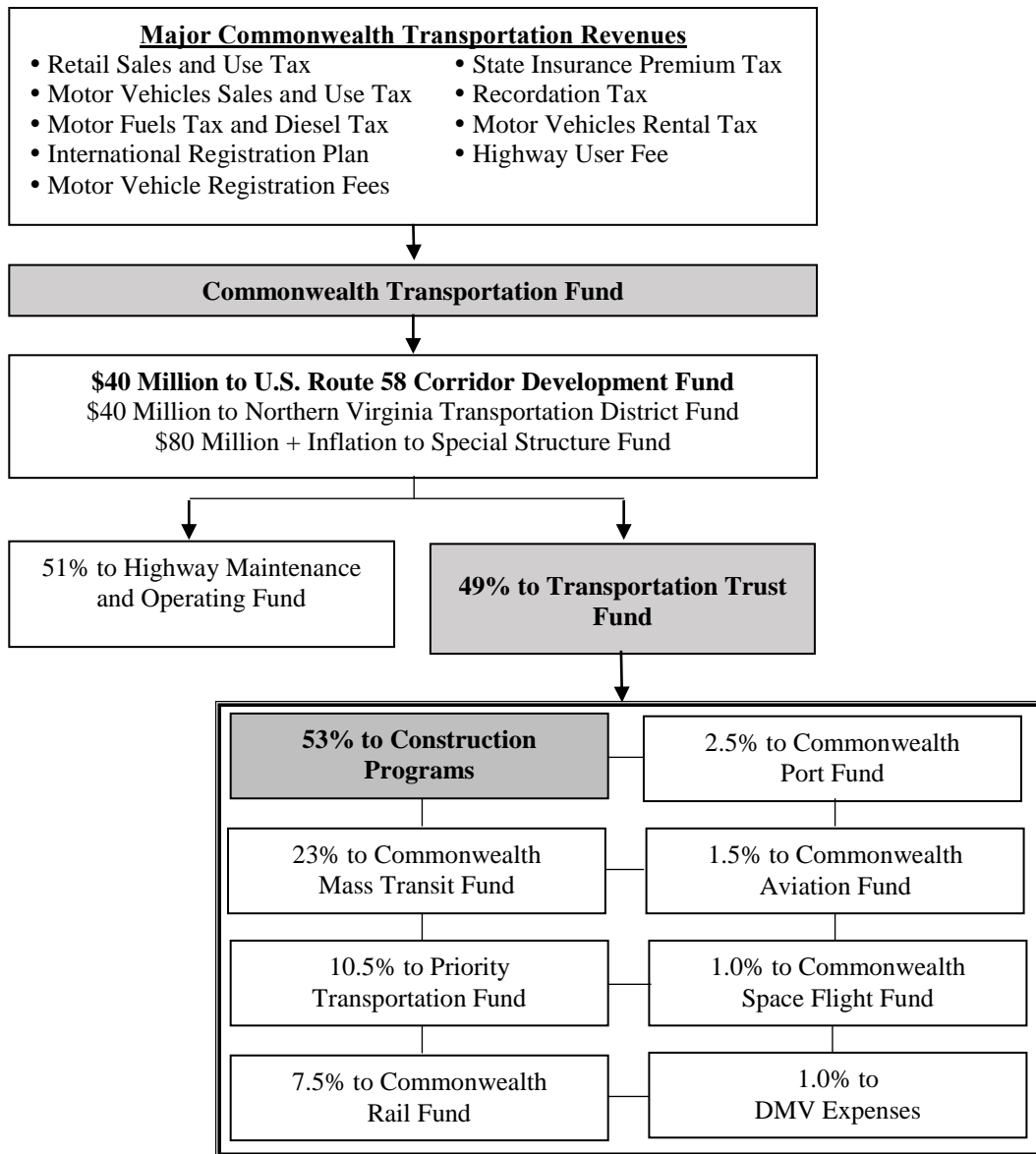
The revenues in the Commonwealth Transportation Fund must be applied to make several "off-the-top" allocations before any amounts are available; provided that in Fiscal Years 2021 through 2023 the "off-the-top" allocations are subject to change under the provisions of the Current Appropriation Act. Commencing in Fiscal Year 2024, the "off-the-top" allocations will be (i) \$40 million annually to be deposited into the U.S. Route 58 Corridor Development Fund; (ii) \$40 million annually to be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) to be deposited into the Special Structure Fund.

Commencing in Fiscal Year 2024, the revenues remaining in the Commonwealth Transportation Fund following the "off-the-top" allocations will be allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund (the "49% Share").

Transfers from the Transportation Trust Fund to Other Funds and Programs

Following the expected full implementation of Chapter 1230 in Fiscal Year 2024, the 49% Share will be distributed from the Transportation Trust Fund as follows: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund, and (viii) 1% to a special fund within the Commonwealth Transportation Fund to be used to meet the necessary expenses of the Department of Motor Vehicles. The Transportation Board will make the \$20 million annual transfer to the U.S. Route 58 Corridor Development Fund from the construction programs share of the Transportation Trust Fund as directed by Chapter 766.

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The Transportation Board makes no representation (i) that the General Assembly will maintain the Commonwealth Transportation Fund or the Transportation Trust Fund or (ii) that the General Assembly will not repeal or materially modify Chapter 1230 or any other legislation affecting such funds.

Highway Maintenance and Operating Fund

The HMO Fund is established in the Virginia Code to address the highway maintenance and operating needs of VDOT. The HMO Fund was initially created in 1987, separating funding for this purpose from funds meant for highway construction. Since this time, the revenue sources dedicated to the HMO Fund have been updated to provide for additional funding to meet highway maintenance and operating needs. Chapter 1230 dedicates a significant share of the Commonwealth Transportation Fund to the HMO Fund.

In the Six-Year Improvement Program for Fiscal Years 2022 through 2027 adopted by the Transportation Board in June 2021 (the "Current SYIP"), in Fiscal Year 2022 \$108.7 million in funds allocated to construction programs from the Transportation Trust Fund were reallocated to the HMO Fund to meet the obligations of the HMO Fund for the maintenance and operations of Virginia's highways.

The Transportation Board makes no representation that the General Assembly will maintain the HMO Fund.

Sunset Provision

The provisions of Chapter 1230 that generate additional state revenue for transportation purposes 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 Provision").

The General Assembly has from time to time made appropriations of portions of transportation revenue for non-transportation-related purposes which would have activated similar sunset provisions under other transportation legislation had the General Assembly not also enacted a savings clause to override such sunset provisions (a "Savings Clause").

No assurance can be given that the General Assembly will not activate the Sunset Provision of Chapter 1230 in future appropriation acts, and no assurance can be given that, if the Sunset Provision is activated, the General Assembly will enact a Savings Clause to override it.

Highway Allocation Formula

The Transportation Board is required by the Virginia Code to allocate each year all funds made available for highway purposes, including the 53% of the 49% share allocable to the Transportation Trust Fund for "construction programs," in accordance with the priorities established by § 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 1230.

After the first allocation of highway purposes funds as described above, the Transportation Board shall allocate all such funds remaining, as follows: (i) 30% to the Transportation Board's "State of Good Repair Purposes", (ii) 20% to the Transportation Board's "High Priority Project Program," (iii) 20% to the "Construction District Grant Program," (iv) 20% to the "Interstate Operations and Enhancement Program," and (v) 10% to the "Virginia Highway Safety Improvement Program."

While the Virginia Code establishes the priorities by which the Transportation Board must allocate the funds made available to it, the Transportation Board, 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 Public-Private Transportation Act of 1995 (§ 33.2-1800 et. seq.) (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 and the availability of funds in the Transportation Trust Fund to pay debt service on bonds for which the Transportation Trust Fund serves as a secondary source of payment (such as the U.S. Route 58 Bonds). The Transportation Board, VDOT and the other agencies regularly adjust the allocation of the funds among transportation projects to account for a variety of factors. See the sections *"Authorized, Issued and Unissued Bonds Payable from Transportation Trust Fund"* and *"Commonwealth Transportation Board and Virginia Department of Transportation."*

Sources of Revenues

The following is a brief description of the various taxes and fees designated for deposit to the Commonwealth Transportation 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 Acts designated the tax revenues from a 0.5% sales and use tax to the Transportation Trust Fund. Pursuant to Chapter 766 of the Acts of the General Assembly of the Commonwealth of Virginia 2013 Regular Session ("Chapter 766"), the 2013 General Assembly increased taxes by 0.3% to 5.3% (a portion of which was 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. On June 19, 2018, the U.S. Supreme Court in *South Dakota v. Wayfair, Inc.* held that states may require an out-of-state retailer to collect and remit sales tax on purchases by residents within that state. Under Chapter 815 of the Acts of the General Assembly of the Commonwealth of Virginia, 2019 Regular Session, remote sellers and marketplace facilitators who sell or facilitate the sale of greater than \$100,000 in annual gross revenue from retail sales into the Commonwealth or 200 annual transactions to Virginia customers are required to collect and remit Retail Sales and Use Tax beginning July 1, 2019. Chapter 1230 dedicates Retail Sales and Use Taxes committed to transportation to the Commonwealth Transportation Fund.

A tax on sales of food for human consumption is currently imposed at the reduced rate of 1.5%. On December 16, 2021, then Governor Ralph Northam proposed the repeal of such tax beginning January 1, 2023, along with his proposed budget for the Commonwealth's 2022-2024 biennium. The General Assembly will convene to consider such proposal, among other legislation, in January 2022. The revenue estimates provided herein consider this policy proposal as if it is implemented.

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 (the "DMV Commissioner") 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 increased by 0.05% on each successive July 1 up to and including July 1, 2016, at which time the rate equaled 4.15%. Chapter 1230 dedicates the Motor Vehicle Sales and Use Tax to the Commonwealth Transportation Fund.

Motor Fuels Tax and Diesel 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 § 58.1-2226 of the Virginia Code, 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 with 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. Chapter 1230 increased the statewide tax on motor fuels incrementally from \$0.162 to \$0.212 per gallon in Fiscal Year 2021 and from \$0.212 to \$0.262 per gallon in Fiscal Year 2022 and then indexes the tax for inflation thereafter. Chapter 1230 also increased the statewide tax on diesel fuels to \$0.212 per gallon in Fiscal Year 2021 and to \$0.27 per gallon in Fiscal Year 2022 and then indexes the tax for inflation thereafter. Chapter 1230 dedicates all motor fuels tax and diesel tax to the Commonwealth Transportation Fund.

Each dealer or limited dealer in motor fuels must file monthly a report with the DMV Commissioner 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 DMV Commissioner.

International Registration Plan Fees. The Governor may enter into reciprocal agreements on behalf of the Commonwealth with the appropriate authorities of any state of the United States or a state or province of a country providing for the assessing and collecting of license fees for motor vehicles, tractor trucks, trucks, trailers, and semitrailers on an apportionment or allocation basis, as outlined in the International Registration Plan. The DMV Commissioner may assess any owner, lessor, or lessee for any license fees due to the Commonwealth. Trip permit registration may be issued for any vehicle or combination of vehicles that could be lawfully operated in the jurisdiction if registration were obtained. The fee for this permit is \$15, and the permit is valid for 10 days. Chapter 1230 dedicates this fee to the Commonwealth Transportation Fund.

Motor Vehicle Annual Registration Fees. The annual registration fee collected by the DMV Commissioner 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. Chapter 1230 captures all registration fees for the Commonwealth Transportation Fund, including those dedicated to the HMO Fund and truck registration fees formerly committed to Interstate Improvements.

Recordation Taxes. Recordation taxes are imposed on every deed and deed of trust (mortgage) recorded in the Commonwealth subject to certain exceptions and exemptions. Chapter 896, 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 for the Commonwealth Mass Transit Fund. Chapter 684 of the Acts of the General Assembly of the Commonwealth of Virginia 2015 Regular Session ("Chapter 684"), effective July 1, 2017, 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 \$0.01 of the total tax are appropriated for and deposited into the Transportation Trust Fund for use in the Commonwealth Transit Capital Fund through Fiscal Year 2020. Chapter 1230 dedicates these revenues to the Commonwealth Transportation Fund for distribution.

Insurance License Tax. Chapter 25 of Title 58.1 of the Virginia Code imposes an annual license tax on insurance companies doing business in the Commonwealth, which tax is equal to a percentage of the insurance companies' direct gross income from its premiums or subscriber fees collected in the most recently ended Fiscal Year. Under § 58.1-2531 of the Virginia Code, one-third of the revenues derived from such tax, less one-third of the total amount of such tax refunded in the most recently ended Fiscal Year, will be deposited in the Commonwealth Transportation Fund.

Motor Vehicle Rental Tax. A tax upon the rental of motor vehicles in Virginia, without regard to whether such vehicles are required to be licensed by the Commonwealth, is levied at a rate of up to 10% of the gross proceeds from rentals of most passenger vehicles. Chapter 1230 dedicates the revenues from this tax to the Commonwealth Transportation Fund.

Highway Use Fee. Chapter 1230 imposes a highway use fee on fuel efficient, alternative fuel, and electric vehicles. The fee, which is paid at the time of registration, is based on 85% of the difference between fuel taxes paid by the average vehicle (based on 23.7 miles per gallon) and the fuel tax paid by the fuel-efficient vehicle. In the alternative, motorists will have the option of participating in a "mileage based user fee" program, effective July 1, 2022. Such user fee is a per-mile fee, capped at the applicable highway use fee, determined by dividing the applicable highway use fee by the average number of miles travelled by passenger vehicles in Virginia. In connection with the new fee structure, Chapter 1230 repeals the \$64 vehicle license tax for electric vehicles previously in place and dedicates the revenues from such fee to the Commonwealth Transportation Fund.

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 revenues generated by Chapter 1230 to the Commonwealth Transportation Fund or 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.

Projected Transportation Revenues for Fiscal Years 2024 through 2026

The following table provides the projected revenues for Fiscal Years 2024 through 2026 to be received in the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund following the full implementation of the Chapter 1230 changes. The projected revenues are based on the Commonwealth's interim revenue estimate from December 2021, reflecting the projected impact of the COVID-19 pandemic as of such date.

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**Commonwealth Transportation Fund After Chapter 1230 Full Implementation
(in millions)**

Fiscal Year:	Forecast <u>2024¹</u>	Forecast <u>2025¹</u>	Forecast <u>2026¹</u>
Retail Sales and Use Tax ²	\$1,315.1	\$1,348.1	\$1,356.5
Motor Vehicles Sales and Use Tax	1,119.4	1,128.9	1,124.2
Motor Fuels Taxes	1,382.7	1,394.5	1,407.2
Road Tax for Diesel Fuel	69.5	69.4	69.0
International Registration Plan	122.6	119.6	120.0
Motor Vehicle Registration Fees	240.3	241.3	242.5
State Insurance Premium Tax	203.8	212.8	222.8
Recordation Tax	81.0	81.0	81.0
Motor Vehicles Rental Tax	43.6	44.4	45.2
Highway Use Fee	<u>62.7</u>	<u>66.5</u>	<u>66.5</u>
Total Commonwealth Transportation Fund Revenues	<u>\$4,640.7</u>	<u>\$4,706.5</u>	<u>\$4,734.9</u>
 Distribution of Commonwealth Transportation Fund			
Route 58 Corridor Development Fund	40.0	40.0	40.0
Northern Virginia Transportation District Fund	40.0	40.0	40.0
Special Structures Fund	81.3	82.9	84.7
Highway Maintenance and Operating Fund	<u>2,284.5</u>	<u>2,317.2</u>	<u>2,330.8</u>
Allocation to Transportation Trust Fund	<u>\$2,194.9</u>	<u>\$2,226.4</u>	<u>\$2,239.4</u>

Sources: Commonwealth of Virginia Department of Accounts, Department of Motor Vehicles, and Department of Taxation.

¹ Projections based on Commonwealth Transportation Fund Forecast provided in December 2021. Forecasts may be issued several times a year, and the next forecast is expected in December 2022. Preliminary estimates and actual results may differ materially from such forward-looking statements.

² Reflects the elimination of the tax on sales of food for human consumption, as more particularly discussed in the section "Transportation Trust Fund – Sources of Revenues" herein.

Economic Conditions Affecting Commonwealth Transportation Revenues

The availability of revenues in the Commonwealth Transportation Fund for transfer to the Transportation Trust Fund is dependent on a number of economic factors. The bulk of such funds dedicated to the Commonwealth Transportation Fund consists of the motor fuels taxes, motor vehicles sales and uses taxes and retail sales and use taxes described herein, 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, vehicle fuel efficiency, 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 funds to make timely payments on the Bonds. In particular, the COVID-19 pandemic has impacted the Commonwealth's revenues and transportation revenues and is expected to impact revenues in future years. For a more detailed discussion of the risks and the impact, see the section "Recent Developments Regarding the COVID-19 Pandemic," and Appendix C, "Commonwealth of Virginia, Demographic and Economic Information" for certain information regarding some of these factors. The availability of funds in the Commonwealth Transportation Fund and the Transportation Trust Fund is also subject to appropriation by the General Assembly.

Fiscal Impact of the COVID-19 Pandemic on Commonwealth Transportation Revenues

The ongoing COVID-19 pandemic has and is expected to continue to impact the level of transportation revenues collected and deposited into the Commonwealth Transportation Fund. The Transportation Board cannot predict the full amount or duration of such impact. The Transportation Board and VDOT continue to review the impact of COVID-19 on Commonwealth Transportation Fund revenues. As described above, the Current Appropriation Act afforded the Transportation Board flexibility to take steps to reduce impacts on currently

programmed transportation projects by allowing for a phased implementation of the allocation of the revenues in the Commonwealth Transportation Fund as directed by Chapter 1230 and to take actions the Transportation Board deems necessary in Fiscal Years 2021, 2022 and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

Final Audited Results for Fiscal Year 2020. In Fiscal Year 2020, total transportation revenues totaled over \$3.6 billion, an increase of \$50.2 million over Fiscal Year 2019. While revenue collections grew by 1.4 percent, the growth lagged the official forecast of 4.8 percent, resulting in a forecast variance of 3.3 percent. Due to the COVID-19 pandemic and subsequent phases of lockdowns, the Commonwealth Transportation Fund's major revenue sources fell short of their respective forecasts. Solid growth over the first three quarters of Fiscal Year 2020 offset some of the impact from the pandemic.

Preliminary Unaudited Results for Fiscal Year 2021. Based on preliminary, unaudited financial results reported on August 18, 2021 by the Secretary of Finance, the Commonwealth finished the Fiscal Year 2021 with a \$371.5 million billion surplus, representing an increase in total revenue collections of 14.6 percent over Fiscal Year 2020, and ahead of the Fiscal Year 2021 forecast of 4.3 percent growth.

More specifically, on a Fiscal Year 2021-to-Fiscal Year 2020 comparison, (a) collections of motor fuel tax, including aviation fuels tax and road use tax, (approximately 24.9 percent of total Commonwealth Transportation Fund revenues) increased 18.7 percent over the prior Fiscal Year, exceeding the annual forecast of 17.8 percent growth; (b) collections of collections motor vehicle sales and use tax, including motor vehicle rental tax, (approximately 27.7 percent of total Commonwealth Transportation Fund revenues) increased 15.3 percent over the prior Fiscal Year, exceeding the annual forecast of 2.6 percent decline; (c) collections of state retail sales and uses tax (approximately 30.6 percent of total Commonwealth Transportation Fund revenues) increased 12.4 percent over the prior Fiscal Year, exceeding the annual forecast of 5.0 percent growth; and (d) collections of all other Commonwealth transportation revenues (approximately 16.9 percent of total Commonwealth Transportation Fund revenues) increased 12.0 percent over the prior Fiscal Year, exceeding the annual forecast of 4.4 percent decline.

Final, audited results are expected to be available in December 2021. Such final results may differ from the preliminary, unaudited results described above, and such differences may be material.

Interim Revenue Report for First Four Months of Fiscal Year 2022. The Secretary of Finance's October Revenue Report indicates that on a Fiscal Year-to-date basis, total Commonwealth Transportation Fund revenue collections through October 2021 rose 17.9 percent over the same period in Fiscal Year 2021, which is ahead of the annual forecast of a 2.4 percent decline. More specifically, on a Fiscal Year-to-date basis, (a) collections of motor fuel tax, including aviation fuels tax and road use tax, (estimated to represent a total of 31.9 percent of total Commonwealth Transportation Fund revenues for the Fiscal Year) have increased 34.9 percent over the same period in Fiscal Year 2021, which is ahead of the annual forecast of 25.3 percent growth; (b) collections motor vehicle sales and use tax, including motor vehicle rental tax, (estimated to represent a total of 23.3 percent of total Commonwealth Transportation Fund revenues for the Fiscal Year) have increased 19.8 percent over the same period in Fiscal Year 2021, which is ahead of the annual forecast of 18.0 percent decline; (c) collections of State retail sales and uses tax (estimated to represent 30.1 percent of total Commonwealth Transportation Fund revenues for the Fiscal Year) have increased 12.3 percent over the same period in Fiscal Year 2021, which is ahead of the annual forecast of 3.9 percent decline; and (d) collections of all other Commonwealth transportation revenues (estimated to represent 14.7 percent of total Commonwealth Transportation Fund revenues for the Fiscal Year) have increased 6.0 percent over the same period in Fiscal Year 2021.

The projections described above are based on current revenue trends and are subject to change. Actual revenues collected over the course of the full Fiscal Year 2022 may be different, and such differences may be material.

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 section "*Transportation Trust Fund.*"

Northern Virginia Transportation District Program. The General Assembly enacted legislation in 1993, which was amended in the 1994, 1998, 1999, 2002, 2005 and the 2020 Regular Sessions ("NVTB Bond Legislation") that authorized the Transportation Board to issue Transportation Revenue Bonds ("NVTB Bonds"), pursuant to the State 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 NVTB Fund consists of (i) transfers of \$40,000,000 annually from the Commonwealth Transportation Fund; (ii) any public rights-of-way use fees appropriated by the General Assembly; (iii) any state or local revenues which may be deposited to the NVTB Fund pursuant to a contract between a jurisdiction participating in the Northern Virginia Transportation District Program and the Transportation Board; and (iv) 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 \$505,415,000 to refund NVTB Bonds that had been previously issued. Of the total amount of NVTB Bonds issued, \$71,970,000 is currently outstanding. Chapters 854 and 856 of the 2018 Acts of Assembly and Chapter 1230 amended § 33.2-2400 of the Virginia Code, requiring \$20 million each year be transferred from the NVTB Fund to the Washington Metropolitan Area Transit Authority Capital Fund established pursuant to § 33.2-3401, beginning in Fiscal Year 2019 and to the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509, beginning in Fiscal Year 2021.

U.S. Route 58 Corridor Development Program. The U.S. Route 58 Bond Legislation authorizes the Transportation Board to issue the U.S. Route 58 Bonds, pursuant to the Revenue Bond Act, in an amount not to exceed \$1,300,000,000, plus an amount for issuance costs, reserve funds and other financing expenses, to finance a portion of the costs of the U.S. Route 58 Program, refunding bonds are not included in this limit. See the sections "*U.S. Route 58 Corridor Development Fund*" and "*Summary of the U.S. Route 58 Corridor Development Program Trust Agreement.*"

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 State 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 in the amount of \$32,500,000 to finance the Oak Grove Connector, a portion of which was refunded by the Transportation Program Revenue Refunding Bonds Series 2006A, which were refunded by the Transportation Program Revenue Refunding Bonds, Series 2016A (the "Oak Grove Connector Bonds"). Of the total amount of Oak Grove Connector Bonds issued, \$1,895,000 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 State 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, as of February 1, 2022, \$58,469,541.33 is outstanding (net of unamortized discount on the outstanding Series 2002 capital appreciation bonds).

Federal Transportation Grant Anticipation Revenue Notes. In Chapters 830 and 868 of the 2011 Acts of Assembly, which became effective July 1, 2011, the General Assembly authorized the Transportation Board by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act, in one or more series from time to time revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series" ("GARVEEs"). The aggregate principal amount of GARVEEs outstanding at any time shall not exceed \$1.2 billion, and exclusive of (i) the amount of any revenue obligations that may be issued to refund GARVEEs, and (ii) any amounts issued for financing expenses (including, without limitation, any original issue discount). The net proceeds of 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 Transportation Board. In connection with the issuance of each series of GARVEEs, the Transportation Board shall establish a fund, which secures and is used for the payment of such series of GARVEEs. In the fund 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 such GARVEEs, as and when due and payable, (i) first from 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 series of GARVEEs; (ii) then, at the discretion of the Transportation 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. The Transportation Board has issued \$1,380,380,000 in

GARVEE Bonds to finance the costs of the GARVEE Program plus an additional \$287,665,000 to refund GARVEE Bonds previously issued. Of the total amount of GARVEE Bonds issued, \$892,025,000 is currently outstanding.

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 Fiscal Year 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 Fiscal Year in addition to the \$300,000,000 authorized in the subsequent Fiscal Year. Chapters 830 and 868 of the 2011 Acts of Assembly, 2011 Regular Session amended the 2007 Act to increase the annual issuance limitation in Fiscal Years 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) 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 the 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 the 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.

Chapter 854 of the Acts of the General Assembly, 2018 Regular Session, the 2007 Act was amended to authorize the Transportation Board to issue Capital Projects Revenue Bonds at one time in an aggregate principal amount not to exceed an additional \$50 million, after all costs, with the net proceeds to be used exclusively to match federal funds provided for capital projects by the Washington Metropolitan Area Transit Authority

The Transportation Board has issued ten series of Capital Projects Revenue Bonds in the aggregate principal amount of \$_____ of which \$_____ is currently outstanding.

RECENT DEVELOPMENTS REGARDING THE COVID-19 PANDEMIC

[To Be Updated]

Background

The World Health Organization declared on March 11, 2020, a global pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus that has been negatively impacting most, if not all, areas of the world. Within the United States, the federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of different efforts aimed at mitigating the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors, have resulted in dislocations in the labor market and stress on the global and national economies.

Mitigation Measures Taken in the Commonwealth

On March 12, 2020, Governor Northam declared a state of emergency in the Commonwealth as a result of the COVID-19 pandemic. Following such declaration, Governor Northam imposed a series of public health restrictions designed to mitigate the spread of COVID-19 in the Commonwealth, including, at various times, statewide mask-wearing and social distancing guidelines, limitations on public and private in-person gatherings, the closure of certain businesses deemed non-essential, a statewide stay-at-home order, and the cancellation of in-person instruction at schools.

On May 14, 2021, Governor Northam lifted the public health restrictions imposed to mitigate the spread of COVID-19, citing the effectiveness and wide availability of the COVID-19 vaccines described below. In addition, the Governor's declaration of a state of emergency expired on June 30, 2021.

Since that date, in response to the rise of COVID-19 variants, the Governor has imposed two requirements. On August 5, 2021, the Governor issued a new executive directive requiring state employees and contractors to disclose vaccination status and, if not vaccinated, to submit to certain testing requirements, beginning September 1, 2021. On August 12, 2021, following Center for Disease Control guidelines, the Governor issued a Public Health Emergency Order requiring universal masking indoors for all K-12 schools.

Under the auspices of the federal government's program called Operation Warp Speed, vaccines have been developed to combat COVID-19. Currently, everyone in Virginia aged 12 and older is eligible to receive a COVID-19 vaccine. As reported by the Virginia Department of Health on October 6, 2021, approximately 5,814,301 people had been vaccinated with at least one dose of a COVID-19 vaccine in the Commonwealth (which represents approximately 68.1% of the Commonwealth's total population and approximately 80.9% of the Commonwealth's population aged 18 and older).

There is no basis to predict how long the public health crisis caused by COVID-19 or its collateral effects will continue. The Governor will continue to monitor the number of COVID-19 cases, the availability of hospital beds and the rate of vaccinations. Should there be a deterioration in the public health situation, the Governor retains the executive authority to impose new restrictions in one or more localities or regions of the Commonwealth.

Fiscal Impact of the COVID-19 Pandemic on the Commonwealth

Preliminary, Unaudited Results for Fiscal Year 2021. Based on preliminary, unaudited financial results reported on August 18, 2021 by the Secretary of Finance, the Commonwealth finished the Fiscal Year on June 30, 2021, with a \$2.6 billion surplus, representing an increase in total revenue collections of 14.2 percent over the Fiscal Year ended June 30, 2020, and ahead of the Fiscal Year 2021 forecast of 2.6 percent growth.

More specifically, on a Fiscal Year 2021-to-Fiscal Year 2020 comparison, (a) collections of payroll withholding (approximately 54.7 percent of total general fund revenues) increased 4.7 percent over the prior Fiscal Year, exceeding the annual forecast of 2.7 percent growth; (b) collections of individual income tax non-withholding (approximately 20.3 percent of total general fund revenues) increased 37.1 percent over the prior Fiscal Year, exceeding the annual forecast of 4.4 percent growth; (c) collections of sales taxes (approximately 16.3 percent of

total general fund revenues) increased 12.4 percent over the prior Fiscal Year, exceeding the annual forecast of 4.7 percent growth; and (d) collections of corporate income taxes (approximately 5.9 percent of total general fund revenues) increased 49.8 percent over the prior Fiscal Year, exceeding the annual forecast of 27.4 percent growth.

Final, audited results are expected to be available in December 2021. Such final results may differ from the preliminary, unaudited results described above, and such differences may be material.

Interim Revenue Report for First Four Months of Fiscal Year 2022. In the normal course, the Secretary of Finance provides periodic reports during the Fiscal Year regarding, among other things, the Commonwealth's revenue collections. The most recent report is dated November 12, 2021, and covers the first four months (which ended October 31, 2021) of the current Fiscal Year ending June 30, 2022 (the "October Revenue Report").

The October Revenue Report indicates that, on a Fiscal Year-to-date basis, total general fund revenue collections through October 2021 rose 11.8 percent over the same period last year, which is ahead of the annual forecast of an 8.0 percent decline. More specifically, on a Fiscal Year-to-date basis, (a) collections of individual income tax withholding (estimated to represent 62.2 percent of total general fund revenues for the Fiscal Year) have increased 9.8 percent over the same period last year, which is ahead of the annual forecast of 1.7 percent growth; (b) collections of individual income tax non-withholding (estimated to represent 16.9 percent of total general fund revenues for the Fiscal Year) have decreased 5.4 percent over the same period last year, which is ahead of the annual forecast of a 25.4 percent decline; (c) collections of sales taxes (estimated to represent 17.4 percent of total general fund revenues for the Fiscal Year) have increased 15.4 percent over the same period last year, which is ahead of the annual forecast of a 4.2 percent decline; and (d) collections of corporate income taxes (estimated to represent 5.5 percent of total general fund revenues for the Fiscal Year) have increased 37.1 percent over the same period last year, which is ahead of the annual forecast of a 16.1 percent decline.

The projections described above are based on current revenue trends and are subject to change. Actual revenues collected over the course of the full Fiscal Year may be different, and such differences may be material.

Expenses. The Commonwealth has incurred, and anticipates that it will continue to incur, significant additional expenditures to address the COVID-19 pandemic. The potential magnitude of such expenditures cannot be predicted with any certainty; however, in addition to the federal disaster relief funds that the Commonwealth anticipates receiving, the Commonwealth has received approximately \$3.1 billion in funds from the federal Coronavirus Aid, Relief, and Economic Security ("CARES") Act of 2020 to help cover costs related to the pandemic. Of that amount, the Governor has allocated approximately \$1.3 billion to the cities and counties in Virginia (excluding Fairfax County, which received approximately \$200 million in CARES Act funding directly from the federal government based on the large size of the county's population) and has retained approximately \$1.8 billion to pay or reimburse costs incurred by the Commonwealth and its related entities to address the pandemic.

The Commonwealth received approximately \$4.3 billion in May 2021 from the State and Local Recovery Fund ("SLRF") established by the federal American Rescue Plan Act of 2021 ("ARPA"), which is in addition to grant funding provided by the CARES Act described above. Virginia cities and counties are expected to receive separately approximately \$2.3 billion in ARPA-SLRF funding directly from the federal government, and the Commonwealth has received approximately \$317 million to be passed through to smaller cities and towns and expects to receive an additional approximately \$317 million for the same purpose next year. In total, the Commonwealth and its cities and counties expect to receive a total of approximately \$7.2 billion in ARPA-SLRF funding. The Virginia General Assembly met in a special session in August 2021 and adopted an amendment to the current 2020-2022 biennial budget to appropriate approximately \$3.2 billion of the ARPA-SLRF funds to Fiscal Year 2022 expenditures. Of the balance in available ARPA-SLRF funds, the Virginia General Assembly authorized the Governor to appropriate additional amounts as necessary to respond to a public health emergency or to prevent the emergence of a new health emergency and to include approximately \$353.8 million in the Governor's introduced budget for the 2022-2024 biennium. The budget amendment was approved by the Governor on August 10, 2021, and effective that same date. The ARPA-SLRF funds appropriated for Fiscal Year 2022 expenditures were allocated primarily to serve five specific needs: (1) public health (by means of upgrading state and local public health services and helping people with the cost of housing and utilities); (2) small businesses (by means of providing additional funding for the Rebuild Virginia small business recovery plan, augmenting relief dollars for the hardest-hit industries, investing in Virginia Tourism's work to recruit visitors, and helping the Housing and Community

Development department invest in Virginia's main streets, small towns and industrial revitalization); (3) workers (by means of providing additional funding for the Unemployment Trust Fund and the Virginia Employment Commission); (4) public schools (by means of modernizing public school buildings across the Commonwealth); and (5) broadband (by means of providing broadband access to all of Virginia's cities and counties).

Available Cash and Investments. Based on the latest available monthly analysis of the Commonwealth's cash and investments, the Office of the Comptroller reported that for the period ended November 30, 2021, the Commonwealth had approximately \$11.12 billion in unrestricted cash available for immediate transfer into the General Fund (compared to approximately \$11.70 billion available as of October 31, 2021), and an additional approximately \$11.70 billion available in non-General Fund sources to support cash flow in other Commonwealth operating funds as necessary (compared to approximately \$10.87 billion available as of October 31, 2021).

COMMONWEALTH TRANSPORTATION BOARD AND VIRGINIA DEPARTMENT OF TRANSPORTATION

Commonwealth Transportation Board

The Transportation Board consists of 17 members, including the Secretary of Transportation of the Commonwealth, the Commissioner of Highways, the Director of the Department of Rail and Public Transportation, and 14 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 Chairperson of the Transportation Board is the Secretary of Transportation. Only the 14 citizen members of the Transportation Board have voting privileges, except that the Chairperson has voting privileges in the event of a tie.

The current membership of the Transportation Board, the expiration dates of their terms and the constituency represented by each member are as follows:

Member	Term Expires	Constituency
Shannon Valentine	At the Pleasure of the Governor	Chairperson, Transportation Board; Secretary of Transportation
Stephen C. Brich	At the Pleasure of the Governor	Commissioner of Highways
Jennifer Mitchell	At the Pleasure of the Governor	Director, Department of Rail and Public Transportation
Alison DeTuncq	June 30, 2022	Vice Chairperson, Transportation Board, Culpeper District
Carlos M. Brown	June 30, 2023	Richmond District
Cedric Bernard Rucker	June 30, 2022	Fredericksburg District
Raymond D. Smoot, Jr.	June 30, 2025	Salem District
Mary H. Hynes	June 30, 2024	Northern Virginia District
E. Scott Kasprovicz	June 30, 2025	At-Large Urban
Frederick T. Stant, III	June 30, 2025	Hampton Roads District
Stephen A. Johnsen	June 30, 2022	At-Large Rural
Tom Fowlkes	June 30, 2025	Bristol District
Bert Dodson Jr.	June 30, 2023	Lynchburg District
Mark H. Merrill	June 30, 2024	Staunton District
W. Sheppard Miller III	June 30, 2022	At-Large Urban
Greg Yates	June 30, 2024	At-Large Rural
Marty Williams	June 30, 2022	At-Large Urban

Shannon Valentine was appointed as Secretary of Transportation of the Commonwealth by Governor Ralph Northam and confirmed by the General Assembly in January 2018. The Transportation Secretariat provides a wide array of products and services including road construction and repairs, rest area maintenance, regulating seaports, airports and rail, and issuing license plates and driver's licenses. Prior to being named

Secretary, Ms. Valentine was a member of the Transportation Board and served in the state House of Delegates from 2006-2010, representing Lynchburg and part of Amherst County. While in the General Assembly, she focused on transportation, housing and economic development issues and led the effort to invest in inner-city passenger rail service. She also previously served as co-director of a transition team focused on transportation issues for Governor Northam's predecessor, Governor Terry McAuliffe. Before being elected to the House of Delegates, Ms. Valentine worked as the neighborhood coordinator with the Lynchburg Neighborhood Development Foundation. She worked in non-profit community development and corporate marketing and public relations in the late 1980s and 1990s. Valentine is a graduate of the University of Virginia, where she earned a bachelor's degree in economics. She also holds an education for ministry certificate from Sewanee University and is a graduate of the Sorensen Institute for Political Leadership. She lives in Lynchburg, Virginia.

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 Fiscal Year 2022 is approximately \$7.6 billion. VDOT's revenues provide funding for debt service, maintenance, administration and construction and VDOT's budget reflects the planned use of the revenues available to the agency and also includes pass-through funds to regional Commonwealth transportation entities. VDOT's Highway Construction Program as approved in the FY 2022-2027 SYIP is valued at \$18.2 billion and supports more than 3,700 projects.

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 82% of VDOT's nearly 7,200 employees (as of October 18, 2021) 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. 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 Transportation Board. Since tracking began in 2001, VDOT's performance shows a continued trend of improvement.

For Fiscal Year 2021, the agency attained on-time and on-budget performance goals by delivering more than 91% of all construction and maintenance projects on or before their original due dates, and by completing more than 98% 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 2022 through 2027 is based on the interim revenue forecast updates and cost estimates available. The issuance of U.S. Route 58 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 implementation of Section 33.2-214.1 of the Virginia Code. 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

Stephen C. Brich, P.E. was named Commissioner by then Governor-Elect Ralph Northam in December 2017. At the time, Mr. Brich was a vice president with Kimley-Horn and Associates, Inc., focusing on transportation-related matters in Virginia. He has more than 25 years of experience, specializing in traffic engineering, safety, operations, transportation planning and research. Prior to joining Kimley-Horn, he served in several senior roles with VDOT, including as the assistant district urban program manager, division administrator – Operations Management and assistant division administrator – Mobility Management. He successfully led and managed a wide array of transportation-related projects and studies during his tenure with VDOT, as well as in a consultant capacity. He also has been instrumental in developing various policy directives for VDOT as it relates to traffic engineering and transportation system management and operations. He began his career as an engineering technician in Norfolk. Mr. Brich holds a Bachelors of Science degree in civil engineering from Old Dominion University and a Masters of Science degree in civil engineering from the University of Virginia. He is a registered engineer in Maryland and Virginia. Mr. Brich is from the Hampton Roads area.

[Reserved for biography of Chief Deputy Commissioner]

Laura Farmer was named Chief Financial Officer of the Virginia Department of Transportation in October 2019. She oversees the agency's \$7.6 billion annual budget and is responsible for the leadership and execution of the agency's financial planning, capital investment, fiscal management, and tolling programs. She previously served as the agency's director of financial planning. In this role, she was instrumental in establishing the GARVEE Notes Program, and provided financial arrangements around the agency's innovative finance programs and public-private partnership projects, including the Elizabeth River Tunnels and I-95 Express Lanes projects. Prior to joining VDOT, Ms. Farmer served as a budget analyst for health and human resources agencies at the Virginia Department of Planning and Budget. Ms. Farmer earned a bachelor's in history from Chowan University in Murfreesboro, North Carolina and a master's degree in public policy from the College of William and Mary. She is a graduate of the Virginia Executive Institute, the Commonwealth Management Institute and International Bridge, Tunnel and Turnpike Association Leadership Academy.

U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM

General

The U.S. Route 58 Program contemplates the development of a modern, safe and efficient highway system generally along the U.S. Route 58 Corridor (the "Corridor"). This Corridor extends from Cumberland Gap in Lee County in the west and runs generally along the southern border of the Commonwealth to the ocean front in Virginia Beach in the east, connecting the communities, businesses, places of employment and residents of the southwestern-most portion of the Commonwealth to those of the southeastern-most portion. The U.S. Route 58 Program is intended to enhance economic development potential, employment opportunities, mobility and quality of life along the Corridor.

The U.S. Route 58 Program encompasses about 640 miles of highway in the Bristol, Lynchburg, Richmond, Salem and Hampton Roads highway construction districts. It includes planning, environmental and engineering studies, the acquisition of right-of-way, highway widening and improvement projects, the construction and improvement of by-passes, new highway construction and the construction and improvement of connector roads. To the maximum extent possible, the Corridor will conform to the existing arterial highway network and will

utilize existing four-lane divided highways and available rights-of-way. The final location of the highway system will depend on a number of factors including engineering and environmental considerations, cost and economic developmental benefits.

U.S. Route 58 Program Costs

The U.S. Route 58 Program is a multi-year effort. Portions of the U.S. Route 58 Program have been completed or are under construction. The funding for the U.S. Route 58 Program is expected to be derived from (1) the proceeds of the U.S. Route 58 Bonds, (2) the amount, if any, deposited to the U.S. Route 58 Corridor Development Fund from the Commonwealth Transportation Fund which is not used to pay debt service on the U.S. Route 58 Bonds, (3) investment earnings on balances in the U.S. Route 58 Corridor Development Fund held by the State Treasurer, and (4) money allocated to the U.S. Route 58 Program from the Transportation Trust Fund under the Transportation Board's six-year highway improvement program.

The current \$1,300,000,000 statutory bond authorization for the U.S. Route 58 Program includes \$600,000,000 authorized by the General Assembly in 1989, \$104,300,000 authorized by the General Assembly in 1999, and \$595,700,000 authorized by the General Assembly in 2013. The U.S. Route 58 Bond Legislation does not identify specific portions of the U.S. Route 58 Program to be funded with the original 1989 authorization or the 2013 authorization, but does identify specific portions of the U.S. Route 58 Program to be funded with the 1999 increase in authorization. The final portion of the original 1989 bond authorization was issued in 1999, and the additional authorization provided in 1999 was issued in 2001. Prior to the issuance of the Bonds, no bonds have been issued under the 2013 authorization.

Of the \$104,300,000 authorized by the General Assembly in 1999, \$82 million was allocated to the following projects in the following amounts:

<u>Project</u>	<u>Bond Authorization</u>
Ben Hur to Pennington Gap in Lee County	\$ 9,800,000
Pennington Gap to Dryden in Lee County	35,600,000
Anticipated shortfall on the Danville Bypass, Stuart Bypass, and completion of a gap west of Jonesville in Lee County	35,100,000
Taylor's Valley in Washington County	<u>1,500,000</u>
Total	\$ 82,000,000

The remaining balance of the 1999 bond authorization in the amount of \$22,300,000, together with any bond proceeds not necessary to complete the above projects, is to be used for right-of-way acquisition from the Town of Stuart in Patrick County along the Corridor to its intersection with Interstate 77 in Carroll County.

The 2013 authorization precludes the issuance of the additional bonds it authorizes unless the debt service on such additional bonds can be paid solely with the revenues provided to the U.S. Route 58 Corridor Development Fund. In addition, the Transportation Board has authorization to refund bonds previously issued. Further, the 2013 authorization, as amended by Chapter 1230, prioritize certain portions of the U.S. Route 58 Program (the Crooked Oak Section, Vesta Section, Lover's Leap Section and the Final Section of Corridor Q – Route 121/460 Poplar Creek, Phase B) over the other portions of the U.S. Route 58 Program. The Crooked Oak section is 7.2 miles in Carroll County and to be widened to four lanes from two. The Vesta section is 4.0 miles in Patrick County and to be widened to four lanes from two. The Lover's Leap section is 7.8 miles in Patrick County, adjacent to the Vesta section, and to be widened to four lanes from two between the Vesta and the Town of Stuart. The Final Section of Corridor Q – Route 121/460 Poplar Creek, Phase B is 2.1 miles in Buchanan, Virginia, and connects the new Route 121/460 to the existing Route 121/460 inside Grundy City limits.

The Transportation Board presently forecasts that the cost of completing the U.S. Route 58 Program may exceed available and future funding sources. As the U.S. Route 58 Program is adjusted to reflect the results of engineering studies and alignment decisions, the capital outlay requirements will be further refined. At that time, the Transportation Board may seek additional or alternative sources of funds to complete the U.S. Route 58 Program.

SUMMARY OF THE U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM TRUST AGREEMENT

The following, in addition to the information presented in the sections "*The Bonds*" and "*Sources of Payment and Security for the Bonds*" summarizes certain provisions of the U.S. Route 58 Trust Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the U.S. Route 58 Trust Agreement and all supplemental agreements in their entireties.

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:

"Cost" or "Cost of the U.S. Route 58 Program" means the cost of construction, the cost of all lands, properties, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of all machinery and equipment, financing charges, interest on the U.S. Route 58 Bonds before and during construction and for one year after completion of construction, cost of traffic estimates and of engineering data, engineering and legal expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, administrative expense, other expenses necessary or incident to the financing of all or any portion of the U.S. Route 58 Program, the construction of all or any portion of the U.S. Route 58 Program, the placing of all or any portion of the U.S. Route 58 Program in operation and the condemnation of property necessary for such construction and operation and issuance costs, reserve funds and other financing expenses. Any obligation or expense incurred in connection with any of the foregoing items of Cost may be regarded as a part of such Cost and reimbursed to the Transportation Board out of the proceeds of the U.S. Route 58 Bonds issued to finance all or any portion of the U.S. Route 58 Program, including, but not limited to, any such obligation or expense incurred prior to the issuance of the U.S. Route 58 Bonds.

"Government Certificates" means evidences of ownership of proportionate interest in future interest or principal payments of Government Obligations, including depository receipts thereof; provided, that investments in such proportionate interest must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations, (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations, and (c) the underlying Government Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Government Obligations" means bonds, notes and other obligations of the United States of America, and securities unconditionally guaranteed as to the payment of principal and interest by the United States of America, or any agency thereof.

"U.S. Route 58 Bonds Outstanding" or "U.S. Route 58 Bonds then Outstanding" means, at any date, the aggregate of all U.S. Route 58 Bonds authorized, issued, authenticated and delivered under the U.S. Route 58 Trust Agreement, except: (1) U.S. Route 58 Bonds canceled or surrendered to the paying agent for cancellation; (2) U.S. Route 58 Bonds deemed to have been paid as provided in the U.S. Route 58 Trust Agreement; and (3) U.S. Route 58 Bonds in lieu of or in substitution for which other U.S. Route 58 Bonds have been authenticated and delivered pursuant to the U.S. Route 58 Trust Agreement unless proof satisfactory to the Paying Agent is presented that any such U.S. Route 58 Bond is held by a bona fide holder.

In determining whether registered owners of U.S. Route 58 Bonds of a requisite aggregate principal amount of the Outstanding U.S. Route 58 Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the U.S. Route 58 Trust Agreement, words referring to or connoting "principal of" or "principal amount of" Outstanding U.S. Route 58 Bonds will be deemed also to be references to, to connote and to include the accreted value of U.S. Route 58 Bonds of any series as of the immediately preceding compounding date of such U.S. Route 58 Bonds. U.S. Route 58 Bonds which are owned by the Transportation Board will be disregarded and deemed not to be Outstanding for the purpose of any such determination.

Revenues

The U.S. Route 58 Bonds are limited obligations of the Commonwealth. Principal of and premium, if any, and interest on the U.S. Route 58 Bonds are payable solely from revenues, receipts and funds which have been appropriated by the General Assembly for payment thereof, or allocated by the Transportation Board for such purpose from the revenues, receipts and funds appropriated to it by the General Assembly, from (1) the U.S. Route 58 Corridor Development Fund, (2) to the extent required, other revenues legally available from the Transportation Trust Fund, and (3) to the extent required, other legally available funds (the "Revenues"), and (4) from money in certain funds, in the manner and to the extent provided in the U.S. Route 58 Trust Agreement. The U.S. Route 58 Trust Agreement pledges the Revenues and money held in the funds under it for the benefit of the owners of the U.S. Route 58 Bonds, subject only to the provisions of the U.S. Route 58 Trust Agreement permitting the application of such amounts for the purposes and on the terms and conditions set forth in the U.S. Route 58 Trust Agreement.

Provisions for the Bonds

The U.S. Route 58 Trust Agreement provides for the issuance of the Bonds, the redemption of the Bonds and all other terms pertaining to the Bonds, as described in the section "*The Bonds*" in this Official Statement.

Funds and Account

The following Funds and Accounts are established under the U.S. Route 58 Trust Agreement:

- (1) Construction Fund, in which there is established a Costs of Issuance Account for each series of bonds issued under the U.S. Route 58 Trust Agreement; and
- (2) Bond Fund, in which there are established an Interest Account, a Principal Account, a Sinking Fund Account and a Capitalized Interest Account for each series of bonds issued under the U.S. Route 58 Trust Agreement.

Construction Fund

Money on deposit in the Construction Fund will be used to pay the Cost of the U.S. Route 58 Program. The Trustee will make payments from the Construction Fund upon receipt of a requisition signed by a representative of the Transportation Board providing information with respect to the use of the amounts requisitioned. Excess money after completion of the U.S. Route 58 Program will be applied, subject to the terms and limitations set forth in the U.S. Route 58 Trust Agreement, to pay the Cost of other projects to the extent needed, to redeem or purchase U.S. Route 58 Bonds, to pay principal of or interest on U.S. Route 58 Bonds or to fund other funds created under the U.S. Route 58 Trust Agreement, to the extent such funds are not fully funded in accordance with the requirements of the U.S. Route 58 Trust Agreement. Money on deposit in each Costs of Issuance Account will be used to pay costs of issuance with respect to bonds issued under the U.S. Route 58 Trust Agreement.

Bond Fund

Money on deposit in the Bond Fund will be used to pay principal of and premium, if any, and interest on the bonds issued under the U.S. Route 58 Trust Agreement.

Application of Revenues

The Trustee will deposit in the Bond Fund the following: (1) all amounts transferred from the Construction Fund after completion of the part of the U.S. Route 58 Program to be financed with the U.S. Route 58 Bonds; (2) all payments received by the Trustee under the U.S. Route 58 Payment Agreement (excluding any payments of Trustee's fees and expenses and the Rebate Amount, as defined in the U.S. Route 58 Trust Agreement); and (3) all other amounts authorized to be deposited in the Bond Fund under any supplemental trust agreement. The Trustee will use the money deposited in the Bond Fund to pay when due the principal of and premium, if any, and interest on the U.S. Route 58 Bonds then outstanding and to redeem or purchase U.S. Route 58 Bonds in accordance with the provisions of the U.S. Route 58 Bonds and the U.S. Route 58 Trust Agreement.

Permitted Investments

The U.S. Route 58 Trust Agreement permits the Trustee, as directed by the Treasurer of the Commonwealth after consultation with an authorized representative of the Transportation Board, to invest money held under the U.S. Route 58 Trust Agreement in the following investments, so long as such investments are authorized for investment of public funds by Chapter 45, Title 2.2 of the Virginia Code or any successor provision of law:

- (1) Government Obligations;
- (2) Government Certificates;
- (3) bonds, notes and other evidences of indebtedness of the Commonwealth and securities unconditionally guaranteed as to the payment of principal and interest by the Commonwealth;
- (4) bonds, notes and other evidences of indebtedness that are direct general obligations of any county, city, town, district, authority or other public body of the Commonwealth upon which there is no default, and revenue bonds issued by agencies or authorities of the Commonwealth or its political subdivisions upon which there is no default, and that are rated within the two highest rating categories by a rating agency;
- (5) bonds, notes and other evidences of indebtedness of any other state of the United States of America upon which there is no default, and that are rated within the two highest rating categories by a rating agency;
- (6) bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States of America other than the Commonwealth upon which there is no default, and that are rated within the two highest rating categories by a rating agency;
- (7) commercial paper with a maturity of 270 days or less, under guidelines approved by the Treasury Board;
- (8) bankers acceptances;
- (9) savings accounts or time deposits in any bank or savings institution within the Commonwealth; provided, that the bank or savings institution is approved for the deposit of funds of the Commonwealth or any political subdivision thereof;
- (10) certificates of deposit and bank deposit notes of domestic banks and domestic offices of foreign banks;
- (11) investments made pursuant to LGIP;
- (12) investments made pursuant to SNAP; or
- (13) provided it or the provider thereof is rated in one of the two highest rating categories by a rating agency, any other investment permitted for the type of money to be invested if the Board is permitted by applicable law to make or enter into such investment.

The U.S. Route 58 Trust Agreement contains certain other provisions and limitations with respect to investments, including provisions related to open-end and closed-end investment companies or trusts, repurchase agreements and limitations on the maturity of investments held in certain funds.

Redemption

For a description of the redemption provisions of the Bonds, see the subsections "*No Optional Redemption*" and "*Mandatory Sinking Fund Redemption*" in the section "*The Bonds.*"

Additional Bonds

For a description of the provisions relating to the issuance of additional bonds, see the subsection "*Additional U.S. Route 58 Bonds*" in the section "*Sources of Payment and Security for the Bonds.*"

Operation and Maintenance

The Transportation Board will cause the U.S. Route 58 Program to be maintained and operated in an efficient and economical manner, will cause the U.S. Route 58 Program to be maintained in good repair and sound operating condition, and will cause all necessary repairs, replacements and renewals to be made.

Insurance

The Transportation Board will continuously maintain insurance with recognized responsible commercial insurance companies to the extent that similar insurance is usually carried by public bodies operating highways and associated bridges against accidents, casualties or negligence, including insurance against liability for bodily injury, including resulting death, and for damage to property, including loss of its use, arising out of the ownership or operation of the U.S. Route 58 Program.

In lieu of insurance written by commercial insurance companies, the Transportation Board may maintain a program of self insurance or participate in group risk financing programs; provided, however, that the Transportation Board will obtain and maintain on file a favorable written opinion of either the Division of Risk Management of the Commonwealth or qualified independent insurance consultant that such alternative is reasonably acceptable under the circumstances.

Sale or Encumbrance of the U.S. Route 58 Program

If no Event of Default exists, the Transportation Board may sell, transfer, lease or otherwise encumber all or any portion of the U.S. Route 58 Program if the Transportation Board has determined by resolution that such sale, transfer, lease or encumbrance is necessary or desirable. The Transportation Board will not create or suffer to be created any lien or charge upon all or any portion of the U.S. Route 58 Program except such liens or charges created in the ordinary course of business of the Transportation Board. The Transportation Board will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, all lawful claims and demands for labor, materials and supplies within 60 days after they become due which, if unpaid, might by law become a lien upon the U.S. Route 58 Program subject to certain exceptions as set forth in the U.S. Route 58 Trust Agreement.

Use of Funds in U.S. Route 58 Corridor Development Fund

The Transportation Board will not expend any money in the U.S. Route 58 Corridor Development Fund for any purpose other than payment of principal of or premium, if any, or interest on any U.S. Route 58 Bonds for such period of time as the Transportation Board (1) fails to pay principal of or premium, if any, or interest on any U.S. Route 58 Bonds when due or (2) fails to allocate funds to the payment of principal of or premium, if any or interest on any U.S. Route 58 Bonds at least 90 days prior to the date it is payable, if the General Assembly has not appropriated funds for such purpose.

Covenants with Credit Banks, Insurers, etc.

The Transportation Board may make such covenants and agreements as it may determine to be appropriate with any credit bank, insurer or other financial institution that will agree to insure or to provide credit or liquidity support that enhances the security or the value of U.S. Route 58 Bonds of any one or more series of U.S. Route 58 Bonds and thereby reduce the principal or interest requirements for the U.S. Route 58 Bonds, provided that such covenants or agreements do not affect adversely the owners of U.S. Route 58 Bonds then Outstanding. Such covenants and agreements may be set forth in the applicable supplement to the U.S. Route 58 Trust Agreement and shall be binding on the Transportation Board and all the registered owners of U.S. Route 58 Bonds the same as if such covenants were set forth in full in the U.S. Route 58 Trust Agreement.

Events of Default and Remedies upon Default

Events of Default specified in the U.S. Route 58 Trust Agreement include (1) failure to pay interest on any U.S. Route 58 Bond when due, (2) failure to pay principal of or premium, if any, on any U.S. Route 58 Bond when

due, (3) failure of the Transportation Board to observe or perform any other covenants, agreements or conditions under the U.S. Route 58 Trust Agreement or the U.S. Route 58 Bonds for a period of 60 days after written notice from the Trustee or the owners of 25% in principal amount of U.S. Route 58 Bonds then Outstanding, or in the case of any such default that cannot with due diligence be cured within such 60 day period, failure of the Transportation Board to proceed promptly to cure the default, (4) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues and the funds established under the U.S. Route 58 Trust Agreement or approval by a court of competent jurisdiction of any petition for reorganization of the Transportation Board or rearrangement or adjustment of the obligations of the Transportation Board under applicable bankruptcy or insolvency law.

Upon the occurrence and continuation of any such Event of Default the Trustee may, and if requested by the owners of not less than 25% in principal amount of U.S. Route 58 Bonds then Outstanding will, by notice to the Transportation Board, declare the principal of and accrued interest on such U.S. Route 58 Bonds then Outstanding due and payable, but only from the Revenues and other funds of the Transportation Board available and appropriate for such payment and from the funds held by the Trustee under the U.S. Route 58 Trust Agreement. Pursuant to the conditions set forth in the U.S. Route 58 Trust Agreement, such declaration may be rescinded upon payment of all principal of all U.S. Route 58 Bonds that have matured or been called for redemption pursuant to any sinking fund provision and of all arrears of interest. Upon the occurrence and continuation of an Event of Default the Trustee may, and if requested by the Holders of not less than 25% in principal amount of U.S. Route 58 Bonds then Outstanding and if indemnified as to expenses and liability will, proceed to protect its rights and the rights of the Owners of the U.S. Route 58 Bonds by mandamus or other suit, action or proceeding at law or in equity.

If an Event of Default occurs and has not been remedied, the Trustee (a) is entitled, upon the filing of a suit or other commencement of judicial proceedings, to have a receiver of the Revenues and the funds held under the U.S. Route 58 Trust Agreement appointed, and (b) may, and if requested by the owners of not less than 25% in principal amount of U.S. Route 58 Bonds then Outstanding and if indemnified as to expenses and liability will, take such steps as the Trustee deems most expedient in the interests of the owners of the U.S. Route 58 Bonds.

Except to enforce certain rights set forth in the U.S. Route 58 Trust Agreement, no owner of any U.S. Route 58 Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the U.S. Route 58 Trust Agreement or any remedy under it, subject to certain exceptions set forth in the U.S. Route 58 Trust Agreement.

Defeasance of U.S. Route 58 Bonds

If all U.S. Route 58 Bonds secured by the U.S. Route 58 Trust Agreement have been paid in accordance with their terms or have been called for redemption, or if irrevocable instructions to call the bonds or pay them at maturity have been given by the Transportation Board to the Trustee and the Trustee holds in cash or noncallable Government Obligations or noncallable Government Certificates the principal of and the interest on which at maturity will be sufficient (1) to redeem in accordance with the U.S. Route 58 Trust Agreement and any supplemental trust agreement, all U.S. Route 58 Bonds that have been called for redemption on the date set for such redemption or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (2) to pay at maturity all U.S. Route 58 Bonds not irrevocably called for redemption, (3) to pay interest accruing on all U.S. Route 58 Bonds prior to their redemption or payment at maturity, (4) to make all payments to the United States of America required by any supplemental trust agreement, and (5) to pay to the Trustee its reasonable fees and expenses, and all other fees and expenses for which the Transportation Board is responsible, then the Trustee will cancel and discharge the U.S. Route 58 Trust Agreement and execute and deliver to the Transportation Board such instruments in writing as are necessary to cancel its lien and assign and deliver to the Transportation Board any property at the time subject to the U.S. Route 58 Trust Agreement which may then be in its possession, except funds or securities in which such funds are invested which are held by the Trustee for the payment of principal of and premium if any, and interest on the U.S. Route 58 Bonds and other fees and expenses described above.

U.S. Route 58 Bonds will be deemed to be paid and no longer Outstanding provided that cash, noncallable Government Obligations or noncallable Government Certificates the principal of and premium, if any, and interest on which will be sufficient therefore have been deposited with the Trustee; provided, however, if such U.S. Route

58 Bonds are to be redeemed prior to their maturity, notice of such redemption shall have been given or arrangements satisfactory to the Trustee will have been made for such notice to be given.

Amendments and Supplemental U.S. Route 58 Trust Agreements

The Transportation Board and the Trustee may, without the consent of or notice to any owners of U.S. Route 58 Bonds, enter into supplemental trust agreements (1) to cure any ambiguity, formal defect or omission in the U.S. Route 58 Trust Agreement, (2) to grant to or confer upon the Trustee for the benefit of the owners of U.S. Route 58 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the owners of U.S. Route 58 Bonds or the Trustee or either of them, (3) to add to the covenants and agreements of the Transportation Board in the U.S. Route 58 Trust Agreement additional covenants and agreements, (4) to modify, supplement or amend the U.S. Route 58 Trust Agreement as may be required by or to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute or any state securities law, (5) to modify, supplement or amend the U.S. Route 58 Trust Agreement to comply with any provisions relating to rebate to the United States of America of earnings derived from the investment of proceeds of U.S. Route 58 Bonds, (6) to modify, amend or supplement the U.S. Route 58 Trust Agreement in such manner as may be required by the Rating Agencies to maintain their respective ratings on the U.S. Route 58 Bonds, (7) to authorize the issuance of one or more series of U.S. Route 58 Bonds pursuant to the provisions of the U.S. Route 58 Trust Agreement, (8) to modify, amend or supplement the U.S. Route 58 Trust Agreement to implement any covenants or agreements contemplated by credit banks, insurers, or similar entities provided such modification, amendment or supplement does not materially adversely affect the rights of the owners of any U.S. Route 58 Bonds then Outstanding, and (9) to make any other change in the U.S. Route 58 Trust Agreement that in the opinion of the Trustee will not prejudice in any material respect the rights of the owners of U.S. Route 58 Bonds then Outstanding.

Any of the provisions of the U.S. Route 58 Trust Agreement may be amended by the Transportation Board by a supplemental trust agreement upon the consent of the owners of a majority in aggregate principal amount of U.S. Route 58 Bonds then Outstanding in accordance with the provisions of the U.S. Route 58 Trust Agreement, provided that no such supplemental trust agreement will permit (1) an extension of the maturity of the principal of or the interest on any U.S. Route 58 Bond, (2) a reduction in the principal amount of or premium, if any, on any U.S. Route 58 Bond or its rate of interest, (3) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any U.S. Route 58 Bond, (4) a privilege or priority of any U.S. Route 58 Bond or U.S. Route 58 Bonds over any other U.S. Route 58 Bond or U.S. Route 58 Bonds, or (5) a reduction in the aggregate principal amount of U.S. Route 58 Bonds required for consent to such supplemental trust agreement, without the consent of the holders of all the U.S. Route 58 Bonds then Outstanding.

SUMMARY OF THE U.S. ROUTE 58 CORRIDOR DEVELOPMENT PROGRAM PAYMENT AGREEMENT

The following, in addition to the information presented in the section "*Sources of Payment and Security for the Bonds*" summarizes certain provisions of the U.S. Route 58 Payment Agreement. This summary does not purport to be comprehensive or definitive and is qualified by reference to the U.S. Route 58 Payment Agreement in its entirety.

The U.S. Route 58 Payment Agreement requires the Transportation Board to submit annually by December 1 to the Governor and the Director of the Department of Planning and Budget of the Commonwealth the following:

- (1) A request that the Governor include in his budget to be delivered to the next session of the General Assembly a provision that there be deposited in the U.S. Route 58 Corridor Development Fund the amounts set forth in Virginia Code Section 33.2-2300 or any successor provision and to retain in such Fund the unexpended amounts on deposit in such Fund.
- (2) A statement of the amount of principal and interest coming due to the U.S. Route 58 Bonds and all other amounts required to be paid under the U.S. Route 58 Trust Agreement during the next succeeding fiscal or biennial period, as applicable, and a request that the Governor include in his budget to be delivered to the next session of the General Assembly a provision that there be appropriated such amount for such purpose (i) from the U.S. Route 58 Corridor Development

Fund (ii) to the extent required, from other legally available funds in the Transportation Trust Fund, and (iii) to the extent required, from other legally available funds appropriated by the General Assembly.

- (3) A request that the Governor include in his budget to be delivered to the next session of the General Assembly a provision that the balance remaining in the U.S. Route 58 Corridor Development Fund, after the appropriation, if any, described in paragraph (2) above is made, be appropriated for Costs of the U.S. Route 58 Program.

The Transportation Board will use its best efforts to have (i) the Governor include in each biennial or any supplemental budget he presents to the General Assembly the amounts so requested and (ii) the General Assembly deposit, appropriate and reappropriate, as applicable, such amounts.

The Treasury Board will use its best efforts to have (i) the Governor include in each biennial or any supplemental budget he presents to the General Assembly the amounts described in section (2) above and (ii) the General Assembly appropriate such amounts.

The Commonwealth's budgetary process, to which the U.S. Route 58 Payment Agreement provisions relate, is described in the subsection "*Budgetary Process*" within the section "*Financial Factors*" in Appendix B, "*Commonwealth of Virginia, Financial and Other Information.*"

The Transportation Board will provide to the Treasury Board, by May 1 and November 1 of each year, all requisitions and documents and take all actions necessary to have paid to the Treasury Board (1) from the U.S. Route 58 Corridor Development Fund, (2) to the extent required, from other legally available funds in the Transportation Trust Fund, and (3) to the extent required, from other legally available funds appropriated by the General Assembly, all amounts due under the U.S. Route 58 Payment Agreement for the payment of principal and interest payments due under the U.S. Route 58 Trust Agreement, and to request the Treasury Board to make such payments to the Trustee. The Transportation Board will take all action necessary to have such payments which are made from the U.S. Route 58 Corridor Development Fund, other legally available funds in the Transportation Trust Fund and other legally available funds charged against the proper appropriation made by the General Assembly.

The Treasury Board will use its best efforts to obtain by May 1, and November 1 of each year the appropriate requisitions and documents needed from the Transportation Board to make all payments due under the U.S. Route 58 Trust Agreement to the Trustee. The Treasury Board will make all principal and interest payments on the U.S. Route 58 Bonds to the Trustee solely from amounts available to it for such purpose.

So long as treasury loans are authorized by Virginia Code Section 33.2-1701 or any successor provision, the Secretary of Finance has agreed in the Payment Agreement that, if there is appropriated in any Fiscal Year to the U.S. Route 58 Corridor Development Fund, all or any portion of the amount set forth in Virginia Code Section 33.2-2300, or any successor provision, he will authorize and cause to be made a treasury loan from the general fund of the Commonwealth in an amount not less than the debt service due on the U.S. Route 58 Bonds in such Fiscal Year to the U.S. Route 58 Corridor Development Fund (or such lesser amount equal to the amount appropriated to such fund) on the first day of such Fiscal Year or as soon thereafter as the appropriation is made.

The Trustee is a third party beneficiary of the U.S. Route 58 Payment Agreement and is entitled to enforce, on behalf of the holders of the U.S. Route 58 Bonds, 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.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinions of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Transportation Board upon delivery of the Bonds, substantially in the form set forth in Appendix D. Bond Counsel's opinions will be limited to matters relating to the authorization and the validity of the Bonds and to the federal income status of interest on the Bonds, 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 Bonds, and Bond Counsel's opinions 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 Bonds.

Certain legal matters will be passed upon for the Commonwealth by the Office of the Attorney General of Virginia.

TAX MATTERS

[To Be Updated]

Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion will state that, under current law, interest on the Bonds (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 (a "Specific Tax Preference Item"). See "Form of Bond Counsel Opinion" in Appendix D hereto.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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 Bonds 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 Bonds, Bond Counsel is relying upon certifications of representatives of the Transportation Board, the Underwriter, as hereinafter defined, 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 Bonds in order for interest on the Bonds 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 Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The tax compliance agreement to be entered into by the Transportation Board with respect to the Bonds 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 Bonds 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 Bonds 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 Bonds.

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 Bonds 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 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Bonds, 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 Bonds.

Prospective purchasers of the Bonds 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 Bonds, 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 Bond 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 Bond 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 Bond is the excess of such Bond'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 Bond. The "issue price" of a Bond is the initial offering price to the public at which price a substantial amount of such Bonds 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 Bonds 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 Bonds 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 Bonds with OID (the "OID Bonds") 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 Bond 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 Bonds 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 Bond 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 Bond, the amount of OID that is treated as having accrued on such OID Bond 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 Bonds 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 Bonds 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 Bonds and with respect to state and local tax consequences of owning OID Bonds.

Bond 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 Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond 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 Bond, 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 Bond may realize a taxable gain upon disposition of the Premium Bond 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 Bonds 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 Bonds.

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 Bonds is exempt from income taxation by the Commonwealth. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of

the Bonds should consult their own tax advisors regarding such other Virginia tax consequences or the tax status of interest on the Bonds in a particular state or local jurisdiction other than the Commonwealth.

LEGALITY FOR INVESTMENT

The U.S. Route 58 Bond Legislation provides that the Bonds 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 Bonds 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 Bonds or in any way contest or affect the validity of the Bonds, 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 Bonds.

See the section "*Litigation of the Commonwealth*" in Appendix B for a discussion of litigation pending against the Commonwealth.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, officials who signed the Bonds will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that such officials did not independently verify the information in the Official Statement from sources other than the Transportation Board and VDOT, but that they have no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

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) certain annual 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 E, for the benefit of the holders of the Bonds, to provide to the MSRB Annual Reports and Event Notices.

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 E, to

be executed prior to the issuance of the Bonds for the benefit of the holders of the Bonds, 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.

The Commonwealth has entered into numerous continuing disclosure undertakings with respect to its own debt issuances, as well as debt issuances by related Virginia authorities. Such undertakings require in part that the Commonwealth annually file on the MSRB's Electronic Municipal Market Access System (the "EMMA System") its audited Annual Financial Statements and its Annual Report (consisting of a separately filed Appendix B - Financial and Other Information and a separately filed Appendix C - Demographic and Economic Information). The Commonwealth has become aware that (a) for Fiscal Years 2017, 2018, 2019 and 2020, such filings were not successfully linked on the EMMA System to all of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2011A, issued by the Virginia College Building Authority ("VCBA"), and (b) for Fiscal Year 2020, such filings were not successfully linked on the EMMA System to any of the CUSIPs for the Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2020A, and Educational Facilities Federally Taxable Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs), Series 2020B, issued by VCBA. Such filings were otherwise available on the EMMA System with respect to other continuing disclosure undertakings of the Commonwealth. The Commonwealth has made a remedial filing to correct the linkage problem for any such VCBA bonds that are currently outstanding.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") assigned the Bonds 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 Bonds.

SALE AT COMPETITIVE BIDDING

The Bonds will be offered for sale at competitive bidding on March 22, 2022,* unless changed as described in the Notice of Sale contained in Appendix G to this Official Statement. After the Bonds have been awarded, the Transportation Board will deem the Official Statement final as of its date, and the Official Statement as so completed will be a final official statement within the meaning of Rule 15c2-12 (the "Final Official Statement"). The Final Official Statement will include, among other matters, the identity of the winning bidder and the managers of the syndicate, if any, submitting the winning bid (the "Underwriter"), the expected selling compensation to the Underwriter of the Bonds and other information on the interest rates and offering prices or yields of the Bonds, as supplied by the Underwriter. See Appendix G, "Notice of Sale."

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 Bonds. PRAG has assisted in the preparation of this Official Statement and in matters relating to the planning, structuring and issuance of the Bonds 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 U.S. Route 58 Trust Agreement, the U.S. Route 58 Payment Agreement, and other documents are brief outlines of certain of their provisions. These outlines do not

* Preliminary, subject to change.

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 Laura Farmer, Chief Financial Officer, Virginia Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219 (telephone: 804-786-3096).

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 Bonds.

The purpose of this Preliminary Official Statement is to supply information to prospective buyers of the Bonds. 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: _____
Shannon Valentine, Chairperson

COMMONWEALTH OF VIRGINIA

**FINANCIAL STATEMENTS OF THE COMMONWEALTH
FOR THE YEAR ENDED JUNE 30, 2021**

COMMONWEALTH OF VIRGINIA

**FINANCIAL AND OTHER
INFORMATION**

COMMONWEALTH OF VIRGINIA

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

FORMS OF BOND COUNSEL OPINIONS

PROPOSED FORM OF BOND COUNSEL OPINION

**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	E-1
Form of Continuing Disclosure Undertaking - Commonwealth of Virginia	E-6

BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payments of principal, premium, if any, and interest on the Bonds 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 Bonds 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 Bonds. The Bonds 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 Bond certificate will be issued for each maturity of the Bonds 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 3.5 million 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 Standard & Poor's rating: 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.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records, as applicable. Beneficial Owners will not receive written confirmation from DTC of their purchase. 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, as applicable, through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (each an "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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Because DTC is treated as the owner of the Bonds 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 Bonds that may be transmitted by or through DTC.

Principal, redemption premium, if any, and interest payments on the Bonds 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 or Indirect Participants, or both, will promptly transfer payment to Beneficial Owners.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners of the Bonds means Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

DTC may discontinue providing its services as securities depository with respect to the Bonds 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, Bond 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, Bond 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 Bondholder of the Bonds, the Transportation Board and the Trustee shall treat Cede & Co. as the only Bondholder of the Bonds for all purposes under the Indenture, including receipt of all principal of, premium, and interest on the Bonds, 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, the Beneficial Owners, or any combination of the foregoing, with respect to (a) the accuracy or the maintenance of any records maintained by DTC, any Direct Participant or any Indirect Participant; (b) the payment by any Direct Participant or any Indirect Participant of an amount due to a Beneficial Owner with respect to the principal of, premium, and interest on the Bonds or the sending of any transaction statements; (c) the delivery or timeliness of delivery by DTC or any Direct Participant 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 bondholders; (d) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Bonds; or (e) other action taken by DTC or Cede & Co. as Bondholder of the Bonds, 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 Bonds without the consent of Beneficial Owners or bondholders.

NOTICE OF SALE

PRELIMINARY FINANCING SUMMARY

Commonwealth Transportation Board

\$116,145,000*

Commonwealth of Virginia Transportation Revenue Bonds Series 2022

**(U.S. Route 58 Corridor Development Program)
January 12, 2022**

Title:	\$116,145,000* Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program) (the "Bonds")
Issuer:	Commonwealth Transportation Board
Constitutional Reference:	Article X, Section 9(d)
Legislative Reference:	Section 33.2-1700, et seq., Code of Virginia of 1950, as amended, and Chapters 8 and 12 of the Acts of the General Assembly, 1989 Special Session II, as amended by Chapter 538 of the Acts of the 1999 General Assembly and Chapter 296 of the Acts of the General Assembly, 2013 Regular Session, and as amended and reenacted by Chapter 1230 of the Acts of the General Assembly, 2020 Regular Session.
Purpose:	To finance a portion of the costs of the U.S. Route 58 Corridor Development Program and to pay costs of issuing the Bonds.
Security:	<p>The bonds are secured by and payable solely from funds appropriated for such purpose by the General Assembly, or allocated by the Commonwealth Transportation Board for such purpose from revenues, receipts and funds appropriated to it by the General Assembly from (1) the U.S. Route 58 Corridor Development Fund, (2) to the extent required, revenues legally available in the Transportation Trust Fund, and (3) to the extent required, other legally available funds appropriated by the General Assembly for such purpose.</p> <p>The Bonds are limited obligations of the Commonwealth of Virginia and do not create or constitute a debt or pledge of the full faith and credit of the Commonwealth of Virginia or any of its political subdivisions.</p>
Sale Date*:	March 22, 2022
Dated Date*:	Date of Delivery
Delivery Date*:	On or about April 5, 2022
Bond Structure*:	Serial bonds paying current interest and maturing annually in the years 2023 through 2047 or a combination of serial and term bonds paying current interest with mandatory sinking fund redemptions with a maturity date not later than 2047.
Optional Redemption Provisions*:	The Bonds maturing on or before May 15, 2032 are not subject to optional redemption. The Bonds maturing on or after May 15, 2033 will be subject to redemption before maturity at the Transportation Board's option on and after May 15, 2032, in whole or in part at any time, at par plus interest accrued thereon to the date fixed for redemption.
Interest Payment Dates:	Interest on the Bonds is payable beginning on November 15, 2022, and semiannually thereafter on each May 15 and November 15.
Principal Payment Dates:	Principal is payable beginning on May 15, 2023, and annually thereafter on each May 15 with the final maturity on May 15, 2047.

* Preliminary, subject to change.

PRELIMINARY FINANCING SUMMARY

Commonwealth Transportation Board

\$116,145,000*

Commonwealth of Virginia Transportation Revenue Bonds Series 2022

**(U.S. Route 58 Corridor Development Program)
January 12, 2022**

Denomination:	\$5,000
Registration Provisions:	Book-entry DTC eligible
Anticipated Ratings:	Fitch Ratings AA+
	Moody's Investors Service Aa1
	S&P Global Ratings AA+
Financial Advisor:	Public Resources Advisory Group, New York, New York
Bond Counsel:	McGuireWoods LLP, Richmond, Virginia
Trustee & Paying Agent:	U.S. Bank National Association, Richmond, Virginia
Method of Sale*:	Competitive Bidding
Underwriter:	TBD at time of competitive bid
Summary of Bids:	TBD at time of competitive bid
Estimated All-in True Interest Cost:	2.0505%* (As of December 14, 2021)
Maximum All-in True Interest Cost:	3.50%
All-in True Interest Cost:	TBD (based on final sizing)
Estimated Cost of Issuance (excluding underwriters' discount):	\$334,400

Cost of Issuance Estimate*

Financial Advisor	\$ 59,000
Bond Counsel	130,000
Moody's	31,500
S&P	35,000
Fitch	40,000
Disclosure Counsel	10,000
Trustee/Paying Agent	26,400
Printer	2,500
Total	\$334,400

* Preliminary, subject to change.

NOTICE OF SALE
Commonwealth Transportation Board

\$ _____ *

Commonwealth of Virginia
Transportation Revenue Bonds
Series 2022
(U.S. Route 58 Corridor Development Program)

Electronic bids, via PARITY® Competitive Bidding System (“PARITY®”) for the purchase of all, and not less than all, of the \$ _____ * preliminary aggregate principal amount of Commonwealth of Virginia Transportation Revenue Bonds, Series 2022 (U.S. Route 58 Corridor Development Program) (the “Bonds”) will be received by the Commonwealth Transportation Board (the “Transportation Board”) until 10:30 a.m. (Eastern) on March 22, 2022 (unless changed as described herein). Capitalized terms not defined herein shall have the meanings defined in the Preliminary Official Statement dated the date hereof.

Description of Bonds; Interest Payment Dates

The Bonds will be dated their date of delivery and will be issued as fully registered bonds in book-entry form only. Interest on the Bonds will be calculated on a 30/360 basis and will be payable semiannually on May 15 and November 15, commencing November 15, 2022.

Principal Amortization

Principal on the Bonds will be paid (subject to prior redemption) through serial maturities and/or term maturities with annual sinking fund redemptions on the following dates and in the following amounts.

May 15	Preliminary Annual Principal Amounts*	May 15	Preliminary Annual Principal Amounts*
2023	\$	2036	\$
2024		2037	
2025		2038	
2026		2039	
2027		2040	
2028		2041	
2029		2042	
2030		2043	
2031		2044	
2032		2045	
2033		2046	
2034		2047	
2035			

Optional Redemption

The Bonds maturing on or before May 15, 2032, will not be subject to optional redemption. The Bonds maturing on or after May 15, 2033, will be subject to optional redemption, at the sole discretion of the Transportation Board, on and after May 15, 2032, in whole or in part (in increments of \$5,000) at any time, at par plus interest accrued on the principal amount to be redeemed to the date fixed for redemption.

Serial Bonds, Term Bonds and Mandatory Sinking Fund Redemption

Bidders may provide in the bid form for all of the Bonds to be issued as serial bonds, or bidders may designate consecutive annual principal amounts of the Bonds to be combined into one or more term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on May 15 of the first year which has been combined to form such term bond and continuing on May 15 in each year thereafter until the stated maturity date of

* Preliminary, subject to adjustment both before and after award of the Bonds as described herein under “Adjustments to Principal Amount.”

that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the appropriate amortization schedule, as adjusted in accordance with the provisions described below under the caption “Adjustments to Principal Amount.” The Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Bonds of the maturity being redeemed.

Selection of Bonds for Redemption

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed will be called in such order as the Transportation Board may determine. If less than all of the Bonds of any maturity are called for optional or mandatory redemption, the Bonds to be redeemed will be selected by The Depository Trust Company (“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 (as defined below) 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 Bond for such purpose.

Book-Entry Only

Initially, one bond certificate for each maturity will be issued to DTC or its nominee, which will be designated as the securities depository for the Bonds. So long as DTC is acting as securities depository for the Bonds, a book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal of, redemption premium, if any, and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable in lawful money of the United States of America by the Trustee.

Transfer of principal, premium, if any, and interest payments to Beneficial Owners will be the responsibility of such participants and other nominees of the Beneficial Owners. The Transportation Board will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Transportation Board in its sole discretion determines (1) that Beneficial Owners will be able to obtain certificated bonds or (2) to select a new securities depository, the Transportation Board will discontinue the book-entry system with DTC. If the Transportation Board fails to identify another qualified securities depository to replace DTC, the Transportation Board will cause the execution and delivery of replacement bonds in the form of fully registered certificates.

Authorization and Security

The Bonds are limited obligations of the Commonwealth of Virginia (the “Commonwealth”) and the Transportation Board payable solely from the revenues, receipts and funds appropriated for such purpose by the General Assembly of the Commonwealth of Virginia (the “General Assembly”), or allocated by the Transportation Board for such purpose from the revenues, receipts and funds 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 of any of its political subdivisions. The General Assembly is not obligated to make any such appropriation.

The Bonds 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 Bonds when due, the Trustee and the owners of the Bonds shall have no right to take possession of any transportation facilities or to exclude the Commonwealth or the Transportation Board from possession of any transportation facilities.

The issuance of the Bonds has been authorized by the provisions of the Revenue Bond Act, Chapters 8 and 12 of the Acts of the General Assembly of Virginia, 1989 Special Session II, as amended by Chapter 538 of the Acts of the General Assembly of Virginia, 1999 General Session and Chapter 296 of the Acts of the General Assembly of Virginia, 2013 Regular Session and as amended and reenacted by Chapter 1230 of the Acts of the General Assembly of Virginia, 2020 Regular Session, and the resolution adopted by the Transportation Board on January 12, 2022. The Bonds are being issued pursuant to a Master Agreement of Trust dated as of November 1, 1989, as previously supplemented and amended (the “U.S. Route 58 Master Trust Agreement”), and as further supplemented by a Seventeenth Supplemental Agreement of Trust dated as of April 1, 2022 (the “Seventeenth Supplemental Trust Agreement” and collectively, with the U.S. Route 58 Master Trust Agreement, the “U.S. Route 58 Trust Agreement”), each between the Transportation Board and the Trustee. The Trustee is also the Paying Agent for the Bonds.

The Bonds will be equally and ratably secured by and payable from 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, from (1) the U.S. Route 58 Corridor Development Fund, (2) to the extent required, other revenues legally available from the Transportation Trust Fund, and (3) to the extent required, other legally available funds appropriated by the General Assembly, and from moneys in certain funds established under the U.S. Route 58 Trust Agreement.

Capitalized terms not defined herein shall have the meanings prescribed to them in the Preliminary Official Statement dated the date hereof.

Bid Specifications

No bid for other than all of the Bonds will be considered. All bids must be unconditional. Each proposal for the Bonds must specify the amount bid for such Bonds not less than 100% of the par value of the aggregate principal amount of the Bonds, based on the Revised Amounts as described below. Bidders are invited to name the rate or rates of interest that the Bonds are to bear, in multiples of 1/8 or 1/20 of one percent. Any number of rates may be named, provided that (a) the difference between the highest interest rate and the lowest interest rate shall not exceed [400] basis points and (b) no interest rate may exceed 5.00%. Each bidder must specify in its bid a single rate for each maturity of the Bonds. No Bond of any maturity may be reoffered at a price less than 95% of the principal amount of such Bond.

Electronic Bidding and Bidding Procedures

Registration to Bid. All prospective electronic bidders must be contracted customers of *PARITY®*. If you do not have a contract with *PARITY®*, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds a prospective bidder represents and warrants to the Transportation Board that the bidder has an established industry reputation for underwriting new issuances of municipal bonds and that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Notice of Sale shall conflict with earlier information provided by *PARITY®* as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY®*, including any fee charged, may be obtained from *PARITY®* at (212) 849-5021.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via *PARITY®*. Each prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY®* for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Transportation Board nor *PARITY®* shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Transportation Board nor *PARITY®* shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by *PARITY®*. The Transportation Board is using *PARITY®* as a communication mechanism, and not as the Transportation Board's agent, to conduct the electronic bidding for the Bonds. The Transportation Board is not bound by any advice and determination of *PARITY®* to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via *PARITY®* are the sole responsibility of the bidders; and the Transportation Board is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone *PARITY®* and notify the Chief Financial Officer of the Virginia Department of Transportation by telephone at (804) 786-3096.

Bidding Procedures. Bids submitted electronically for the purchase of the Bonds (all or none) must be by means of the Commonwealth Transportation Board Bid Form (the "Bid Form") via *PARITY®* by 10:30 a.m. (Eastern) on March 22, 2022, unless changed as described herein (see "Change of Date and Time for Receipt of Bids"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in *PARITY®*. Once the final bid has been saved in *PARITY®*, the bidder may select the final bid button in *PARITY®* to submit the bid to *PARITY®*. Once the bids are communicated electronically via *PARITY®* to the Transportation Board, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on *PARITY®* shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via *PARITY®*. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

A good faith deposit in the amount of \$_____ * (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit shall be provided for by a federal funds wire transfer to be submitted to the Transportation Board by the successful bidder not later than 4:00 p.m., (Eastern), on the date of sale (the "Wire Transfer Deadline") as set forth below under "Wire Transfers." The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Transportation Board to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

Wire Transfers. The Transportation Board will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the Transportation Board in its discretion without any financial liability of the Transportation Board to the successful bidder or any limitation whatsoever on the Transportation Board's right to sell the Bonds to a different purchaser upon such terms and conditions as the Transportation Board shall deem appropriate.

Adjustments to Principal Amount

Changes Prior to Bidding. The preliminary aggregate principal amount of the Bonds and the preliminary annual principal amounts as set forth in this Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amounts," respectively; collectively, the "Preliminary Amounts") may be revised before the opening of sealed bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," respectively; collectively, the "Revised Amounts") WILL BE ANNOUNCED ON THOMSON MUNICIPAL MARKET MONITOR ("TM3") (www.tm3.com) NOT LATER THAN 9:30 A.M. (EASTERN) ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

Changes to the Winning Bid. After selecting the winning bid, the Transportation Board will determine the final aggregate principal amount of the Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the Transportation Board will not reduce or increase the Revised Aggregate Principal Amount by more than 15% of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREIN DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices (as defined below). The interest rate specified by the successful bidder for each maturity as the Initial Reoffering Prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder by 10:00 a.m. (Eastern) on the business day following the sale.

Basis of Award

ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M. (EASTERN) ON THE DATE OF THE SALE. An award of the Bonds, if made, will be made by the Transportation Board by such time. Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Transportation Board, based on the Revised Amounts described above. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price. The true interest cost shall be calculated from the dated date of the Bonds. In case of a tie, the Transportation Board, at its sole discretion, may select the successful bidder. THE TRANSPORTATION BOARD RESERVES THE RIGHT TO WAIVE IRREGULARITIES IN ANY BID AND TO REJECT ANY OR ALL BIDS.

* Preliminary, subject to change.

Establishment of Issue Price

The Transportation Board expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a “Qualified Competitive Bid”). The Transportation Board will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid or whether the bid fails to satisfy such requirements (a “Nonqualified Competitive Bid”).

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the Transportation Board will notify the successful bidder, and such bidder, upon such notice, shall advise the Transportation Board within 30 minutes of the reasonably expected initial offering price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Transportation Board information to establish the initial expected offering price for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the Transportation Board, on or before the date of issuance of the Bonds, substantially in the form set forth in Exhibit A to the Notice of Sale, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Transportation Board will notify the successful bidder, and such bidder, upon such notice, shall advise the Transportation Board within 30 minutes of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Transportation Board information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Exhibit B to the Notice of Sale, with appropriate completions, omissions and attachments. It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the Transportation Board in writing (via electronic transmission) of the initial public offering prices of the Bonds (the “Initial Reoffering Prices”). The successful bidder must, by electronic transmission or delivery received by the Transportation Board within 24 hours after notification of the award, furnish the following information to the Transportation Board to complete the Final Official Statement in final form (the “Final Official Statement”):

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the Initial Reoffering Prices).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the Transportation Board determines is necessary to complete the Final Official Statement.

After the award of the Bonds, the Transportation Board will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Transportation Board will not include in the Final Official Statement a “NRO” (“not reoffered”) designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Transportation Board in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

The Transportation Board expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds, the Municipal Securities Rulemaking Board (“MSRB”). The successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB and such repositories, to acknowledge that the Transportation Board expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

It is the policy of the Commonwealth of Virginia pursuant to Executive Order 35 (2019) to ensure that small businesses and businesses owned by women and minorities receive every opportunity to compete for the Commonwealth's business. Following award of the Bonds, the Transportation Board requires that the winning

bidder provide a listing of syndicate members noting any minority, women or disadvantaged business enterprises participating in the syndicate.

Bond Insurance

In the event the successful bidder has on its own obtained a commitment for a municipal bond insurance policy or other credit enhancement, the Transportation Board shall indicate in the Final Official Statement those maturities that the successful bidder has informed the Transportation Board for which credit enhancement is being sought. The Transportation Board will also indicate within the Final Official Statement that further information concerning such potential credit enhancement may be obtained through the successful bidder. The Transportation Board will not include the identity of the potential credit enhancer or other information with respect to the potential credit enhancer in the Final Official Statement. In addition, the Transportation Board will not place a statement of insurance on the Bonds or provide such documentation, or make such covenants or arrangements, as would customarily be provided, made or arranged if the Transportation Board were to obtain a commitment for municipal bond insurance or other credit enhancement on its own.

If the successful bidder obtains a municipal bond insurance policy or other form of credit enhancement, at the same time it provides the initial reoffering prices and yields it shall advise the Transportation Board of the cost of such credit enhancement and whether it will provide to the Transportation Board, at or before the closing of the Bonds, a certificate prepared by McGuireWoods LLP, Richmond, Virginia (“Bond Counsel”) to the effect that (i) the present value of the fees paid for such credit enhancement are less than the present value of the interest reasonably expected to be saved as a result of obtaining such credit enhancement, using the yield on the Bonds (determined with regard to the payments for such credit enhancement) as the discount factor for this purpose, and (ii) to the best of its knowledge, such fees were obtained in arm's length negotiations and do not exceed a reasonable charge for the transfer of credit risk. In addition, the successful bidder will cooperate with the Transportation Board and Bond Counsel to obtain the necessary certifications from the credit enhancement provider. Failure of the Bonds to be so insured or of any such policy to be issued shall not in any manner relieve the successful bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Bonds.

Delivery of Bonds; Closing Papers and Certificates

The Bonds are expected to be delivered on or about April 5, 2022 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS ANNOUNCED ON TM3 NOT LATER THAN 4:00 P.M. (EASTERN) ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) (the “Closing Date”) through the facilities of DTC against payment of the purchase price therefor (less the amount of the good faith deposit) in Federal Funds.

There will also be furnished the usual closing papers, including among others, certificates signed by (1) the officials who signed the Bonds stating that no litigation of any kind is now pending or, to their information, knowledge or belief, threatened to restrain or enjoin the issuance or delivery of the Bonds or in any manner questioning the proceedings and authority under which the Bonds are issued, or affecting the validity of the Bonds and (2) appropriate Transportation Board or Commonwealth officials, respectively, relating to the Final Official Statement, as described in the Preliminary Official Statement under the section entitled “Certificate Concerning Official Statement.”

It shall be a condition of closing that the foregoing items be delivered and that, as described below, Bond Counsel deliver its opinion in substantially the form set forth in an appendix to the Preliminary Official Statement. If the delivery of any such item fails to occur, the successful bidder shall be entitled to the return of its Deposit, the Transportation Board shall not be obligated to deliver the Bonds, and the successful bidder and the Transportation Board shall be relieved of their obligations to each other arising out of this Notice of Sale.

Legal Opinion

The approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, in substantially the form set forth in an appendix to the Preliminary Official Statement, will be furnished at no expense to the successful bidder. The Preliminary Official Statement contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the excludability from gross income of interest on the Bonds and a discussion of Bond Counsel's opinion insofar as it concerns such tax status.

CUSIP Numbers

Public Resources Advisory Group, municipal advisor to the Transportation Board, will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. The successful bidder will be responsible for the cost of assignment of such CUSIP numbers. It is anticipated that CUSIP numbers will be printed on the Bonds, but the Transportation Board will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with

respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Official Statement

The Preliminary Official Statement dated the date hereof and the information contained therein have been deemed final by the Transportation Board as of its date within the meaning of the Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”) with permitted omissions but is subject to change without notice and to completion or amendment in the Final Official Statement.

The Transportation Board, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds, within seven business days of the award of the Bonds, provided that the successful bidder cooperates in a timely manner in providing the information required to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the MSRB, including an obligation, if any, to update the Final Official Statement.

Continuing Disclosure

Rule 15c2-12 prohibits an underwriter from purchasing or selling municipal securities, such as the Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material “obligated persons” (hereinafter referred to as “MOPs”) have committed to provide (i) on an annual basis, certain financial and operating data (“Annual Reports”) and, if available, audited financial statements, to the MSRB via EMMA, as described in 1934 Act Release No. 59062 and (ii) notice of the events described in Rule 15c2-12 (“Event Notices”), to the MSRB via EMMA.

The Transportation Board will covenant, in a Continuing Disclosure Agreement in substantially the form provided in an appendix to the Preliminary Official Statement, for the benefit of the holders of the Bonds, to provide to the MSRB via EMMA Annual Reports with respect to itself, as issuer. Similarly, the Transportation Board will provide Event Notices to the MSRB via EMMA.

The continuing disclosure undertaking of the Commonwealth, which the Transportation Board has determined to be a MOP for purposes of Rule 15c2-12, will be evidenced by a Continuing Disclosure Agreement in substantially the form set forth in an appendix to the Preliminary Official Statement, for the benefit of the holders of the Bonds, to be executed and delivered prior to the delivery of the Bonds, pursuant to which the Commonwealth also will provide Annual Reports and Event Notices solely with respect to rating changes affecting the Commonwealth's general obligation bonds.

Change of Date and Time for Receipts of Bids

The Transportation Board expects to take bids on the Bonds on March 22, 2022 at 10:30 a.m. (Eastern). However, the Transportation Board reserves the right to change the date and time established for the receipt of bids and will undertake to notify potential bidders of such changes in the date or time for the receipt of bids. Prospective bidders may request notification by e-mail of any such change by so advising, and furnishing their emails to, Public Resources Advisory Group, Inc. at (212) 566-7800 by Noon, (Eastern), two days prior to the date fixed for the receipt of bids.

A change of the bid date will be announced via TM3 not later than 9:30 a.m. (Eastern) on any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative sale date and time, the Transportation Board will accept bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time of sale and any other changes announced by TM3 at the time the sale date and time are announced. In addition, the Transportation Board reserves the right to make changes to this Notice of Sale. Such changes will be announced on TM3.

Additional Information

For further information relating to the Bonds, reference is made to the Preliminary Official Statement, dated the date hereof, prepared for and authorized by the Transportation Board. The Preliminary Official Statement may be obtained from representatives of the Commonwealth Transportation Board, 1401 East Broad Street, Richmond, VA 23219 (telephone 804-786-3096) or from the financial advisor Public Resources Advisory Group, Inc., 39 Broadway, Suite 1210, New York, NY 10006 (telephone (212) 566-7800).

Commonwealth Transportation Board
By: Shannon Valentine, Chairperson

Dated: March __, 2022

Exhibit A To Notice of Sale - Series 2022

**Form of Issue Price Certificate
For Qualified Competitive Sale**

Commonwealth Transportation Board

\$ _____
**Commonwealth of Virginia
Transportation Revenue Bonds, Series 2022
(U.S. Route 58 Corridor Development Program)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Initial Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Initial Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Initial Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Initial Purchaser to purchase the Bonds.

(b) The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Initial Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) “*Issuer*” means the Commonwealth Transportation Board.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) “*Sale Date*” means the date that the Bonds are awarded by the Issuer to the successful bidder. The Sale Date of the Bonds is [DATE].

(e) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Initial Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[INITIAL PURCHASER]

By: _____

Name: _____

Dated: [ISSUE DATE]

[SCHEDULE A]

[EXPECTED INITIAL OFFERING PRICES OF THE BONDS]

(To Be Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(To Be Attached)

Exhibit B To Notice of Sale - Series 2022

**Form of Issue Price Certificate
For Nonqualified Competitive Sale**

Commonwealth Transportation Board

**\$ _____
Commonwealth of Virginia
Transportation Revenue Bonds, Series 2022
(U.S. Route 58 Corridor Development Program)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the "Initial Purchaser") [and other Underwriters, as defined below], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Initial Purchaser to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***
 - (a) The Initial Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.
 - (b) As set forth in the Notice of Sale and bid award, the Initial Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. ***Defined Terms.***
 - (a) "*General Rule Maturities*" means those Maturities of the Bonds shown in Schedule A hereto as the "General Rule Maturities."
 - (b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."
 - (c) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Initial Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 - (d) "*Issuer*" means the Commonwealth Transportation Board.
 - (e) "*Maturity*" means Bonds with the same credit and payment terms and maturity date. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) “*Sale Date*” means the date that the Bonds are awarded by the Issuer to the successful bidder. The Sale Date of the Bonds is [DATE].

(h) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Initial Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[INITIAL PURCHASER]

By: _____
Name: _____

Dated: [ISSUE DATE]

[SCHEDULE A]

[Sale Prices of the General Rule Maturities]

[Initial Offering Prices of the Hold-The Offering-Price Maturities]

(To Be Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(To Be Attached)



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-6940

Agenda Item #10

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: Seconded By:

Action:

Title: Action on the Second Amended District Contract by and Among the Commonwealth Transportation Board, the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation Improvement District Commission

WHEREAS, the Commonwealth Transportation Board (the “Board”), the Fairfax County Economic Development Authority (the “Authority”), and the State Route 28 Highway Transportation Improvement District Commission (the “Commission” and referred to collectively with each of the Board and the Authority, the “Parties”) have entered into an Amended and Restated District Contract, dated as of May 1, 2012 (including previous amendments and collectively, the “District Contract”), a copy of which is attached hereto as Exhibit A, which includes, among other things, an agreement to undertake certain modifications to State Route 28, including the construction of ten (10) interchanges and two (2) additional lanes for Route 28 between its intersection with Route 50 in Fairfax County and its intersection with Sterling Boulevard in Loudoun County (the “District Project”), an agreement regarding the method of financing the District Project and the procedures to follow for requesting the Boards of Supervisors of the Counties (as defined below) to levy a special improvements tax and collect special tax revenues in accordance with the District Act; and

WHEREAS, the Board of Supervisors of Fairfax County, Virginia (“Fairfax County”), and the Board of Supervisors of Loudoun County, Virginia (“Loudoun County”, together with Fairfax County, the “Counties”), and the Commission have entered into an Amended and Restated Local Contract, dated November 1, 2006 (the “Local Contract”), which provides, among other things, the duty of the Commission to make requests to the Board of Supervisors for the levy of a special improvements tax and the collection of special tax revenues; and

Resolution of the Commonwealth Transportation Board

Action on the Second Amended District Contract by and Among the Commonwealth Transportation Board, the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation Improvement District Commission

January 12, 2022

Page 2

WHEREAS, the Board under a Master Indenture of Trust dated as of October 1, 2002 (the “Board Master Indenture”), has issued Commonwealth of Virginia Transportation Contract Revenue Bonds (Route 28 Project) Series 2002 and Series 2012 (the “Board Bonds”), to provide funding for certain transportation projects on State Route 28 and to refund obligations incurred by the Board for such purposes; and

WHEREAS, the Authority under an Amended and Restated Trust Agreement dated as of November 1, 2006 (as supplemented, the “Authority Trust Agreement”) with U.S. Bank National Association in its capacity as trustee (the “Authority Trustee”) has issued Fairfax County Economic Development Authority Transportation Contract Revenue Bonds (Route 28 Project) Series 2003, Series 2004, Series 2007A, Series 2008, Series 2012 and Series 2016 (each a series of “Authority Bonds”) to provide funding for certain transportation projects on State Route 28 and to refund obligations incurred by the Authority for such purposes; and

WHEREAS, the Counties and U.S. Bank National Association in its capacity as fiscal agent (in such capacity, the “Fiscal Agent”) have entered into an Amended and Restated Fiscal Agent Agreement dated as of November 1, 2006 (the “Fiscal Agent Agreement”) in order to allocate appropriately the special tax revenues collected in the District and provide for the application thereof to the payment of the Board Bonds and Authority Bonds in the manner contemplated in the District Contract; and

WHEREAS, there has been presented to the Board the proposed form of a Second Amended and Restated District Contract by and among the Board, the Commission and the Authority the terms of which would amend the District Contract such that the terms and conditions of the District Contract allow for increased flexibility for structuring the refunding of Authority Bonds, including allowing a portion of funds in the District Project Completion Fund to be transferred to fund the Reserve Subfund in connection with the issuance of refunding Authority Bonds, including a Series 2022 refunding issue of Authority Bonds (the “2022 Authority Bonds”), as well as incorporating the prior amendments to the District Contract (the “Second Amended and Restated District Contract”), a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Counties and the Fiscal Agent propose to execute a Second Amended and Restated Fiscal Agent Agreement (the “Second Amended and Restated Fiscal Agent Agreement”), the terms of which would amend the Fiscal Agent Agreement to contemplate the refunding of certain Authority Bonds, the issuance of the 2022 Authority Bonds and related transfer of a portion of funds in the District Project Completion Fund to the Reserve Subfund for 2022 Authority Bonds, a copy of which is attached hereto as Exhibit C.

Resolution of the Commonwealth Transportation Board
Action on the Second Amended District Contract by and Among the Commonwealth Transportation Board,
the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation
Improvement District Commission
January 12, 2022
Page 3

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH
TRANSPORTATION BOARD:**

1. The Board hereby approves of and endorses the Second Amended and Restated District Contract and authorizes the Chair, and Secretary of Transportation, or his/her designee to execute the Second Amended and Restated District Contract on behalf of the Board and any and all Resolution of the Board documents required to comply with this resolution, with such additions and changes deemed necessary by the Chair, and Secretary of Transportation, or his/her designee.

2. The Board hereby approves the Second Amended and Restated Fiscal Agent Agreement substantially in the form presented to this meeting.

3. This resolution shall take effect immediately upon its adoption.

AMENDED AND RESTATED
DISTRICT CONTRACT

by and among

THE COMMONWEALTH TRANSPORTATION BOARD,

THE FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY,

and

THE STATE ROUTE 28 HIGHWAY TRANSPORTATION IMPROVEMENT
DISTRICT COMMISSION

Dated as of
May 1, 2012

Table of Contents

	<u>Page</u>
Parties	1
Recitals	1-2
Granting Clause	2
ARTICLE I	
<u>DEFINITIONS AND RULES OF CONSTRUCTION</u>	
Section 101. Definitions	2-6
Section 102. Rules of Construction	6
ARTICLE II	
<u>REPRESENTATIONS</u>	
Section 201. Representations of Board	7
Section 202. Representations of Authority	8
Section 203. Representations of Commission	9
ARTICLE III	
<u>UNDERTAKING AND FINANCING THE DISTRICT PROJECT</u>	
Section 301. Agreement to Construct and Complete District Project	9-10
Section 302. Financing the District Project	10-12
Section 303. Cost of Project Improvements	12
Section 304. No Assignment, Sale or Encumbrance of Project Improvements	13
ARTICLE IV	
<u>PAYMENT OF SPECIAL TAX REVENUES</u>	
Section 401. District Payments	13
Section 402. Special Improvements Tax	15
Section 403. Records and Reports	15
Section 404. Annual Audit	15
Section 405. Prepayment of District Obligation	15
Section 406. Failure of District to Pay Special Tax Revenues	15
Section 407. Zoning Changes	16
Section 408. Transfer or Assignment of Rights to Receive Payments	16

ARTICLE V
MISCELLANEOUS

Section 501. Term of Contract	17
Section 502. Priority and Amendments	17
Section 503. Other Contracts	17
Section 504. Amendments of Local Contract	17
Section 505. Successors	17
Section 506. Severability	17
Section 507. Counterparts	17
Section 508. Notices	17
Testimonium	19
Signatures	19
Appendix A1 Description of Phase I Transportation Improvements	
Appendix A2 Description of Phase II Transportation Improvements	
Appendix A3 Description of Phase II Project Improvements	
Appendix B Approvals	
Appendix C Litigation	
Appendix D District Project Construction Schedule	
Appendix E Anticipated Schedule of Financings	
Appendix F Formula for calculation of 75:25 Cost Allocation Upon Completion of the Transportation Improvements	
Appendix G Residential Rezoning Formula	

AMENDED AND RESTATED
DISTRICT CONTRACT

THIS AMENDED AND RESTATED DISTRICT CONTRACT is made as of May 1, 2012, by and among the COMMONWEALTH TRANSPORTATION BOARD (the "Board"), the FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY (the "Authority"), and the STATE ROUTE 28 HIGHWAY TRANSPORTATION IMPROVEMENT DISTRICT COMMISSION (the "Commission") (the Board, the Authority, and the Commission sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties").

RECITALS

A. The Board and the State Route 28 Highway Transportation Improvement District (the "District") entered into a contract, dated as of September 1, 1988 (the "Original Contract"), providing for improvements to State Route 28 in Fairfax and Loudoun Counties. Under the Original Contract, the District agreed to request the Boards of Supervisors to levy a special improvements tax and collect special tax revenues in accordance with the Primary Highway Transportation Improvement District in Multi-County Areas Act of 1987, being Virginia Code §15.1-1372.1 et seq., now found at § 15.2-4600 et seq. (the "District Act"), and to pay for a portion of the costs of building a limited access freeway, commencing with the specified Phase I Transportation Improvements to State Route 28, as provided in the Concurrent Resolutions.

B. The Board and the District entered into a First Amendment to the Original Contract, dated as of April 1, 1992 (the "First Amendment") as a result of a reduction in the actual costs of the Phase I Transportation Improvements.

C. The Board and the District entered into a Second Amendment to the Original Contract, dated as of September 1, 1993 (the "Second Amendment"), to provide for lump-sum payments by landowners of commercially- and industrially-zoned land in the District in connection with the rezoning of such land for residential use as authorized under Chapter 870 of the Acts of Assembly of 1993 (the "First District Act Amendment") and to make certain other changes.

D. Chapter 435 of the Acts of Assembly of 2000 (the "Second District Act Amendment") amended and reenacted the District Act, in pertinent part, to extend the life of the District for a period of fifteen (15) years beyond the thirty-five (35) year term originally provided for in the District Act.

E. Chapter 770 of the Acts of Assembly of 2002 (the "Third District Act Amendment") amended and reenacted the District Act to provide, inter alia, that the District shall not be abolished so long as any District Obligation remains outstanding.

F. The Parties now desire to enter into this District Contract in order to (1) further amend and reenact the Original Contract; (2) complete payment for Phase I Transportation Improvements; (3) undertake those Phase II Transportation Improvements

included in the District Project; (4) set forth the agreement of the Parties regarding the method of financing the District Project; (5) request the Board of Supervisors to levy a Special Improvements Tax and collect Special Tax Revenues in accordance with the District Act; (6) have such revenues paid to the bank or trust company designated for the purpose pursuant to Section 302(f) for the accounts of the Board and the Authority as partial payment for the Costs of the District Project; and (7) establish the District Obligation for the payment of such Costs.

NOW, THEREFORE, in consideration of the foregoing, the continuing services to be provided, and the mutual representations, warranties and agreements contained in this District Contract, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. The following words as used in this District Contract shall have the following meanings unless a different meaning clearly appears from the context:

“Annual Authority Share” means the Authority Proportion multiplied by the total amount of Special Tax Revenues available in a particular Fiscal Year to pay the Combined Debt Service for that Fiscal Year, but not more than the total annual debt service scheduled to become due in that Fiscal Year on all outstanding Authority Bonds.

“Annual Board Share” means the Board Proportion multiplied by the amount of Special Tax Revenues available in a particular Fiscal Year to pay the Combined Debt Service for that Fiscal Year, but not more than the total annual debt service scheduled to become due in that Fiscal Year on all outstanding State Bonds of 2002. The Annual Board Share in the first Fiscal Year shall be reduced in accordance with and to the extent provided in Section 401(a).

“Authority” means the Fairfax County Economic Development Authority, created pursuant to the EDA Act, and its successors.

“Authority Bonds” means the bonds that may be issued by the Authority to provide approximately \$176,000,000 in construction funds in accordance with the District Contract in connection with the financing of the Phase II Transportation Improvements. This definition also includes any bonds issued by the Authority to refund all or any of the Authority Bonds or bonds that shall have refunded bonds that have refunded Authority Bonds, provided that either (i) the annual debt service on such refunding bonds shall be equal to or less than the annual debt service on the bonds refunded and the final maturity of such refunding bonds shall occur no later than the final maturity of the bonds refunded or (ii) the Board and the Boards of Supervisors shall have given their prior written consent to the issuance of such refunding bonds.

“Authority Proportion” means the aggregate annual debt service obligation on all outstanding Authority Bonds scheduled to become due in a particular Fiscal Year divided by the Combined Debt Service for that Fiscal Year.

“Board” means the Commonwealth Transportation Board and its successors.

“Board of Supervisors” or “Boards of Supervisors” means either or both of the boards of supervisors as the governing bodies of Fairfax and Loudoun Counties, as appropriate.

“Board Proportion” means the aggregate annual debt service obligation scheduled to become due on all outstanding State Bonds of 2002 in a particular Fiscal Year divided by the Combined Debt Service for that Fiscal Year.

“Board Statute” means Virginia Code § 33.1-1 et seq., establishing the Board and providing for its powers and duties.

“Combined Debt Service” means the aggregate annual debt service obligation on all outstanding Authority Bonds and State Bonds of 2002 scheduled to become due in any particular Fiscal Year.

“Commission” means the State Route 28 Highway Transportation Improvement District Commission appointed by the Boards of Supervisors pursuant to the District Act and the Chairman of the Board, or his designee, as an ex officio member.

“Concurrent Resolutions” means the resolutions adopted by the Boards of Supervisors in December 1987 to establish the District pursuant to the District Act.

“Cost” or “Cost of the Project Improvements” means the cost as set forth in Section 303 of this District Contract of transportation improvements included in the District Project.

“County” or “Counties” means either or both Fairfax and Loudoun Counties, as appropriate.

“Department” means the Virginia Department of Transportation, a department of the Commonwealth of Virginia, and any other state agency succeeding to the power, authorities and responsibilities of the Department.

“District” means the State Route 28 Highway Transportation Improvement District created by Fairfax and Loudoun Counties pursuant to the District Act.

“District Act” means the Primary Highway Transportation Improvement in Multi-County Areas Act, being Virginia Code § 15.1-1372 et seq., as restated and amended as Virginia Code § 15.2-4600 et seq., as amended, pursuant to which Fairfax and Loudoun Counties established the District.

“District Contract” means this contract between the Parties, and any and all modifications, alterations, amendments and supplements thereto, which as of the Effective Date shall supersede the Original Contract dated September 1, 1988, and all amendments thereto.

“District Obligation” means the portion of the Cost of transportation improvements included in the District Project that has been or is to be paid with Special Tax Revenues in accordance with Article IV of this District Contract.

“District Project” means the Phase I Transportation Improvements, the Phase II Project Improvements and the Phase II Final Four Improvements.

“District Project Completion Fund” means the special fund created with the Fiscal Agent to which are credited Excess Revenues held by or on behalf of the Commission for the purposes set forth in Section 401(e).

“EDA Act” means Chapter 643 of the 1964 Acts of the General Assembly of the Commonwealth of Virginia, as amended.

“Effective Date” means the date of the defeasance of all of the Board’s outstanding Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds (Route 28 District Project), Series 1992.

“Excess Revenues” means the amount, if any, of Special Tax Revenues available in any Fiscal Year in excess of the sum of the Combined Debt Service.

“Fiscal Agent” means the bank or trust company designated as such pursuant to Section 302(f).

“Fiscal Year” means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year or such other fiscal year of twelve months as may be determined by the Parties.

“Highway Funds” means funds for the District Project in Fiscal Years 2003 through 2007 from the Virginia Transportation Six Year Program for Fiscal Years 2002-2008, approved and adopted by the Board on June 20, 2002, in the total amount of \$66,500,366.

“Local Contract” means the contract between the Commission and the Boards of Supervisors of Fairfax and Loudoun Counties as amended and restated as of the date hereof, providing for, among other things, the request for the levy of the Special Improvements Tax and the collection and payment of Special Tax Revenues.

“Lump Sum Payments” means the payments provided for in the First District Act Amendment calculated under the formula set forth in Appendix F.

“Net Debt Service” means actual principal and interest payments on all bonds issued by the Board or the Authority to pay for the District Project less investment

earnings credited to such payments under the terms of the agreements of trust for such bonds.

“Petition” means the Joint Petition to the Board of Supervisors of Fairfax County and to the Board of Supervisors of Loudoun County from landowners seeking the establishment of the Primary Highway Transportation Improvement District known as the State Route 28 Highway Transportation Improvement District.

“Phase II Final Four Improvements” means the Phase II Transportation Improvements described by: (1) paragraph 1, subparagraphs g, h, i and j of Appendix A2; and (2) paragraph 3 of Appendix A2, with respect to the elimination of signalized intersections and access points at Dulles Center Boulevard, Severn Way, Steeplechase Drive, Park Center Drive, and Access Road from Southbound Route 28 between Route 50 and Willard Road.

“Phase II Project Improvements” means the Phase II Transportation Improvements included in the District Project, as more particularly described in Appendix A3.

“Phase I Transportation Improvements” means initial modifications to State Route 28, including six (6) lanes with a twenty-six foot median from Interstate 66 in Fairfax County to Route 7 in Loudoun County and three (3) grade-separated interchanges at Route 50, Dulles Airport Access Toll Road and Route 7, as more particularly described in Appendix A1.

“Phase II Transportation Improvements” means additional modifications to State Route 28, including the construction of ten (10) interchanges and two (2) additional lanes for Route 28 between its intersection with Route 50 in Fairfax County and its intersection with Sterling Boulevard in Loudoun County, as more particularly described in Appendix A2.

“Project Improvements” means the transportation improvements included in the District Project.

“Proportionately” means *pro rata* based on the relative sizes of the Authority Proportion and the Board Proportion for a particular Fiscal Year, each compared to the sum of the Authority Proportion and the Board Proportion for that Fiscal Year.

“Sales Tax Funds” has the meaning given such term by Section 302(g) of this District Contract.

“Special Improvements Tax” means a special improvements tax levied and payable not less frequently than annually on taxable real estate zoned for commercial or industrial use or used for such purposes and taxable leasehold interests zoned for commercial or industrial use or used for such purposes and located within the District.

“Special Tax Revenues” means the revenues collected from the levy of the Special Improvements Tax and the collection of Lump Sum Payments.

“State Bonds of 1992” means the \$111,680,000 in Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) issued by the Board.

“State Bonds of 2002” means the State Refunding Bonds and the State New Money Bonds. This definition also includes any bonds issued by the Board to refund all or any of the State Bonds of 2002 or bonds that shall have refunded bonds that refunded the State Bonds of 2002, provided that either (i) the annual debt service on such refunding bonds shall be equal to or less than the annual debt service on the bonds refunded and the final maturity of such refunding bonds shall occur no later than the final maturity of the bonds refunded or (ii) the Authority and both Boards of Supervisors shall have given their prior written consent to the issuance of such refunding bonds.

“State New Money Bonds” means bonds which have been previously authorized for issuance by the Board in connection with the construction of improvements to Route 28, in the amount of \$36,396,246 for new construction, plus associated costs of issuance and other financing costs but which have not yet been issued.

“State Obligation” means the portion of the Cost of the transportation improvements included in the District Project that has been or is to be paid other than with (i) Special Tax Revenues in accordance with this District Contract or (ii) Sales Tax Funds.

“State Refunding Bonds” means the bonds that will be issued by the Board to refund the outstanding State Bonds of 1992.

“Term” means the period specified in Section 501 of this District Contract.

“Virginia Code” means the Code of Virginia of 1950, as amended.

Section 102. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this District Contract:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this District Contract.

(c) The headings and Table of Contents herein are solely for convenience and shall not constitute a part of this District Contract.

(d) Computations of debt service payable in any Fiscal Year shall exclude any debt service payable on the first day of such Fiscal Year and shall include any debt service payable on the first day of the next succeeding Fiscal Year.

ARTICLE II

REPRESENTATIONS

Section 201. Representations of Board. The Board makes the following representations as of the Effective Date in connection with its undertakings under this District Contract:

(a) The Board is duly organized under the Board Statute.

(b) The Board (i) has the power to enter into this District Contract and the transactions contemplated hereby; (ii) has the power to carry out its obligations under this District Contract; and (iii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under this District Contract.

(c) The Board is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute or result in such an event of default.

(d) The execution and delivery of and compliance by the Board with the terms and conditions of this District Contract will not conflict with or constitute or result in a default under, or violation of, (i) the Board Statute or any other existing law, rule or regulation applicable to the Board or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Board or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) Except as identified in Appendix B, no further approval, consent or withholding of objection on the part of any regulatory body or any federal, state, or local official is required as a condition precedent to the execution or delivery of or performance by the Board of its obligations under this District Contract.

(f) Except as identified in Appendix C, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Board's knowledge, threatened against it with respect to (i) the creation and existence of the Board, (ii) its authority to execute and deliver this District Contract, (iii) the validity or enforceability of this District Contract, (iv) the title of any officer of the Board who executed this District Contract, or (v) any authority or proceedings related to the execution and delivery of this District Contract on behalf of the Board, and no such authority or proceedings have been repealed, revoked, rescinded or amended, but each is in full force and effect.

Section 202. Representations of the Authority. The Authority makes the following representations as of the Effective Date in connection with its undertakings under this District Contract:

(a) The Authority is duly organized under the EDA Act.

(b) The Authority (i) has the power to enter into this District Contract and the transactions contemplated hereby; (ii) has the power to carry out its obligations under this District Contract; and (iii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under this District Contract.

(c) The Authority is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute or result in such an event of default; provided, however, that this representation shall be limited to bonds and other obligations of the Authority for which the Counties, or either of them, is directly or indirectly liable for the debt service thereon or for deficiencies in reserves that secure such bonds.

(d) The execution and delivery of and compliance by the Authority with the terms and conditions of this District Contract will not conflict with or constitute or result in a default under or violation of (i) the EDA Act or any other existing law, rule or regulation applicable to the Authority, or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject where the default or violation does or could materially adversely affect the ability of the Authority to discharge its obligations under this District Contract, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state, or local official is required as a condition precedent to the execution or delivery of or performance by the Authority of its obligations, other than its commitment to issue Authority Bonds, under this District Contract.

(f) To the Authority's knowledge, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver this District Contract, (iii) the validity or enforceability of this District Contract, (iv) the title of any officer of the Authority who executed this District Contract, or (v) any authority or proceedings related to the execution and delivery of this District Contract on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended, but each is in full force and effect.

Section 203. Representations of Commission. The Commission makes the following representations as of the Effective Date in connection with its undertakings under this District Contract:

(a) The District is duly organized under the District Act.

(b) The Commission (i) has the power to enter into this District Contract and the transactions contemplated hereby; (ii) has the power to carry out its obligations under this District Contract and (iii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under this District Contract.

(c) The District has no outstanding indebtedness of any kind whatsoever other than its obligations under this District Contract if and to the extent any such obligations may constitute outstanding indebtedness.

(d) The execution, delivery and compliance by the Commission with the terms and conditions of the Local Contract and this District Contract will not conflict with, or constitute or result in a default under or violation of, (i) the District Act or any other existing law, rule or regulation applicable to the District or (ii) any lien, lease, contract, order, judgment, decree or other agreement, instrument or restriction of any kind to which the District or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state, or local official is required as a condition precedent to the execution or delivery of, or performance by the Commission in accordance with the terms and conditions of this District Contract.

(f) To the Commission's knowledge, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or threatened against it with respect to: (i) the creation and existence of the District; (ii) its authority to execute and deliver this District Contract; (iii) the validity or enforceability of this District Contract; (iv) the title of any officer of the Commission who executed this District Contract; or (v) any authority or proceedings related to the execution and delivery of this District Contract on behalf of the District, and no such authority or proceedings have been repealed, revoked, rescinded or amended, but each is in full force and effect.

ARTICLE III

UNDERTAKING AND FINANCING THE DISTRICT PROJECT

Section 301. Agreement to Construct and Complete District Project. In accordance with the Department's specifications and on behalf of the Commonwealth of

Virginia, the Board, either directly or through the Department, shall be responsible for construction and completion of the District Project and shall own, operate and maintain the District Project. The responsibility of the Board to complete the District Project as set forth in this District Contract is contingent upon the availability of sufficient revenue for that purpose, including without limitation issuance of the Authority Bonds, but the Parties anticipate that the Plan described in Section 302 will provide revenue sufficient for that purpose. The Commission shall have no right to approve or otherwise exercise control over the design or construction of the District Project. The Board shall notify the Authority and the Commission prior to any major change in the design or construction of the District Project. The Board shall use its best efforts to cause the completion of the District Project by December 31, 2009.

Section 302. Financing the District Project. The Parties wish to implement a new plan of financing and refinancing for Project Improvements (the "Plan"), as set forth herein, subject to such qualifications as also are set forth herein. Also, attached hereto as Appendix E is the schedule of financings as currently anticipated by the Parties.

(a) As the first component of the Plan, the Board and the Department will designate, allocate, and program the Highway Funds, subject to annual appropriation by the General Assembly, to pay a portion of the Cost of Phase II Project Improvements. The Board agrees to use its best efforts to have the Governor and the General Assembly of Virginia take such actions as are necessary to annually appropriate such funds in amounts needed in each such Fiscal Year to continue with the construction of the Phase II Project Improvements in a timely fashion.

(b) As the second component of the Plan, the Board will issue State Refunding Bonds in an amount sufficient, together with other available funds, to defease the outstanding State Bonds of 1992. The State Refunding Bonds will have a final maturity in 2018, will be structured as current interest bonds only, and will be structured to provide substantially level annual savings. The proceeds of the sale of the State Refunding Bonds will be applied to refund, defease, and redeem in full the outstanding State Bonds of 1992.

(c) As the third component of the Plan, the Board also will issue State New Money Bonds which will have a final maturity in 2032 and will be structured as capital appreciation bonds maturing in the years 2019 through 2032. The proceeds of the State New Money Bonds will be sufficient to pay at least \$ 36,395,000 of the Cost of the Phase II Project Improvements and to pay the issuance costs of the State Bonds of 2002, and will be used only for those purposes. The State New Money Bonds will be structured to produce debt service that is substantially level during the years 2019 to 2032.

(d)(1) The Board will issue the State Bonds of 2002 pursuant to a Master Agreement of Trust between the Board and a trustee, which may be the same bank or trust company that serves as Fiscal Agent under this District Contract, which agreement will not provide for the establishment of any debt service reserve, repair and replacement or similar funds to be funded or maintained with the proceeds of the State Bonds of 2002

or Special Tax Revenues, except for the refunding escrow fund for the State Bonds of 1992, a debt service fund, and a project fund.

(2) State Bonds of 2002 that are issued to refund State Refunding Bonds or State New Money Bonds may be structured and sized in a manner, as determined by the Board, Commission and Counties, that best utilizes the available capacity of the Special Tax Revenues to provide for debt service payments of both State Bonds of 2002 and Authority Bonds. Such refunding State Bonds of 2002 may modify the original structure of the State Refunding Bonds or the State New Money Bonds.

(e)(1) As the fourth component of the Plan, the Board will request the Authority, no later than when and as monies, in addition to those available from Highway Funds and the proceeds of the State New Money Bonds, are needed to construct the Phase II Project Improvements, to issue bonds in a total amount sufficient to provide approximately \$90,000,000 in construction funds. The Authority will plan to issue Authority Bonds in accordance with Appendix E unless otherwise requested by the Board based on the progress of the District Project.

(2) As the fifth component of the Plan, no later than when and as monies are needed to construct the Phase II Final Four Improvements, in addition to those available from the proceeds of any grants received by the Commission from the Transportation Partnership Opportunity Fund ("TPOF"), the proceeds of any loan received by the Commission from TPOF ("TPOF Loans"), and amounts available from other sources, the Authority shall issue additional Authority Bonds in a total amount sufficient to provide approximately \$86,100,000 in construction funds. The Authority will plan to issue Authority Bonds in accordance with Appendix E2, unless otherwise necessary based on the progress of the District Project.

(3) The Authority has the discretion to issue the Authority Bonds pursuant to Section 302 (e) (1) and (2), in a single or multiple series when and as needed to pay Costs of the District Project in coordination with the scheduled availability of other available funding for the District Project. The obligation of the Authority to issue Authority Bonds is contingent upon the determination by the Authority and the Counties at the time of issuance that, based on existing collections and anticipated growth rates, Special Tax Revenues available are projected to be sufficient to provide at least 1.1 to 1 debt service coverage ratio for all State Bonds of 2002, the Authority Bonds outstanding and the additional Authority Bonds to be issued. The Parties understand that the Counties will provide appropriate credit enhancements to the Authority Bonds, but will not back them with the full faith and credit of the Counties. Authority Bonds will be structured and sized in a manner, as determined by the Board, Commission and Counties, that best utilizes the available capacity of the Special Tax Revenues to provide for debt service payments of both State New Money Bonds and Authority Bonds.

(f) The Parties will designate a bank or trust company to serve as Fiscal Agent to which, upon the full defeasance of all the State Bonds of 1992, the Board, the Commission, and the Authority will assign and transfer, subject to appropriation, all of the Special Tax Revenues first, to pay Proportionately the Combined Debt Service,

second, to the funding of the Authority Revenue Stabilization Fund, other than on account of a withdrawal therefrom, until the amount deposited thereto shall equal the amount required by Section 401(c); third, to reimburse the Counties to the extent that any debt service on any Authority Bonds or obligation with respect to reserve funds securing Authority Bonds has been paid from funds other than Special Tax Revenues appropriated by the Counties; fourth, to the Authority Revenue Stabilization Fund to the extent of any deficiency in the amount required therein by Section 401(c) on account of a withdrawal therefrom; fifth, to reimburse the Board to the extent that any debt service on any State Bonds of 2002 has been paid from funds described in Section 406, such reimbursement to be credited to the source from which the funds were drawn; and sixth, to the District Project Completion Fund.

(g) The Parties recognize the possibility that funds in an amount up to \$50,000,000 may be made available by the Northern Virginia Transportation Authority (the "NVTA") to fund Phase II Transportation Improvements in the Counties if a referendum approving an increase in the sales and use tax passes in Northern Virginia (the "Sales Tax Funds"). Any such Sales Tax Funds shall not be considered to be Highway Funds. Any such Sales Tax Funds made available for this purpose by the NVTA will be used to pay the Cost of Phase II Transportation Improvements, provided, however, that if any such Sales Tax Funds are used to pay the Cost of any Phase II Project Improvements, an equivalent amount of funds that otherwise would have been used for that purpose according to the Plan shall be used instead to pay a portion of the Cost of Phase II Transportation Improvements that are not included in the District Project as of the Effective Date.

(h) The Cost of Phase II Project Improvements shall be paid first, from available Highway Funds; second, from the proceeds from the sale of State New Money Bonds of 2002; third, from the available proceeds from the sale of Authority Bonds; fourth, from Sales Tax Funds used in accordance with Section 302(g) if available for that purpose; and fifth, from the District Project Completion Fund.

(i) The Authority Bonds and the State Bonds of 2002 will be repaid from Special Tax Revenues as set forth in Article IV below.

Section 303. Cost of Project Improvements. The Cost of Project Improvements includes the cost of acquisition, construction, reconstruction, alteration, landscaping, or enlargement of State Route 28, including the cost of the acquisition of land, rights-of-way, property rights, easements and interests acquired for such construction, alteration or expansion, the cost of demolishing or removing any structure on land so acquired, including the cost of acquiring any lands to which such structures may be removed, the cost of all labor, materials, machinery and equipment, the costs of environmental mitigation, financing charges, insurance, interest on all bonds prior to and during construction and, for a reasonable period after completion of such construction, reserves for principal and interest and for replacements, renovations and improvements, provisions for working capital, the cost of surveys, engineering and architectural expenses, borings, plans and specifications and other engineering and architectural services, legal expenses, studies, estimates of costs and revenues, administrative expenses

and such other expenses as may be necessary, or incident to the construction of the District Project, and to determining the feasibility or practicability of such construction, the cost of financing such construction, and placing the District Project in operation. The Cost shall be reduced by the amount of any cash proffers received by the Counties and used for purposes of funding a portion of the Project Improvements.

Section 304. No Assignment, Sale or Encumbrance of Project Improvements. The Board shall not sell, assign or otherwise dispose of or encumber the Project Improvements or any integral part thereof, or consent to any such sale, assignment, disposal, or encumbrance.

ARTICLE IV

PAYMENT OF SPECIAL TAX REVENUES

Section 401. District Payments.

(a) Each Fiscal Year the District shall pay to the Fiscal Agent the Annual Authority Share and the Annual Board Share. The Commission, on behalf of the District, shall make payments as described below through the Boards of Supervisors of the Counties. Within 30 days of the closing of any State Bonds of 2002 secured in whole or part by the Annual Board Share or any Authority Bonds secured in whole or part by the Annual Authority Share, the issuer of such bonds, being the Board or Authority as the case may be, shall provide to the Commission a schedule of payments necessary to pay the scheduled debt service on such bonds in a timely manner. Notwithstanding any other provision of this District Contract, the Board agrees that in its calculations of the schedule of payments necessary to pay scheduled debt service on its State Bonds of 2002, it shall credit against the first payments necessary to pay such scheduled debt service and thus against the Annual Board Share of Combined Debt Service all Special Tax Revenues that it shall have received prior, and shall retain subsequent, to the Effective Date, and not used to defease the State Bonds of 1992.

(b) As of the Effective Date, the Commission shall request that the Counties set the Special Improvements Tax rate at the maximum rate permissible under the District Act. A reduction in the Special Improvements Tax rate shall not occur unless (i) available Special Tax Revenues in each of the two Fiscal Years immediately preceding the Fiscal Year in which the tax rate reduction is proposed have been greater than the product of 1.1 and the Combined Debt Service in each of those Fiscal Years as calculated based on the schedule or schedules of payments provided pursuant to Section 401(a), and (ii) it is reasonably anticipated by the Commission that available Special Tax Revenues in each subsequent Fiscal Year will be greater than the product of 1.1 and the Combined Debt Service in each such Fiscal Year, at which time the rate may be reduced to a level sufficient, in the judgment of the Commission, to pay the product of 1.1 and the Combined Debt Service due in any subsequent Fiscal Year. Any such Special Improvements Tax rate reduction may be reversed to the extent necessary to meet the requirements of this Section 401 and Section 402.

(c) Any available Excess Revenues on hand immediately after the final debt service payment in any Fiscal Year shall be allocated first to the creation and funding of the Authority Revenue Stabilization Fund until it contains \$8,500,000. However, after all Authority Bonds to be issued pursuant to this District Contract have been issued, the Authority Revenue Stabilization Fund shall be increased or reduced, as the case may be, so that it equals the maximum annual debt service on all such Authority Bonds. Once the Authority Revenue Stabilization Fund is fully funded, then any Excess Revenues shall be applied as provided in Section 401(e).

(d) The Authority Revenue Stabilization Fund, together with actual interest earnings thereon (subject to any limitations imposed by the Internal Revenue Code), shall be held by the trustee for the Authority Bonds and applied to pay debt service on any outstanding Authority Bonds in any Fiscal Year in the event that the Annual Authority Share for that Fiscal Year is insufficient to pay such debt service in that Fiscal Year. When all Authority Bonds have been fully defeased, any amount remaining in the Authority Revenue Stabilization Fund shall be transferred to the District Project Completion Fund. The Fiscal Agent shall act as the fiduciary agent of the Commission with respect to the District Project Completion Fund, and shall keep the funds of the District Project Completion Fund in a separate account.

(e) Excess Revenues not needed for the purpose set forth in Section 401(c) shall be deposited in the District Project Completion Fund. Any funds in the District Project Completion Fund shall be used first, to make up any deficiency in the amount of Special Tax Revenues available to pay the Combined Debt Service in any Fiscal Year; thereafter, for the purposes and in the order of priority set forth in Section 302(f) third, fourth, and fifth. Any funds in the District Project Completion Fund not needed for the foregoing purposes shall be used first by the Commission to pay scheduled debt service, if any, on any TPOF Loans and then any funds remaining may be used by the Commission in its discretion to pay for any Phase II Transportation Improvements described in the Petition, or to purchase, redeem or defease Authority Bonds or State New Money Bonds issued to finance or refinance Phase II Transportation Improvements or may be released to the Boards of Supervisors for disbursement under applicable law. At such time as all Phase II Transportation Improvements described in the Petition have been constructed and paid for, and all State Bonds of 2002 and Authority Bonds have been fully defeased, redeemed or paid, the Commission shall release any remaining amount in the District Project Completion Fund to the Boards of Supervisors for disbursement under applicable law.

(f) Notwithstanding anything herein to the contrary:

(i) Special Tax Revenues shall be used to provide no more than seventy-five percent (75%) of the final aggregate Cost of all of the Phase I Transportation Improvements and Phase II Transportation Improvements, calculated as set forth in Appendix F attached hereto;

(ii) the maximum limit on the Special Improvements Tax during the term of the District Contract is fixed at \$ 0.20 per \$100 of assessed fair market value

of any real estate, including the assessable value of taxable leasehold interests, of all real property within the District which is zoned for commercial or industrial use or used for such purpose, which is subject to the Special Improvements Tax;

(iii) any financial obligation of the Counties to any entity arising under or related to this District Contract, other than with respect to credit enhancements of Authority Bonds mentioned in Section 302(e), is limited to the annual payment to the Fiscal Agent for the account of the Commission of all assessed Special Tax Revenues actually collected by the Counties after reasonable efforts consistent with those undertaken by the Counties to assess, levy and collect real estate tax levies generally; and

(iv) the State Obligation is subject to annual appropriations made by the General Assembly of Virginia and allocations by the Board.

Section 402. Special Improvements Tax. In order to pay the District Obligation, the Commission shall request the Boards of Supervisors by April 1 of each year to levy the Special Improvements Tax and collect Special Tax Revenues for the next Fiscal Year at a rate sufficient to generate Special Tax Revenues to meet the requirements of Section 401, subject to the limitations herein. The Commission shall request the Counties to pay over to the Fiscal Agent all collected Special Tax Revenues by the first day of each month. The Fiscal Agent shall deposit or cause to be deposited in a special account or accounts all Special Tax Revenues received, and any interest earnings thereon shall be credited towards the payment of the District Obligation.

Section 403. Records and Reports.

(a) The Fiscal Agent shall maintain adequate records of the outstanding balance of the District Obligation and shall forward to the Commission and the Board a financial report and statement setting forth such information by February 15 and August 15 of each year in a form that is acceptable to the Parties. The statement shall indicate the amount of the District Obligation for the current Fiscal Year. The Board and the Authority annually shall supply such information to the Fiscal Agent as is necessary for the Fiscal Agent to fulfill its responsibilities under this Section 403.

(b) The Board shall maintain adequate records of the outstanding balance of the State Obligation and shall forward to the Commission a financial report and statement setting forth such information by February 15 and August 15 of each year in a form that is acceptable to the Parties. The statement shall indicate the amount of the State Obligation for the current Fiscal Year and the sources and dates of funding anticipated to meet such obligation.

Section 404. Annual Audit. Pursuant to the District Act, the Commission shall have an annual verification and audit of its financial obligations and revenues, and such audit shall be prepared by an independent certified public accountant selected by the Commission. The audit report for each Fiscal Year shall be submitted to the Board on or before the March 31st next succeeding the end of such fiscal year.

Section 405. Prepayment of District Obligation. Upon notice to and consent of the Board and the Authority, which consent shall not be unreasonably withheld, the Commission may from time to time prepay the District Obligation. All the terms of such prepayment are subject to the approval of the Board and the Authority.

Section 406. Failure to Pay Special Tax Revenues. The Parties acknowledge and expressly agree that if, and for so long as, (i) the amount of Special Tax Revenues required to be collected and paid to the Fiscal Agent to be allocated to the Annual Board Share is not paid to the Fiscal Agent for a period of sixty (60) days from the date such payment was due pursuant to this District Contract, or (ii) the amount so paid is not sufficient to pay the aggregate annual debt service on all outstanding State Bonds of 2002 in any Fiscal Year, and any resulting deficiency is not paid with Excess Revenues within such sixty day period as provided in Section 401(e) of this District Contract, then the provisions of Section 15.2-4608 (A) of the Virginia Code in effect as of that date shall apply.

Section 407. Zoning Changes. The Commission shall use its best efforts to ensure that if Fairfax or Loudoun County changes the zoning classification for any property within the District from commercial or industrial use to residential use upon the written request or approval of the owner of such property, or in any other case permitted by law, then pursuant to Section 303 of the Local Contract, the County making the zoning change shall require the payment to the County by the property owner of a sum representing the present value of the future Special Improvements Taxes to be lost as a result of such zoning change estimated in accordance with the formula set forth in Appendix G as a condition precedent to such rezoning.

Section 408. Transfer or Assignment of Rights to Receive Payments.

(a) The Parties expressly agree that the Board shall have the right, in its sole discretion, to transfer or assign its rights to receive payments from the Fiscal Agent or otherwise hereunder in connection with fulfilling its obligations under this District Contract; provided however, that no such transferee or assignee, except the trustee or trustees for the State Bonds of 2002, shall have any right to enforce any rights of the Board by means of any judicial or administrative proceeding against the District, the Commission, Loudoun County, Fairfax County, or any officer, employee or agent thereof, and the Board shall be responsible for informing any such transferees or assignees of this limitation on their rights prior to any such transfer or assignment by the Board. Notwithstanding such transfer or assignment, the Board shall retain the obligation to withhold funds in accordance with Section 406 in the event of any deficiency in Special Tax revenues.

(b) The Parties expressly agree that the Authority shall have the right, in its sole discretion, to transfer or assign its rights to receive payments from the Fiscal Agent or otherwise hereunder in connection with fulfilling its obligations under this District Contract; provided however, that no such transferee or assignee, except the trustee or trustees for the Authority Bonds, shall have any right to enforce any rights of the Authority by means of any judicial or administrative proceeding against the District,

the Commission, Loudoun County, Fairfax County, or any officer, employee or agent thereof, and the Authority shall be responsible for informing any such transferees or assignees of this limitation on their rights prior to any such transfer or assignment by the Authority.

ARTICLE V

MISCELLANEOUS

Section 501. Term of Contract. The Term of this District Contract shall commence on the Effective Date and terminate upon payment in full of the District Obligation.

Section 502. Priority and Amendments. As of the Effective Date, this District Contract constitutes the entire agreement between the Parties with respect to the subject matter herein, and supersedes the Original Contract between the District and the Board dated September 1, 1988, and all amendments thereto, which shall be null and void. This District Contract may be amended in writing by the Parties.

Section 503. Other Contracts. The Parties hereto may enter into other contracts concerning the request and levy of an additional Special Improvements Tax and the collection of additional Special Tax Revenues so long as: (i) the provisions of such contracts do not conflict with or affect the request and levy of the Special Improvements Tax and the collection of Special Tax Revenues under the terms of this District Contract and the Local Contract; and (ii) the aggregate amount of all Special Improvements Tax payable by the Commission does not exceed the limit set forth in the District Act.

Section 504. Amendments of Local Contract. The Commission shall not agree to any amendment of the Local Contract without the approval of the other Parties to this District Contract.

Section 505. Successors. This District Contract shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors.

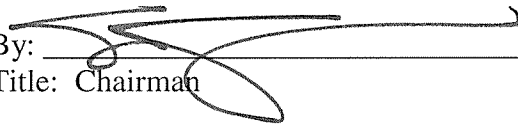
Section 506. Severability. If any provision of this District Contract shall be held to be illegal or invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof, and this District Contract shall be construed and enforced as if such illegal or invalid provision had not been contained in it, provided, however, that in no circumstance shall the financial obligation of the Commission, the District, the Board or either County be any greater than as expressly set forth in this District Contract.

Section 507. Counterparts. This District Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 508. Notices. Unless otherwise provided in this District Contract, all notices, approvals, consents, requests and other communications under this District Contract shall be in writing and shall be deemed to have been given when delivered in person, or when sent by Federal Express or a comparable express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (a) if to the Board, at 1401 E. Broad Street, Richmond, Virginia 23219 (Attention: Chair), (b) if to the Authority, at 12000 Government Center Parkway, Suite 561, Fairfax, Virginia 22035 (Attention: Chief Financial Officer), or (c) if to the Commission, at both 12000 Government Center Parkway, Suite 552, Fairfax, Virginia 22035 (Attention: County Executive), and 1 Harrison Street, S.E. Leesburg, Virginia 20177-7000 (Attention: County Administrator). The Parties may, by notice given under this District Contract, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent.

IN WITNESS WHEREOF, the Parties have caused this District Contract to be executed on their behalf by their duly authorized officers.

COMMONWEALTH TRANSPORTATION BOARD

By: 
Title: Chairman
Date: _____

FAIRFAX COUNTY ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Title: _____
Date: _____

STATE ROUTE 28 HIGHWAY TRANSPORTATION
IMPROVEMENT DISTRICT COMMISSION

By: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties have caused this District Contract to be executed on their behalf by their duly authorized officers.

COMMONWEALTH TRANSPORTATION BOARD

By: _____

Title: _____

Date: _____

FAIRFAX COUNTY ECONOMIC DEVELOPMENT
AUTHORITY

By: Stuart L. Davis

Title: Chairman

Date: _____

STATE ROUTE 28 HIGHWAY TRANSPORTATION
IMPROVEMENT DISTRICT COMMISSION

By: _____

Title: _____

Date: _____

IN WITNESS WHEREOF, the Parties have caused this District Contract to be executed on their behalf by their duly authorized officers.

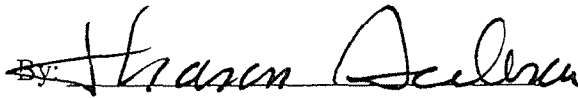
COMMONWEALTH TRANSPORTATION BOARD

By: _____
Title: _____
Date: _____

FAIRFAX COUNTY ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Title: _____
Date: _____

STATE ROUTE 28 HIGHWAY TRANSPORTATION
IMPROVEMENT DISTRICT COMMISSION

* By: 

Title: Secretary, Rt. 28 District Commission

Date: 5/18/12 _____

SECOND AMENDED AND RESTATED DISTRICT CONTRACT

by and among

COMMONWEALTH TRANSPORTATION BOARD,

FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY,

and

STATE ROUTE 28 HIGHWAY TRANSPORTATION
IMPROVEMENT DISTRICT COMMISSION

Dated as of _____ 1, 2022

Table of Contents

	<u>Page</u>
Parties	1
Recitals	1-2
Granting Clause	2
ARTICLE I <u>DEFINITIONS AND RULES OF CONSTRUCTION</u>	
Section 101. Definitions	2-6
Section 102. Rules of Construction	6
ARTICLE II <u>REPRESENTATIONS</u>	
Section 201. Representations of Board	7
Section 202. Representations of Authority	8
Section 203. Representations of Commission	9
ARTICLE III <u>UNDERTAKING AND FINANCING THE DISTRICT PROJECT</u>	
Section 301. Agreement to Construct and Complete District Project	9-10
Section 302. Financing the District Project	10-12
Section 303. Cost of Project Improvements	12
Section 304. No Assignment, Sale or Encumbrance of Project Improvements	13
ARTICLE IV <u>PAYMENT OF SPECIAL TAX REVENUES</u>	
Section 401. District Payments	13
Section 402. Special Improvements Tax	15
Section 403. Records and Reports	15
Section 404. Annual Audit	15
Section 405. Prepayment of District Obligation	15
Section 406. Failure of District to Pay Special Tax Revenues	15
Section 407. Zoning Changes	16
Section 408. Transfer or Assignment of Rights to Receive Payments	16

ARTICLE V
MISCELLANEOUS

Section 501. Term of Contract	17
Section 502. Priority and Amendments	17
Section 503. Other Contracts	17
Section 504. Amendments of Local Contract	17
Section 505. Successors	17
Section 506. Severability	17
Section 507. Counterparts	17
Section 508. Notices	17
Testimonium	19
Signatures	19
Appendix A1 Description of Phase I Transportation Improvements	
Appendix A2 Description of Phase II Transportation Improvements	
Appendix A3 Description of Phase II Project Improvements	
Appendix B Approvals	
Appendix C Litigation	
Appendix D District Project Construction Schedule	
Appendix E Anticipated Schedule of Financings	
Appendix F Formula for calculation of 75:25 Cost Allocation Upon Completion of the Transportation Improvements	
Appendix G Residential Rezoning Formula	

SECOND AMENDED AND RESTATED
DISTRICT CONTRACT

THIS SECOND AMENDED AND RESTATED DISTRICT CONTRACT is made as of _____ 1, 2022, by and among the COMMONWEALTH TRANSPORTATION BOARD (the “Board”), the FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY (the “Authority”), and the STATE ROUTE 28 HIGHWAY TRANSPORTATION IMPROVEMENT DISTRICT COMMISSION (the “Commission”) (the Board, the Authority, and the Commission sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”).

RECITALS

A. The Board and the State Route 28 Highway Transportation Improvement District (the “District”) entered into a contract, dated as of September 1, 1988 (the “Original Contract”), providing for improvements to State Route 28 in Fairfax and Loudoun Counties. Under the Original Contract, the District agreed to request the Boards of Supervisors to levy a special improvements tax and collect special tax revenues in accordance with the Primary Highway Transportation Improvement District in Multi-County Areas Act of 1987, being Virginia Code § 15.1-1372.1 *et seq.*, now found at § 15.2-4600 *et seq.* (the “District Act”), and to pay for a portion of the costs of building a limited access freeway, commencing with the specified Phase I Transportation Improvements to State Route 28, as provided in the Concurrent Resolutions.

B. The Board and the District entered into a First Amendment to the Original Contract, dated as of April 1, 1992 (the “First Amendment”) as a result of a reduction in the actual costs of the Phase I Transportation Improvements.

C. The Board and the District entered into a Second Amendment to the Original Contract, dated as of September 1, 1993 (the “Second Amendment”), to provide for lump-sum payments by landowners of commercially- and industrially-zoned land in the District in connection with the rezoning of such land for residential use as authorized under Chapter 870 of the Acts of Assembly of 1993 (the “First District Act Amendment”) and to make certain other changes.

D. Chapter 435 of the Acts of Assembly of 2000 (the “Second District Act Amendment”) amended and reenacted the District Act, in pertinent part, to extend the life of the District for a period of fifteen (15) years beyond the thirty-five (35) year term originally provided for in the District Act.

E. Chapter 770 of the Acts of Assembly of 2002 (the “Third District Act Amendment”) amended and reenacted the District Act to provide, *inter alia*, that the District shall not be abolished so long as any District Obligation remains outstanding.

F. The Parties previously entered into an Amended and Restated District Contract, dated as of May 1, 2012, in order to (1) further amend and reenact the Original Contract; (2) complete payment for Phase I Transportation Improvements; (3) undertake those Phase II Transportation Improvements included in the District Project; (4) set forth the agreement of the Parties regarding the method of financing the District Project; (5) request the Board of Supervisors to levy a Special Improvements Tax and collect Special Tax Revenues in accordance

with the District Act; (6) have such revenues paid to the bank or trust company designated for the purpose pursuant to Section 302(f) for the accounts of the Board and the Authority as partial payment for the Costs of the District Project; and (7) establish the District Obligation for the payment of such Costs.

G. The Parties now desire to enter into this Amended and Restated District Contract in connection with the refunding of the Authority's Transportation Contract Revenue Refunding Bonds (Route 28 Project) Series 2012.

NOW, THEREFORE, in consideration of the foregoing, the continuing services to be provided, and the mutual representations, warranties and agreements contained in this District Contract, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. The following words as used in this District Contract shall have the following meanings unless a different meaning clearly appears from the context:

“Annual Authority Share” means the Authority Proportion multiplied by the total amount of Special Tax Revenues available in a particular Fiscal Year to pay the Combined Debt Service for that Fiscal Year, but not more than the total annual debt service scheduled to become due in that Fiscal Year on all outstanding Authority Bonds.

“Annual Board Share” means the Board Proportion multiplied by the amount of Special Tax Revenues available in a particular Fiscal Year to pay the Combined Debt Service for that Fiscal Year, but not more than the total annual debt service scheduled to become due in that Fiscal Year on all outstanding State Bonds of 2002. The Annual Board Share in the first Fiscal Year shall be reduced in accordance with and to the extent provided in Section 401(a).

“Authority” means the Fairfax County Economic Development Authority, created pursuant to the EDA Act, and its successors.

“Authority Bonds” means the bonds that may be issued by the Authority to provide approximately \$176,000,000 in construction funds in accordance with the District Contract in connection with the financing of the Phase II Transportation Improvements. This definition also includes any bonds issued by the Authority to refund all or any of the Authority Bonds or bonds that shall have refunded bonds that have refunded Authority Bonds, provided that either (i) the annual debt service on such refunding bonds shall be equal to or less than the annual debt service on the bonds refunded and the final maturity of such refunding bonds shall occur no later than the final maturity of the bonds refunded or (ii) the Board and the Boards of Supervisors shall have given their prior written consent to the issuance of such refunding bonds.

“Authority Proportion” means the aggregate annual debt service obligation on all outstanding Authority Bonds scheduled to become due in a particular Fiscal Year divided by the Combined Debt Service for that Fiscal Year.

“Board” means the Commonwealth Transportation Board and its successors.

“Board of Supervisors” or “Boards of Supervisors” means either or both of the boards of supervisors as the governing bodies of Fairfax and Loudoun Counties, as appropriate.

“Board Proportion” means the aggregate annual debt service obligation scheduled to become due on all outstanding State Bonds of 2002 in a particular Fiscal Year divided by the Combined Debt Service for that Fiscal Year.

“Board Statute” means Virginia Code § 33.1-1 et seq., establishing the Board and providing for its powers and duties.

“Combined Debt Service” means the aggregate annual debt service obligation on all outstanding Authority Bonds and State Bonds of 2002 scheduled to become due in any particular Fiscal Year.

“Commission” means the State Route 28 Highway Transportation Improvement District Commission appointed by the Boards of Supervisors pursuant to the District Act and the Chairman of the Board, or his designee, as an ex officio member.

“Concurrent Resolutions” means the resolutions adopted by the Boards of Supervisors in December 1987 to establish the District pursuant to the District Act.

“Cost” or “Cost of the Project Improvements” means the cost as set forth in Section 303 of this District Contract of transportation improvements included in the District Project.

“County” or “Counties” means either or both Fairfax and Loudoun Counties, as appropriate.

“Department” means the Virginia Department of Transportation, a department of the Commonwealth of Virginia, and any other state agency succeeding to the power, authorities and responsibilities of the Department.

“District” means the State Route 28 Highway Transportation Improvement District created by Fairfax and Loudoun Counties pursuant to the District Act.

“District Act” means the Primary Highway Transportation Improvement in Multi-County Areas Act, being Virginia Code § 15.1-1372 et seq., as restated and amended as Virginia Code § 15.2-4600 et seq., as amended, pursuant to which Fairfax and Loudoun Counties established the District.

“District Contract” means this contract between the Parties, and any and all modifications, alterations, amendments and supplements thereto, which as of the Effective Date shall supersede the Original Contract dated September 1, 1988, and all amendments thereto.

“District Obligation” means the portion of the Cost of transportation improvements included in the District Project that has been or is to be paid with Special Tax Revenues in accordance with Article IV of this District Contract.

“District Project” means the Phase I Transportation Improvements, the Phase II Project Improvements and the Phase II Final Four Improvements.

“District Project Completion Fund” means the special fund created with the Fiscal Agent to which are credited Excess Revenues held by or on behalf of the Commission for the purposes set forth in Section 401(e).

“EDA Act” means Chapter 643 of the 1964 Acts of the General Assembly of the Commonwealth of Virginia, as amended.

“Effective Date” means the date of the defeasance of all of the Board’s outstanding Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds (Route 28 District Project), Series 1992.

“Excess Revenues” means the amount, if any, of Special Tax Revenues available in any Fiscal Year in excess of the sum of the Combined Debt Service.

“Fiscal Agent” means the bank or trust company designated as such pursuant to Section 302(f).

“Fiscal Year” means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year or such other fiscal year of twelve months as may be determined by the Parties.

“Highway Funds” means funds for the District Project in Fiscal Years 2003 through 2007 from the Virginia Transportation Six Year Program for Fiscal Years 2002-2008, approved and adopted by the Board on June 20, 2002, in the total amount of \$66,500,366.

“Local Contract” means the contract between the Commission and the Boards of Supervisors of Fairfax and Loudoun Counties as amended and restated as of the date hereof, providing for, among other things, the request for the levy of the Special Improvements Tax and the collection and payment of Special Tax Revenues.

“Lump Sum Payments” means the payments provided for in the First District Act Amendment calculated under the formula set forth in Appendix F.

“Net Debt Service” means actual principal and interest payments on all bonds issued by the Board or the Authority to pay for the District Project less investment earnings credited to such payments under the terms of the agreements of trust for such bonds.

“Petition” means the Joint Petition to the Board of Supervisors of Fairfax County and to the Board of Supervisors of Loudoun County from landowners seeking the establishment of the Primary Highway Transportation Improvement District known as the State Route 28 Highway Transportation Improvement District.

“Phase II Final Four Improvements” means the Phase II Transportation Improvements described by: (1) paragraph 1, subparagraphs g, h, i and j of Appendix A2; and (2) paragraph 3 of Appendix A2, with respect to the elimination of signalized intersections and access points at

Dulles Center Boulevard, Severn Way, Steeplechase Drive, Park Center Drive, and Access Road from Southbound Route 28 between Route 50 and Willard Road.

“Phase II Project Improvements” means the Phase II Transportation Improvements included in the District Project, as more particularly described in Appendix A3.

“Phase I Transportation Improvements” means initial modifications to State Route 28, including six (6) lanes with a twenty-six foot median from Interstate 66 in Fairfax County to Route 7 in Loudoun County and three (3) grade-separated interchanges at Route 50, Dulles Airport Access Toll Road and Route 7, as more particularly described in Appendix A1.

“Phase II Transportation Improvements” means additional modifications to State Route 28, including the construction of ten (10) interchanges and two (2) additional lanes for Route 28 between its intersection with Route 50 in Fairfax County and its intersection with Sterling Boulevard in Loudoun County, as more particularly described in Appendix A2.

“Project Improvements” means the transportation improvements included in the District Project.

“Proportionately” means *pro rata* based on the relative sizes of the Authority Proportion and the Board Proportion for a particular Fiscal Year, each compared to the sum of the Authority Proportion and the Board Proportion for that Fiscal Year.

“Sales Tax Funds” has the meaning given such term by Section 302(g) of this District Contract.

“Special Improvements Tax” means a special improvements tax levied and payable not less frequently than annually on taxable real estate zoned for commercial or industrial use or used for such purposes and taxable leasehold interests zoned for commercial or industrial use or used for such purposes and located within the District.

“Special Tax Revenues” means the revenues collected from the levy of the Special Improvements Tax and the collection of Lump Sum Payments.

“State Bonds of 1992” means the \$111,680,000 in Commonwealth of Virginia Transportation Contract Revenue Refunding Bonds, Series 1992 (Route 28 Project) issued by the Board.

“State Bonds of 2002” means the State Refunding Bonds and the State New Money Bonds. This definition also includes any bonds issued by the Board to refund all or any of the State Bonds of 2002 or bonds that shall have refunded bonds that refunded the State Bonds of 2002, provided that either (i) the annual debt service on such refunding bonds shall be equal to or less than the annual debt service on the bonds refunded and the final maturity of such refunding bonds shall occur no later than the final maturity of the bonds refunded or (ii) the Authority and both Boards of Supervisors shall have given their prior written consent to the issuance of such refunding bonds.

“State New Money Bonds” means bonds which have been previously authorized for issuance by the Board in connection with the construction of improvements to Route 28, in the amount of \$36,396,246 for new construction, plus associated costs of issuance and other financing costs but which have not yet been issued.

“State Obligation” means the portion of the Cost of the transportation improvements included in the District Project that has been or is to be paid other than with (i) Special Tax Revenues in accordance with this District Contract or (ii) Sales Tax Funds.

“State Refunding Bonds” means the bonds that will be issued by the Board to refund the outstanding State Bonds of 1992.

“Term” means the period specified in Section 501 of this District Contract.

“Virginia Code” means the Code of Virginia of 1950, as amended.

Section 102. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this District Contract:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this District Contract.

(c) The headings and Table of Contents herein are solely for convenience and shall not constitute a part of this District Contract.

(d) Computations of debt service payable in any Fiscal Year shall exclude any debt service payable on the first day of such Fiscal Year and shall include any debt service payable on the first day of the next succeeding Fiscal Year.

ARTICLE II

REPRESENTATIONS

Section 201. Representations of Board. The Board makes the following representations as of the Effective Date in connection with its undertakings under this District Contract:

(a) The Board is duly organized under the Board Statute.

(b) The Board (i) has the power to enter into this District Contract and the transactions contemplated hereby; (ii) has the power to carry out its obligations under this District Contract; and (iii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under this District Contract.

(c) The Board is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under or subject to

which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute or result in such an event of default.

(d) The execution and delivery of and compliance by the Board with the terms and conditions of this District Contract will not conflict with or constitute or result in a default under, or violation of, (i) the Board Statute or any other existing law, rule or regulation applicable to the Board or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Board or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) Except as identified in Appendix B, no further approval, consent or withholding of objection on the part of any regulatory body or any federal, state, or local official is required as a condition precedent to the execution or delivery of or performance by the Board of its obligations under this District Contract.

(f) Except as identified in Appendix C, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Board's knowledge, threatened against it with respect to (i) the creation and existence of the Board, (ii) its authority to execute and deliver this District Contract, (iii) the validity or enforceability of this District Contract, (iv) the title of any officer of the Board who executed this District Contract, or (v) any authority or proceedings related to the execution and delivery of this District Contract on behalf of the Board, and no such authority or proceedings have been repealed, revoked, rescinded or amended, but each is in full force and effect.

Section 202. Representations of the Authority. The Authority makes the following representations as of the Effective Date in connection with its undertakings under this District Contract:

(a) The Authority is duly organized under the EDA Act.

(b) The Authority (i) has the power to enter into this District Contract and the transactions contemplated hereby; (ii) has the power to carry out its obligations under this District Contract; and (iii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under this District Contract.

(c) The Authority is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute or result in such an event of default; provided, however, that this representation shall be limited to bonds and other obligations of the Authority for which the Counties, or either of them, is directly or indirectly liable for the debt service thereon or for deficiencies in reserves that secure such bonds.

(d) The execution and delivery of and compliance by the Authority with the terms and conditions of this District Contract will not conflict with or constitute or result in a default

under or violation of (i) the EDA Act or any other existing law, rule or regulation applicable to the Authority, or (ii) any indenture, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject where the default or violation does or could materially adversely affect the ability of the Authority to discharge its obligations under this District Contract, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state, or local official is required as a condition precedent to the execution or delivery of or performance by the Authority of its obligations, other than its commitment to issue Authority Bonds, under this District Contract.

(f) To the Authority's knowledge, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver this District Contract, (iii) the validity or enforceability of this District Contract, (iv) the title of any officer of the Authority who executed this District Contract, or (v) any authority or proceedings related to the execution and delivery of this District Contract on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended, but each is in full force and effect.

Section 203. Representations of Commission. The Commission makes the following representations as of the Effective Date in connection with its undertakings under this District Contract:

(a) The District is duly organized under the District Act.

(b) The Commission (i) has the power to enter into this District Contract and the transactions contemplated hereby; (ii) has the power to carry out its obligations under this District Contract and (iii) by proper action has duly authorized the execution and delivery of and the performance of its obligations under this District Contract.

(c) The District has no outstanding indebtedness of any kind whatsoever other than its obligations under this District Contract if and to the extent any such obligations may constitute outstanding indebtedness.

(d) The execution, delivery and compliance by the Commission with the terms and conditions of the Local Contract and this District Contract will not conflict with, or constitute or result in a default under or violation of, (i) the District Act or any other existing law, rule or regulation applicable to the District or (ii) any lien, lease, contract, order, judgment, decree or other agreement, instrument or restriction of any kind to which the District or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state, or local official is required as a condition precedent to the

execution or delivery of, or performance by the Commission in accordance with the terms and conditions of this District Contract.

(f) To the Commission's knowledge, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or threatened against it with respect to: (i) the creation and existence of the District; (ii) its authority to execute and deliver this District Contract; (iii) the validity or enforceability of this District Contract; (iv) the title of any officer of the Commission who executed this District Contract; or (v) any authority or proceedings related to the execution and delivery of this District Contract on behalf of the District, and no such authority or proceedings have been repealed, revoked, rescinded or amended, but each is in full force and effect.

ARTICLE III

UNDERTAKING AND FINANCING THE DISTRICT PROJECT

Section 301. Agreement to Construct and Complete District Project. In accordance with the Department's specifications and on behalf of the Commonwealth of Virginia, the Board, either directly or through the Department, shall be responsible for construction and completion of the District Project and shall own, operate and maintain the District Project. The responsibility of the Board to complete the District Project as set forth in this District Contract is contingent upon the availability of sufficient revenue for that purpose, including without limitation issuance of the Authority Bonds, but the Parties anticipate that the Plan described in Section 302 will provide revenue sufficient for that purpose. The Commission shall have no right to approve or otherwise exercise control over the design or construction of the District Project. The Board shall notify the Authority and the Commission prior to any major change in the design or construction of the District Project. The Board shall use its best efforts to cause the completion of the District Project by December 31, 2009.

Section 302. Financing the District Project. The Parties wish to implement a new plan of financing and refinancing for Project Improvements (the "Plan"), as set forth herein, subject to such qualifications as also are set forth herein. Also, attached hereto as Appendix E is the schedule of financings as currently anticipated by the Parties.

(a) As the first component of the Plan, the Board and the Department will designate, allocate, and program the Highway Funds, subject to annual appropriation by the General Assembly, to pay a portion of the Cost of Phase II Project Improvements. The Board agrees to use its best efforts to have the Governor and the General Assembly of Virginia take such actions as are necessary to annually appropriate such funds in amounts needed in each such Fiscal Year to continue with the construction of the Phase II Project Improvements in a timely fashion.

(b) As the second component of the Plan, the Board will issue State Refunding Bonds in an amount sufficient, together with other available funds, to defease the outstanding State Bonds of 1992. The State Refunding Bonds will have a final maturity in 2018, will be structured as current interest bonds only, and will be structured to provide substantially level annual savings. The proceeds of the sale of the State Refunding Bonds will be applied to refund, defease, and redeem in full the outstanding State Bonds of 1992.

(c) As the third component of the Plan, the Board also will issue State New Money Bonds which will have a final maturity in 2032 and will be structured as capital appreciation bonds maturing in the years 2019 through 2032. The proceeds of the State New Money Bonds will be sufficient to pay at least \$36,395,000 of the Cost of the Phase II Project Improvements and to pay the issuance costs of the State Bonds of 2002, and will be used only for those purposes. The State New Money Bonds will be structured to produce debt service that is substantially level during the years 2019 to 2032.

(d)(1) The Board will issue the State Bonds of 2002 pursuant to a Master Agreement of Trust between the Board and a trustee, which may be the same bank or trust company that serves as Fiscal Agent under this District Contract, which agreement will not provide for the establishment of any debt service reserve, repair and replacement or similar funds to be funded or maintained with the proceeds of the State Bonds of 2002 or Special Tax Revenues, except for the refunding escrow fund for the State Bonds of 1992, a debt service fund, and a project fund.

(2) State Bonds of 2002 that are issued to refund State Refunding Bonds or State New Money Bonds may be structured and sized in a manner, as determined by the Board, Commission and Counties, that best utilizes the available capacity of the Special Tax Revenues to provide for debt service payments of both State Bonds of 2002 and Authority Bonds. Such refunding State Bonds of 2002 may modify the original structure of the State Refunding Bonds or the State New Money Bonds.

(e)(1) As the fourth component of the Plan, the Board will request the Authority, no later than when and as monies, in addition to those available from Highway Funds and the proceeds of the State New Money Bonds, are needed to construct the Phase II Project Improvements, to issue bonds in a total amount sufficient to provide approximately \$90,000,000 in construction funds. The Authority will plan to issue Authority Bonds in accordance with Appendix E unless otherwise requested by the Board based on the progress of the District Project.

(2) As the fifth component of the Plan, no later than when and as monies are needed to construct the Phase II Final Four Improvements, in addition to those available from the proceeds of any grants received by the Commission from the Transportation Partnership Opportunity Fund ("TPOF"), the proceeds of any loan received by the Commission from TPOF ("TPOF Loans"), and amounts available from other sources, the Authority shall issue additional Authority Bonds in a total amount sufficient to provide approximately \$86,100,000 in construction funds. The Authority will plan to issue Authority Bonds in accordance with Appendix E2, unless otherwise necessary based on the progress of the District Project.

(3) The Authority has the discretion to issue the Authority Bonds pursuant to Section 302 (e) (1) and (2), in a single or multiple series when and as needed to pay Costs of the District Project in coordination with the scheduled availability of other available funding for the District Project. The obligation of the Authority to issue Authority Bonds is contingent upon the determination by the Authority and the Counties at the time of issuance that, based on existing collections and anticipated growth rates, Special Tax Revenues available are projected to be sufficient to provide at least 1.1 to 1 debt service coverage ratio for all State Bonds of 2002, the Authority Bonds outstanding and the additional Authority Bonds to be issued. The Parties

understand that the Counties will provide appropriate credit enhancements to the Authority Bonds, but will not back them with the full faith and credit of the Counties. Authority Bonds will be structured and sized in a manner, as determined by the Board, Commission and Counties, that best utilizes the available capacity of the Special Tax Revenues to provide for debt service payments of both State New Money Bonds and Authority Bonds.

(f) The Parties will designate a bank or trust company to serve as Fiscal Agent to which, upon the full defeasance of all the State Bonds of 1992, the Board, the Commission, and the Authority will assign and transfer, subject to appropriation, all of the Special Tax Revenues first, to pay Proportionately the Combined Debt Service, second, to the funding of the Authority Revenue Stabilization Fund, other than on account of a withdrawal therefrom, until the amount deposited thereto shall equal the amount required by Section 401(c); third, to reimburse the Counties to the extent that any debt service on any Authority Bonds or obligation with respect to reserve funds securing Authority Bonds has been paid from funds other than Special Tax Revenues appropriated by the Counties; fourth, to the Authority Revenue Stabilization Fund to the extent of any deficiency in the amount required therein by Section 401(c) on account of a withdrawal therefrom; fifth, to reimburse the Board to the extent that any debt service on any State Bonds of 2002 has been paid from funds described in Section 406, such reimbursement to be credited to the source from which the funds were drawn; and sixth, to the District Project Completion Fund.

(g) The Parties recognize the possibility that funds in an amount up to \$50,000,000 may be made available by the Northern Virginia Transportation Authority (the "NVTA") to fund Phase II Transportation Improvements in the Counties if a referendum approving an increase in the sales and use tax passes in Northern Virginia (the "Sales Tax Funds"). Any such Sales Tax Funds shall not be considered to be Highway Funds. Any such Sales Tax Funds made available for this purpose by the NVTA will be used to pay the Cost of Phase II Transportation Improvements, provided, however, that if any such Sales Tax Funds are used to pay the Cost of any Phase II Project Improvements, an equivalent amount of funds that otherwise would have been used for that purpose according to the Plan shall be used instead to pay a portion of the Cost of Phase II Transportation Improvements that are not included in the District Project as of the Effective Date.

(h) The Cost of Phase II Project Improvements shall be paid first, from available Highway Funds; second, from the proceeds from the sale of State New Money Bonds of 2002; third, from the available proceeds from the sale of Authority Bonds; fourth, from Sales Tax Funds used in accordance with Section 302(g) if available for that purpose; and fifth, from the District Project Completion Fund.

(i) The Authority Bonds and the State Bonds of 2002 will be repaid from Special Tax Revenues as set forth in Article IV below.

Section 303. Cost of Project Improvements. The Cost of Project Improvements includes the cost of acquisition, construction, reconstruction, alteration, landscaping, or enlargement of State Route 28, including the cost of the acquisition of land, rights-of-way, property rights, easements and interests acquired for such construction, alteration or expansion, the cost of demolishing or removing any structure on land so acquired, including the cost of acquiring any

lands to which such structures may be removed, the cost of all labor, materials, machinery and equipment, the costs of environmental mitigation, financing charges, insurance, interest on all bonds prior to and during construction and, for a reasonable period after completion of such construction, reserves for principal and interest and for replacements, renovations and improvements, provisions for working capital, the cost of surveys, engineering and architectural expenses, borings, plans and specifications and other engineering and architectural services, legal expenses, studies, estimates of costs and revenues, administrative expenses and such other expenses as may be necessary, or incident to the construction of the District Project, and to determining the feasibility or practicability of such construction, the cost of financing such construction, and placing the District Project in operation. The Cost shall be reduced by the amount of any cash proffers received by the Counties and used for purposes of funding a portion of the Project Improvements.

Section 304. No Assignment, Sale or Encumbrance of Project Improvements. The Board shall not sell, assign or otherwise dispose of or encumber the Project Improvements or any integral part thereof, or consent to any such sale, assignment, disposal, or encumbrance.

ARTICLE IV

PAYMENT OF SPECIAL TAX REVENUES

Section 401. District Payments.

(a) Each Fiscal Year the District shall pay to the Fiscal Agent the Annual Authority Share and the Annual Board Share. The Commission, on behalf of the District, shall make payments as described below through the Boards of Supervisors of the Counties. Within 30 days of the closing of any State Bonds of 2002 secured in whole or part by the Annual Board Share or any Authority Bonds secured in whole or part by the Annual Authority Share, the issuer of such bonds, being the Board or Authority as the case may be, shall provide to the Commission a schedule of payments necessary to pay the scheduled debt service on such bonds in a timely manner. Notwithstanding any other provision of this District Contract, the Board agrees that in its calculations of the schedule of payments necessary to pay scheduled debt service on its State Bonds of 2002, it shall credit against the first payments necessary to pay such scheduled debt service and thus against the Annual Board Share of Combined Debt Service all Special Tax Revenues that it shall have received prior, and shall retain subsequent, to the Effective Date, and not used to defease the State Bonds of 1992.

(b) As of the Effective Date, the Commission shall request that the Counties set the Special Improvements Tax rate at the maximum rate permissible under the District Act. A reduction in the Special Improvements Tax rate shall not occur unless (i) available Special Tax Revenues in each of the two Fiscal Years immediately preceding the Fiscal Year in which the tax rate reduction is proposed have been greater than the product of 1.1 and the Combined Debt Service in each of those Fiscal Years as calculated based on the schedule or schedules of payments provided pursuant to Section 401(a), and (ii) it is reasonably anticipated by the Commission that available Special Tax Revenues in each subsequent Fiscal Year will be greater than the product of 1.1 and the Combined Debt Service in each such Fiscal Year, at which time the rate may be reduced to a level sufficient, in the judgment of the Commission, to pay the

product of 1.1 and the Combined Debt Service due in any subsequent Fiscal Year. Any such Special Improvements Tax rate reduction may be reversed to the extent necessary to meet the requirements of this Section 401 and Section 402.

(c) Any available Excess Revenues on hand immediately after the final debt service payment in any Fiscal Year shall be allocated first to the creation and funding of the Authority Revenue Stabilization Fund until it contains \$8,500,000. However, after all Authority Bonds to be issued pursuant to this District Contract have been issued, the Authority Revenue Stabilization Fund shall be increased or reduced, as the case may be, so that it equals the maximum annual debt service on all such Authority Bonds. Once the Authority Revenue Stabilization Fund is fully funded, then any Excess Revenues shall be applied as provided in Section 401(e).

(d) The Authority Revenue Stabilization Fund, together with actual interest earnings thereon (subject to any limitations imposed by the Internal Revenue Code), shall be held by the trustee for the Authority Bonds and applied to pay debt service on any outstanding Authority Bonds in any Fiscal Year in the event that the Annual Authority Share for that Fiscal Year is insufficient to pay such debt service in that Fiscal Year. When all Authority Bonds have been fully defeased, any amount remaining in the Authority Revenue Stabilization Fund shall be transferred to the District Project Completion Fund. The Fiscal Agent shall act as the fiduciary agent of the Commission with respect to the District Project Completion Fund, and shall keep the funds of the District Project Completion Fund in a separate account.

(e) Excess Revenues not needed for the purpose set forth in Section 401(c) shall be deposited in the District Project Completion Fund. Any funds in the District Project Completion Fund shall be used first, to make up any deficiency in the amount of Special Tax Revenues available to pay the Combined Debt Service in any Fiscal Year; thereafter, for the purposes and in the order of priority set forth in Section 302(f) third, fourth, and fifth. Any funds in the District Project Completion Fund not needed for the foregoing purposes shall be used first by the Commission to pay scheduled debt service, if any, on any TPOF Loans and then any funds remaining may be used by the Commission in its discretion to pay for any Phase II Transportation Improvements described in the Petition, or to purchase, redeem or defease Authority Bonds or State New Money Bonds issued to finance or refinance Phase II Transportation Improvements or, in connection with the refunding of Authority Bonds, to transfer to the Reserve Subfund established under the trust agreement for the Authority Bonds an amount sufficient to cause the amount deposited in the Reserve Subfund to equal the Reserve Subfund Requirement as defined in such trust agreement, or may be released to the Boards of Supervisors for disbursement under applicable law. At such time as all Phase II Transportation Improvements described in the Petition have been constructed and paid for, and all State Bonds of 2002 and Authority Bonds have been fully defeased, redeemed or paid, the Commission shall release any remaining amount in the District Project Completion Fund to the Boards of Supervisors for disbursement under applicable law.

(f) Notwithstanding anything herein to the contrary:

(i) Special Tax Revenues shall be used to provide no more than seventy-five percent (75%) of the final aggregate Cost of all of the Phase I Transportation

Improvements and Phase II Transportation Improvements, calculated as set forth in Appendix F attached hereto;

(ii) the maximum limit on the Special Improvements Tax during the term of the District Contract is fixed at \$0.20 per \$100 of assessed fair market value of any real estate, including the assessable value of taxable leasehold interests, of all real property within the District which is zoned for commercial or industrial use or used for such purpose, which is subject to the Special Improvements Tax;

(iii) any financial obligation of the Counties to any entity arising under or related to this District Contract, other than with respect to credit enhancements of Authority Bonds mentioned in Section 302(e), is limited to the annual payment to the Fiscal Agent for the account of the Commission of all assessed Special Tax Revenues actually collected by the Counties after reasonable efforts consistent with those undertaken by the Counties to assess, levy and collect real estate tax levies generally; and

(iv) the State Obligation is subject to annual appropriations made by the General Assembly of Virginia and allocations by the Board.

Section 402. Special Improvements Tax. In order to pay the District Obligation, the Commission shall request the Boards of Supervisors by April 1 of each year to levy the Special Improvements Tax and collect Special Tax Revenues for the next Fiscal Year at a rate sufficient to generate Special Tax Revenues to meet the requirements of Section 401, subject to the limitations herein. The Commission shall request the Counties to pay over to the Fiscal Agent all collected Special Tax Revenues by the first day of each month. The Fiscal Agent shall deposit or cause to be deposited in a special account or accounts all Special Tax Revenues received, and any interest earnings thereon shall be credited towards the payment of the District Obligation.

Section 403. Records and Reports.

(a) The Fiscal Agent shall maintain adequate records of the outstanding balance of the District Obligation and shall forward to the Commission and the Board a financial report and statement setting forth such information by February 15 and August 15 of each year in a form that is acceptable to the Parties. The statement shall indicate the amount of the District Obligation for the current Fiscal Year. The Board and the Authority annually shall supply such information to the Fiscal Agent as is necessary for the Fiscal Agent to fulfill its responsibilities under this Section 403.

(b) The Board shall maintain adequate records of the outstanding balance of the State Obligation and shall forward to the Commission a financial report and statement setting forth such information by February 15 and August 15 of each year in a form that is acceptable to the Parties. The statement shall indicate the amount of the State Obligation for the current Fiscal Year and the sources and dates of funding anticipated to meet such obligation.

Section 404. Annual Audit. Pursuant to the District Act, the Commission shall have an annual verification and audit of its financial obligations and revenues, and such audit shall be

prepared by an independent certified public accountant selected by the Commission. The audit report for each Fiscal Year shall be submitted to the Board on or before the March 31st next succeeding the end of such fiscal year.

Section 405. Prepayment of District Obligation. Upon notice to and consent of the Board and the Authority, which consent shall not be unreasonably withheld, the Commission may from time to time prepay the District Obligation. All the terms of such prepayment are subject to the approval of the Board and the Authority.

Section 406. Failure to Pay Special Tax Revenues. The Parties acknowledge and expressly agree that if, and for so long as, (i) the amount of Special Tax Revenues required to be collected and paid to the Fiscal Agent to be allocated to the Annual Board Share is not paid to the Fiscal Agent for a period of sixty (60) days from the date such payment was due pursuant to this District Contract, or (ii) the amount so paid is not sufficient to pay the aggregate annual debt service on all outstanding State Bonds of 2002 in any Fiscal Year, and any resulting deficiency is not paid with Excess Revenues within such sixty day period as provided in Section 401(e) of this District Contract, then the provisions of Section 15.2-4608 (A) of the Virginia Code in effect as of that date shall apply.

Section 407. Zoning Changes. The Commission shall use its best efforts to ensure that if Fairfax or Loudoun County changes the zoning classification for any property within the District from commercial or industrial use to residential use upon the written request or approval of the owner of such property, or in any other case permitted by law, then pursuant to Section 303 of the Local Contract, the County making the zoning change shall require the payment to the County by the property owner of a sum representing the present value of the future Special Improvements Taxes to be lost as a result of such zoning change estimated in accordance with the formula set forth in Appendix G as a condition precedent to such rezoning.

Section 408. Transfer or Assignment of Rights to Receive Payments.

(a) The Parties expressly agree that the Board shall have the right, in its sole discretion, to transfer or assign its rights to receive payments from the Fiscal Agent or otherwise hereunder in connection with fulfilling its obligations under this District Contract; provided however, that no such transferee or assignee, except the trustee or trustees for the State Bonds of 2002, shall have any right to enforce any rights of the Board by means of any judicial or administrative proceeding against the District, the Commission, Loudoun County, Fairfax County, or any officer, employee or agent thereof, and the Board shall be responsible for informing any such transferees or assignees of this limitation on their rights prior to any such transfer or assignment by the Board. Notwithstanding such transfer or assignment, the Board shall retain the obligation to withhold funds in accordance with Section 406 in the event of any deficiency in Special Tax revenues.

(b) The Parties expressly agree that the Authority shall have the right, in its sole discretion, to transfer or assign its rights to receive payments from the Fiscal Agent or otherwise hereunder in connection with fulfilling its obligations under this District Contract; provided however, that no such transferee or assignee, except the trustee or trustees for the Authority Bonds, shall have any right to enforce any rights of the Authority by means of any judicial or

administrative proceeding against the District, the Commission, Loudoun County, Fairfax County, or any officer, employee or agent thereof, and the Authority shall be responsible for informing any such transferees or assignees of this limitation on their rights prior to any such transfer or assignment by the Authority.

ARTICLE V

MISCELLANEOUS

Section 501. Term of Contract. The Term of this District Contract shall commence on the Effective Date and terminate upon payment in full of the District Obligation.

Section 502. Priority and Amendments. As of the Effective Date, this District Contract constitutes the entire agreement between the Parties with respect to the subject matter herein, and supersedes the Original Contract between the District and the Board dated September 1, 1988, and all amendments thereto, which shall be null and void. This District Contract may be amended in writing by the Parties.

Section 503. Other Contracts. The Parties hereto may enter into other contracts concerning the request and levy of an additional Special Improvements Tax and the collection of additional Special Tax Revenues so long as: (i) the provisions of such contracts do not conflict with or affect the request and levy of the Special Improvements Tax and the collection of Special Tax Revenues under the terms of this District Contract and the Local Contract; and (ii) the aggregate amount of all Special Improvements Tax payable by the Commission does not exceed the limit set forth in the District Act.

Section 504. Amendments of Local Contract. The Commission shall not agree to any amendment of the Local Contract without the approval of the other Parties to this District Contract.

Section 505. Successors. This District Contract shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors.

Section 506. Severability. If any provision of this District Contract shall be held to be illegal or invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof, and this District Contract shall be construed and enforced as if such illegal or invalid provision had not been contained in it, provided, however, that in no circumstance shall the financial obligation of the Commission, the District, the Board or either County be any greater than as expressly set forth in this District Contract.

Section 507. Counterparts. This District Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 508. Notices. Unless otherwise provided in this District Contract, all notices, approvals, consents, requests and other communications under this District Contract shall be in writing and shall be deemed to have been given when delivered in person, or when sent by Federal Express or a comparable express courier service, or when mailed by registered or

certified mail, postage prepaid, addressed (a) if to the Board, at 1401 E. Broad Street, Richmond, Virginia 23219 (Attention: Chair), (b) if to the Authority, at 12000 Government Center Parkway, Suite 561, Fairfax, Virginia 22035 (Attention: Chief Financial Officer), or (c) if to the Commission, at both 12000 Government Center Parkway, Suite 552, Fairfax, Virginia 22035 (Attention: County Executive), and 1 Harrison Street, S.E. Leesburg, Virginia 20177-7000 (Attention: County Administrator). The Parties may, by notice given under this District Contract, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent.

IN WITNESS WHEREOF, the Parties have caused this District Contract to be executed on their behalf by their duly authorized officers.

COMMONWEALTH TRANSPORTATION BOARD

By: _____

Title: _____

Date: _____

FAIRFAX COUNTY ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Title: _____

Date: _____

STATE ROUTE 28 HIGHWAY TRANSPORTATION
IMPROVEMENT DISTRICT COMMISSION

By: _____

Title: _____

Date: _____

SECOND AMENDED AND RESTATED FISCAL AGENT AGREEMENT

by and among

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA

and

BOARD OF SUPERVISORS OF
LOUDOUN COUNTY, VIRGINIA

and

U.S. BANK NATIONAL ASSOCIATION
as Fiscal Agent

_____ 1, 2022

Table of Contents

Page

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions..... 2
Section 102. Rules of Construction 3

ARTICLE II

DUTIES OF COUNTIES AND FISCAL AGENT

Section 201. Collection of Special Tax Revenues 3
Section 202. Establishment of Funds..... 3
Section 203. Deposit and Allocation of Special Tax Revenues by Fiscal Agent. 3
Section 204. Transfers from the Revenue Fund..... 4
Section 205. District Project Completion Fund. 5
Section 206. Counties to Determine Any Reserve Subfund Deficiency, Budget
Replenishment and Give Notice.....5

ARTICLE III

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 301. Security for Deposits..... 6
Section 302. Investment of Moneys..... 7
Section 303. Valuation..... 7

ARTICLE IV

CONCERNING THE FISCAL AGENT

Section 401. Protections and Standards of Care 7

ARTICLE V

MISCELLANEOUS

Section 501. Agreement Effective 7
Section 502. Amendments 7
Section 503. Parties Alone Have Rights under Agreement; Exceptions 8
Section 504. Successors 8

Section 505. Severability 8
Section 506. Counterparts 8
Section 507. Notices 8

Annex A
Annex B

This SECOND AMENDED AND RESTATED FISCAL AGENT AGREEMENT, dated as of _____ 1, 2022 (this “Agreement” or this “Fiscal Agent Agreement”) by and among the BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, the governing body of Fairfax County, Virginia (“Fairfax County”), the BOARD OF SUPERVISORS OF LOUDOUN COUNTY, VIRGINIA, the governing body of Loudoun County, Virginia (“Loudoun County,” together with Fairfax County, the “Counties”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America and having a corporate trust office in Richmond, Virginia, which is authorized under such laws to exercise corporate trust powers and is subject to examination under such authority, as Fiscal Agent (said national banking association and any bank, banking association or trust company becoming successor fiscal agent under this Fiscal Agent Agreement being hereinafter sometimes called the “Fiscal Agent”),

WITNESSETH:

WHEREAS, the Counties and State Route 28 Highway Transportation Improvement District Commission (the “Commission”), a political subdivision appointed by the Fairfax County, Virginia Board of Supervisors and the Loudoun County, Virginia Board of Supervisors (together with the Fairfax County, Virginia Board of Supervisors the “Boards of Supervisors”) pursuant to the Primary Highway Transportation Improvement in Multi-County Areas Act (Virginia Code § 15.1-1372 et seq., as restated and amended as Virginia Code § 15.2-4600 et seq as amended (the “District Act”), have entered into an Amended and Restated Local Contract, dated November 1, 2006 (the “Local Contract”), which provides, among other things, the duty of the Commission to make requests to the Board of Supervisors for the levy of a special improvements tax and the collection of special tax revenues and a copy of which appears as Annex A hereto; and

WHEREAS, the Commonwealth Transportation Board (the “Board”), the Commission and the Fairfax County Economic Development Authority (the “Authority”) have entered into a Second Amended and Restated District Contract, dated as of _____ 1, 2022 (as so amended and restated, the “District Contract”) which provides among other things, an agreement to undertake refunding of certain of the Fairfax County Economic Development Authority’s Transportation Contract Revenue Refunding Bonds (Route 28 Project) Series 2012, an agreement among the parties regarding the method of financing the District Project and the procedures to follow for requesting the Boards of Supervisors to levy a special improvements tax and collect special tax revenues in accordance with the District Act and a copy of which appears as Annex B hereto; and

WHEREAS, the Board under a Master Indenture of Trust dated as of October 1, 2002 (the “Board Master Indenture”) with a corporate trustee (the “Board Trustee”) has issued Commonwealth of Virginia Transportation Contract Revenue Bonds (Route 28 Project) Series 2002 to provide funding for certain transportation projects on State Route 28 and to refund obligations incurred by the Board for such purposes and contemplates the issuance of additional bonds and refunding bonds (collectively, the “Board Bonds”); and

WHEREAS, the Board Master Indenture provides for each County to transfer to the Fiscal Agent by the first day of each month, an amount equal to the special tax revenues

collected by that County by the first day of the prior month and not yet paid to the Fiscal Agent; and

WHEREAS, the Authority under an Amended and Restated Trust Agreement dated as of November 1, 2006 (the “Authority Trust Agreement”) with U.S. Bank National Association (in its capacity as trustee under the Authority Trust Agreement, the “Authority Trustee”) has issued a series in each of 2003, 2004, 2007, 2008, 2012, 2016, and 2022 of Fairfax County Economic Development Authority Transportation Contract Revenue Bonds (Route 28 Project) to provide funding for certain transportation projects on State Route 28, or refunding of all or portions of such bonds and such Authority Trust Agreement allows for the refunding of such bonds, in whole or in part (collectively, the “Authority Bonds”); and

WHEREAS, in order to allocate appropriately the special tax revenues collected in the District and keep such payments for payment of the Board Bonds and Authority Bonds in the manner contemplated in the District Contract, the Counties and the Fiscal Agent have entered into this Agreement; and

WHEREAS, the Board Master Indenture provided that upon the initial issuance by Authority of Authority Bonds, the Revenue Stabilization Fund was transferred to the Authority Trustee and the Revenue Fund and the District Project Completion Fund were transferred to the Fiscal Agent under this Fiscal Agent Agreement and the duties and responsibilities imposed on the Fiscal Agent under the Board Master Indenture were transferred to and allocated between the Authority Trustee and the Fiscal Agent under this Fiscal Agent Agreement, all subject to the prior written consent of the Board; and

WHEREAS, the Board has heretofore granted its written consent to such transfers and allocations of Funds, duties and responsibilities; and

WHEREAS, the Fiscal Agent under this Fiscal Agent Agreement has received, among other things, the transfer of the Revenue Fund and the corpus of cash and investments to the credit thereof and of the District Project Completion Fund and the corpus of cash and investments to the credit thereof, the records of the Board Trustee relating to such Funds and certain material information provided by the Board Trustee to the Fiscal Agent and shall thereafter hold and administer such Funds in accordance with the provisions hereof;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. Unless otherwise defined herein, words defined in the Authority Trust Agreement, are used in this Agreement with the meanings assigned to them in the Authority Trust Agreement. Any word used in this Agreement and not defined herein or in the Authority Trust Agreement is used in this Agreement with the meanings assigned to it in the District Contract, including those definitions amended in Section 201 of the First Amendment to Amended and Restated District Contract.

Section 102. Rules of Construction. Unless the content clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular shall include the plural number and vice versa.

(b) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Agreement.

(c) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II

DUTIES OF COUNTIES AND FISCAL AGENT

Section 201. Special Tax Revenues. Pursuant to the requirements of Sections 301 and 302 of the Local Contract and Sections 401 and 402 of the District Contract and the directions of the District, the Counties agree to collect all Special Tax Revenues received from the imposition of the Special Improvements Tax within each County's boundaries. Furthermore, the Counties agree to pay over to the Fiscal Agent all collected Special Tax Revenues by the first day of each month. Such payment of Special Tax Revenues is to be no later than forty-five (45) days after receipt.

Section 202. Establishment of Funds. There are hereby created with the Fiscal Agent the Revenue Fund and the District Project Completion Fund that are to be held as trust funds by the Fiscal Agent for the benefit of the Counties, the Board and the Commission.

Section 203. Deposit and Allocation of Special Tax Revenues by Fiscal Agent.

(a) The Fiscal Agent shall deposit all Special Tax Revenues, as received from the Counties, in the Revenue Fund. The Fiscal Agent shall also credit to the Revenue Fund any investment earnings on amounts in the Revenue Fund. The Fiscal Agent shall credit the Revenue Fund with any other moneys which are received by it and which are accompanied by instructions that such moneys are to be deposited into the Revenue Fund.

(b) Based upon schedules of debt service required to be provided to the Fiscal Agent by the Board regarding Board Bonds and the Authority regarding Authority Bonds and any cash then on hand in the Revenue Fund, the Fiscal Agent shall calculate the Annual Authority Share, the Authority Proportion, the Annual Board Share, the Board Proportion and the Combined Debt Service on each March 15, commencing March 15, 2004. The Fiscal Agent is to send a copy of such calculations to the parties to the District Contract at the addresses set forth therein.

(c) By each January 25 and August 15, the Fiscal Agent shall send notifications to the Board Trustee and the Authority Trustee (together, the "Trustees") that indicate the moneys then on deposit in the Revenue Fund (after deducting the Fiscal Agent's fees and expenses then due) and in the District Project Completion Fund and available to be transferred to each Trustee on the second Business Day prior to the next April 1 or October 1 for the payment of debt

service due on such dates on the Authority Bonds or the Board Bonds as applicable (the “first notice”). If the amount indicated in the first notice as available to be so transferred is less than the debt service for the Authority Bonds and the Board Bonds, by the following March 15 or September 15, respectively, the Fiscal Agent shall send a second notification to the Trustees (the “second notice”) that indicates the moneys then on deposit in the Revenue Fund and the District Project Completion Fund and available to be transferred to the Trustees on the second Business Day prior to the next April 1 or October 1, as the case may be, for the payment of debt service due on the Authority Bonds and the Board Bonds on that April 1 or October 1.

Section 204. Transfers from the Revenue Fund.

(a) The Fiscal Agent shall transfer from the Revenue Fund to the Board Trustee and the Authority Trustee on the second Business Day prior to the next April 1 and October 1 an amount equal to the principal and interest or interest scheduled to become due on the Board Bonds and the Authority Bonds, respectively, on such April 1 or October 1, as the case may be; provided, however, that if the amount in the Revenue Fund is less than the total amount of the principal and interest or interest coming due on such April 1 or October 1, then the Fiscal Agent shall pay to the Board Trustee an amount equal to the Board Proportion of the amount in the Revenue Fund and to the Authority Trustee an amount equal to the Authority Proportion of the amount on deposit in the Revenue Fund, and make the further transfer described in Section 205.

(b) Under Section 508 of the Board Master Indenture, the Board Trustee is required to provide notice to the Fiscal Agent if such Trustee holds moneys on any January 20 or July 20 that are available to pay principal and interest on the Board Bonds on the next April 1 or interest on the Board Bonds on October 1. The Fiscal Agent is to take into account such amounts when determining the amount of moneys required to be transferred to the Board Trustee to meet the debt service on the Board Bonds and the Fiscal Agent may deduct such amounts from any potential shortfall amount or actual shortfall amount.

(c) In accordance with Section 401 of the District Contract and Sections 502(iv) and 506 of the Authority Trust Agreement, on or after April 2 of each year, after the last of the payments of the Annual Authority Share and the Annual Board Share for the Fiscal Year have been made, any moneys remaining in the Revenue Fund shall be transferred by the Fiscal Agent to the Authority Trustee for deposit into the Revenue Stabilization Subfund until the balance in the Revenue Stabilization Subfund equals the Revenue Stabilization Subfund Requirement.

(d) Any Excess Revenues in the Revenue Fund remaining after the required transfers to the Board Trustee and the Authority Trustee pursuant to Section 204 (a) and (c) are to be set aside, immediately following the transfer, if any, pursuant to subsection (c) above, with the Fiscal Agent and credited to the District Project Completion Fund.

Section 205. District Project Completion Fund.

(a) If there has been a shortfall in the amounts paid from the Revenue Fund pursuant to Section 204 as the Annual Authority Share and the Annual Board Share from the Combined Debt Service, the Fiscal Agent shall transfer from the District Project Completion Fund on the second Business Day preceding each April 1 (1) to the Authority Trustee for deposit in the

Authority Debt Service Subfund an amount equal to the shortfall in the Annual Authority Share from the debt service on the Authority Bonds and (2) to the Board Trustee for deposit in the appropriate debt service fund an amount equal to the shortfall in the Annual Board Share from the scheduled debt service on the Board Bonds. If the moneys to be so transferred from the District Project Completion Fund are less than the aggregate shortfall, the Authority Proportion and the Board Proportion shall be used to calculate the amounts of the moneys to be transferred to the Authority Trustee or to the Board Trustee.

(b) On or before each scheduled principal payment date on the TPOF loan referred to in the Transportation Partnership Opportunity Fund Loan Financing Agreement of October 23, 2006, by and among the Commission and the Department, the Fiscal Agent shall transfer from available moneys in the District Project Completion Fund to the Director of the Department's Fiscal Division an amount equal to the principal payment due on such date.

(c) Except as noted in the immediately two preceding paragraphs, the Fiscal Agent shall transfer moneys from the District Project Completion Fund based solely upon the written directions from the Commission. Upon each requested transfer, the Commission will certify to the Fiscal Agent that the written directions are in conformity with Sections 302(f) and 401(e) of the District Contract.

Section 206 Counties to Determine Any Reserve Subfund Deficiency, Budget Replenishment and Give Notice.

(a) In furtherance of its several commitments in Section 302(f) of the Local Contract to pay to the Authority Trustee for credit to the Reserve Subfund one-half of the amount of any deficiency in the amount required by the Authority Trust Agreement to be to the credit of the Reserve Subfund, each Board of Supervisors further agrees that it will cause the County's chief executive officer, in preparing the County's operating budget for each Fiscal Year that any Authority Bonds remain outstanding, to identify or estimate and include as separate line items therein one-half of the amount of (i) any existing deficiency in the amount to the credit of the Reserve Subfund and (ii) any other deficiency in the amount to the credit of the Reserve Subfund that such executive estimates will likely occur during the period beginning on or about April 1 of the current Fiscal Year and ending on the last day of the Fiscal Year for which the budget is proposed.

(b) In estimating the occurrence (or not) and amount of any deficiency described in clause (ii) of subsection (a) above, the chief executive shall take into account, among other things such executive shall deem relevant, actual collections in both Counties of the Special Improvements Tax due on December 5 of the current Fiscal Year, the current fund balances, if any, of the Revenue Stabilization Subfund and the District Project Completion Subfund, the amount of Combined Debt Service for the current and succeeding Fiscal Year, the assessed value of the property subject to the Special Improvements Tax in both Counties, and the product of the rate of the Special Improvements Tax and such assessed value.

(c) For purposes of facilitating the preparation of the estimates referred to in subsection (b) above, the Counties will cause their chief executive officers to share with each other information relative to their respective Counties, including the assessed value of property

subject to the Special Improvements Tax and the Special Improvements Tax levied and collected therein, as shall be necessary to enable the chief executive officers to prepare such estimates.

(d) Each Board of Supervisors covenants to cause its chief executive officer, having made the estimates and prepared the proposed operating budget as described in subsection (a) above, (i) to notify the Fiscal Agent and the Authority Trustee on or before June 1 of the current Fiscal Year if such executive shall have estimated any deficiency described in clause (i) or (ii) of subsection (a) above, (ii) in such case, to furnish to the Fiscal Agent and the Authority Trustee a copy of the relevant section of the proposed budget containing the proposed appropriations, and (iii) in such case, to confirm to the Fiscal Agent and to the Authority Trustee on or before the last day of the current Fiscal Year the adoption by the Board of Supervisors of an operating budget for the County that includes the appropriations contained in the chief executive's proposed budget.

(e) Each Board of Supervisors further covenants to, after a review of Special Tax revenues collected, cause its chief executive officer to identify or make estimates of any deficiencies described in clause (i) or (ii) of subsection (a) above and if such deficiencies exist or will exist (i) to notify the Fiscal Agent and the Authority Trustee on or about August 15 or January 20 that a deficiency or estimated deficiency in clause (i) or (ii) of subsection (a) above exists, (ii) in such case such chief executive officer will propose a budget amendment, amendment to the adopted appropriation or increase any approval to the extent of the deficiency or estimate of the deficiency, and (iii) in such case, to confirm to the Fiscal Agent and to the Authority Trustee such amendments or increases to the budget.

ARTICLE III

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 301. Security for Deposits. Any and all moneys deposited under the provisions of this Agreement shall, to the extent provided herein, be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the Authority or the Board. Such moneys shall be held in trust and applied in accordance with the provisions of this Agreement.

All moneys deposited with the Fiscal Agent hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Authority, the Board and the Holders, in the manner provided by State law for the security for public funds; provided, however, that it shall not be necessary for the Bond Registrar or any Paying Agent to give security for the deposit of any moneys with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or, except as specifically required by this Agreement, for the Authority, the Board or any Trustee to give security for any moneys that shall be represented by obligations purchased under the provisions of this Article as an investment of such moneys.

All moneys shall be credited to the particular Fund to which such moneys belong.

Section 302. Investment of Moneys. Amounts in the Funds held by the Fiscal Agent shall be separately invested and reinvested by the Fiscal Agent, as directed by the Commission in Investment Obligations, so long as such investments are authorized for investment of public funds by the Investment of Public Funds Act, Chapter 45, Title 2.2 of the Virginia Code, or any successor provision of law.

Section 303. Valuation. For the purpose of determining the amount on deposit to the credit of any Fund, obligations in which money in such Fund shall have been invested shall be valued at amortized cost if the average weighted life of the investments to the credit of such fund is five years or less or if more than five years at the market value or the amortized cost thereof, whichever is lower.

The Fiscal Agent shall value the Investment Obligations in the Funds and accounts held by it at least once in every Bond Year and report such balances to Authority, the Board, the Commission and the Counties. In addition, the Investment Obligations shall be valued by the Fiscal Agent at any time requested by an Authority Representative or Board Representative on reasonable notice (which period of notice may be waived or reduced by the Fiscal Agent); provided, however, that the Fiscal Agent shall not be required to value the Investment Obligations more than once in any calendar month.

ARTICLE IV

CONCERNING THE FISCAL AGENT

Section 401. Protections and Standards of Care. The Fiscal Agent is entitled to the same protections and subject to the same standards of care as are set forth, and may resign and be removed as provided for the Authority Trustee, in Article IX of the Authority Trust Agreement. Such provisions are hereby incorporated into this Agreement. In the event of a resignation or removal of the Fiscal Agent, the successor Fiscal Agent must meet the standards applicable to a successor to the Authority Trustee under Section 912 of the Authority Trust Agreement.

ARTICLE V

MISCELLANEOUS

Section 501. Agreement Effective. This Agreement shall take effect immediately upon its execution and delivery.

Section 502. Amendments. This Agreement may be amended in writing signed by the parties; provided, however, that no amendment may be made that affects the rights or responsibilities of the Authority or the Authority Trustee or the Board or the Board Trustee without the written consent of the affected person.

Section 503. Parties Alone Have Rights under Agreement; Exceptions. Except as herein otherwise expressly provided, nothing in this Fiscal Agent Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the parties, any right, remedy or claim, legal or equitable, under or by reason of this Fiscal Agent Agreement or any provision hereof, this Fiscal Agent Agreement and all its provisions being

intended to be and being for the sole and exclusive benefit of the parties; provided, however, that the parties hereby agree and acknowledge that the Authority and the Board and their respective assigns including the Authority Trustee and the Board Trustee shall have the rights of a third party beneficiary under this Fiscal Agent Agreement with respect to those provisions hereof that relate to the rights and responsibilities of the Authority and its assigns, including the Authority Trustee, and the Board and its assigns, including the Board Trustee.

Section 504. Successors. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors.

Section 505. Severability. If any provision of the Agreement shall be held to be illegal or invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained in it.

Section 506. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 507. Notices. Unless otherwise provided in this Agreement, all notices, approvals, consents, requests and other communications under this Fiscal Agent Agreement shall be in writing and shall be deemed to have been given when delivered in person, or when sent by Federal Express or a comparable express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (a) if to the Board of Supervisors of Fairfax County, at 12000 Government Center Parkway, Fairfax, Virginia 22035 (Attention: County Executive); (b) if to the Board of Supervisors of Loudoun County, at 1 Harrison Street, S.E., Leesburg, Virginia 20177-7000 (attention: County Administrator), (c) if to the Fiscal Agent, at U.S. Bank National Association, U.S. Bank Corporate Trust Services, 1051 East Cary Street, Suite 1150, Richmond, Virginia 23219 (attention: Lee Bedell), (d) if to the Fairfax County Economic Development Authority, at 8300 Boone Boulevard, Suite 450, Vienna, VA 221803 (attention: President), (e) if to the Authority Trustee, at U.S. Bank National Association, U.S. Bank Corporate Trust Services, 1051 East Cary Street, Suite 1150, Richmond, Virginia 23219 (attention: Lee Bedell), (f) if to the Commonwealth Transportation Board, at c/o Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219 (attention: Chairman) and (g) if to the Board Trustee, at SunTrust Bank, Corporate Trust Division, HDQ 5310, 919 East Main Street, 10th Floor, Richmond, Virginia 23219 (attention: Nancy Harrison). Copies of any notice sent by any one of the persons listed above (“a “Notice Party”) to any other Notice Party with respect to the subject matter of this Fiscal Agent Agreement shall be sent to all the other Notice Parties at the same time and by the same means of delivery as the original notice is given. The Notice Parties may, by notice given under this Fiscal Agent Agreement, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent.

IN WITNESS WHEREOF, the Parties have caused this Fiscal Agent Agreement to be executed on their behalf by their duly authorized officers.

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA

By: _____
Title

BOARD OF SUPERVISORS OF
LOUDOUN COUNTY, VIRGINIA

By: _____
Title

U.S. BANK NATIONAL ASSOCIATION

By: _____
Title



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-6940

Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation

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

WHEREAS, the Board approved the Commonwealth Transportation Fund Budget and the Virginia Department of Transportation Budget for Fiscal Year 2022 on June 23, 2021; and

WHEREAS, the Board approved a revised Commonwealth Transportation Fund Budget and a revised Virginia Department of Transportation Budget for FY 2022 on December 8, 2021 to incorporate the use of Priority Transportation Fund dollars;

WHEREAS, the current economic climate necessitated an update to the official revenue forecast in December 2021 by the Department of Taxation, which was subsequently supported by the Joint Advisory Board of Economists, the Governor’s Advisory Council on Revenue Estimates, and the Governor; and

WHEREAS, the federal Infrastructure Investment and Jobs Act (IIJA) signed into law November 15, 2021 provides the largest long-term federal investment in infrastructure in history; and

Resolution of the Board

Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation

January 12, 2022

Page 2 of 2

WHEREAS, the magnitude of change in the revised official revenue forecast and the impact of the federal legislation require adjustments to the previously approved budgets to consider the increased revenue available from both state and federal sources; and

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board that the revised budgets for the Commonwealth Transportation Fund and the Department of Transportation for Fiscal Year 2022, as attached hereto, are approved to include the additional revenue anticipated.

BE IT FURTHER RESOLVED, the Department of Transportation shall evaluate the planned issuance of Federal Transportation Grant Anticipation Revenue Notes (GARVEE Bonds) in the FY 2022-2027 Six-Year Financial Plan (SYFP) and the Six-Year Improvement Program (SYIP), considering the additional financial resources now available and the timing needs of the funding for the projects to which the GARVEE Bonds are currently allocated. VDOT shall report the results of this evaluation and any recommended changes in the use of the GARVEE Bonds to the Board prior to presenting the Draft FY 2023-2028 SYFP and SYIP to the Board.

#####

CTB Decision Brief

Action on the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and for the Virginia Department of Transportation

Issue: Each year, the Commonwealth Transportation Board (CTB or Board) is required by §§ 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer, distribute and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast; by § 33.2-1524.1, to provide the statutory funding to the Commonwealth Mass Transit Fund, Commonwealth Rail Fund, Commonwealth Port Fund, the Commonwealth Aviation Fund, the Commonwealth Space Flight Fund the Priority Transportation Fund and a special fund in the Commonwealth Transportation Fund to meet the expenses of the Department of Motor Vehicles; and by § 33.2-358 (A) to allocate from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate, primary and secondary system of highways and for city and town street maintenance payments and payments to counties that have elected to withdraw from the secondary state highway system.

Significant updates to both federal and state revenue have been provided or derived recently and necessitate an update to current fiscal year assumptions. Board approval and finalization of the Revised FY 2022 budgets necessary to effect the lawful distribution of available Commonwealth Transportation Fund revenues is sought.

Facts: The CTB must adopt a budget that distributes the available revenues of the Commonwealth Transportation Fund to the statutorily defined funds and purposes. The budget shall be based on the most recent official revenue forecasts and debt policy. There are separate budgets to consider in addition to the Six-Year Improvement Program:

- Commonwealth Transportation Board's Commonwealth Transportation Fund Budget which includes all transportation revenues, including those allocated to the construction program, Commonwealth Transit Fund, Commonwealth Rail Fund, Commonwealth Aviation Fund, Space Flight Fund, Commonwealth Port Fund, the Priority Transportation Fund and the special fund for the Department of Motor Vehicles. It is a summary level budget.
- The Department of Transportation (VDOT) Annual Budget which provides details on revenue and allocations that are directly provided to the agency for its programs and activities.

The CTB approved the Commonwealth Transportation Fund Budget and the Virginia Department of Transportation Budget for Fiscal Year 2022 on June 23, 2021 and a revision to the budget on December 9, 2021, allocating the surplus funds from the prior year that were dedicated to the Priority Transportation Fund.

The Second Revised FY 2022 Budgets incorporate the change in the revised official state revenue forecast and the impact of the federal legislation adjustments.

Recommendations: VDOT recommends the approval of the Revised Fiscal Year 2022 Annual Budgets for the Commonwealth Transportation Fund and the Department of Transportation.

Action Required by CTB: Adopt a Resolution setting forth the recommended actions/approvals.

Result if Approved: A new budget reflecting the revenues and allocations related to the newly available state and federal revenue will be established with allocations to programs outlined in the attached budgets.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: N/A

Revised Fiscal Year 2022

Commonwealth Transportation Fund Budget
January 2022



Virginia Department of Transportation

Budget and Funds Management Division

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Table of Contents

<u>Commonwealth Transportation Fund Revenues</u>	<u>4</u>
<u>Commonwealth Transportation Fund Recommended Distributions</u>	<u>8</u>
<u>Summary of Revenues</u>	<u>12</u>




During its 2020 session, the Virginia General Assembly enacted the Governor's Omnibus Transportation Bill, Chapter 1230 (House Bill 1414), which revised the composition of and increased available revenues for transportation funding in the Commonwealth. Under Chapter 1230, the Commonwealth Transportation Fund (CTF) serves as the fund to which all transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

Chapter 1230 also amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund ("HMO Fund"), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 also would be deposited to the Commonwealth Transportation Fund and allocated to the Transportation Trust Fund (for defined purposes and not available for further distribution). Interest, dividends, and appreciation accrued to the Transportation Trust Fund or the HMO Fund also would be allocated to the Commonwealth Transportation Fund and distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.

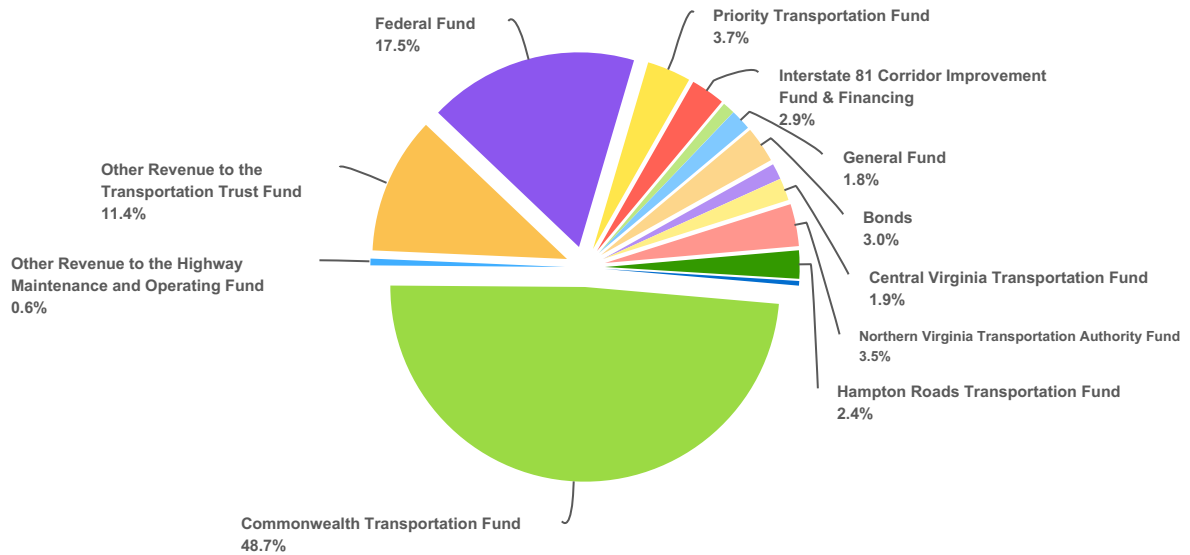
The remaining funds in the Commonwealth Transportation Fund are allocated 51% to the HMO Fund and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles. Enactment Clause 11 of Chapter 1230 also allows the Commonwealth Transportation Board to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund.

The Second Revised Fiscal Year 2022 budget for the CTF identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the state revenue forecast from December 2021 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA), as well as \$115.8 million from FY 2021 General Fund surplus committed to the CTF by the Code of Virginia contingent upon appropriation by the 2022 General Assembly and approval of the Governor. Finally, the revised budget restores planned Omnibus Transportation Bill investments to pre-COVID expectations. The Second Revised FY 2022 CTF Budget totals \$9,748,926,154, a 14.3% increase over the December 2021 revision to the FY 2022 CTF Budget, which totaled \$8,529,753,645.



The CTF receives revenues from dedicated state and federal sources. The major state revenues are based on Virginia's official revenue forecast developed by the Department of Taxation. The federal revenues from the Federal Highway Administration and the Federal Transit Administration are estimated by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). Revenues provided are also from funds collected for regional transportation improvements in Northern Virginia, Hampton Roads, and Central Virginia. These funds are dedicated to the efforts of the Northern Virginia Transportation Authority, Central Virginia Transportation Authority, and the Hampton Roads Transportation Accountability Commission.

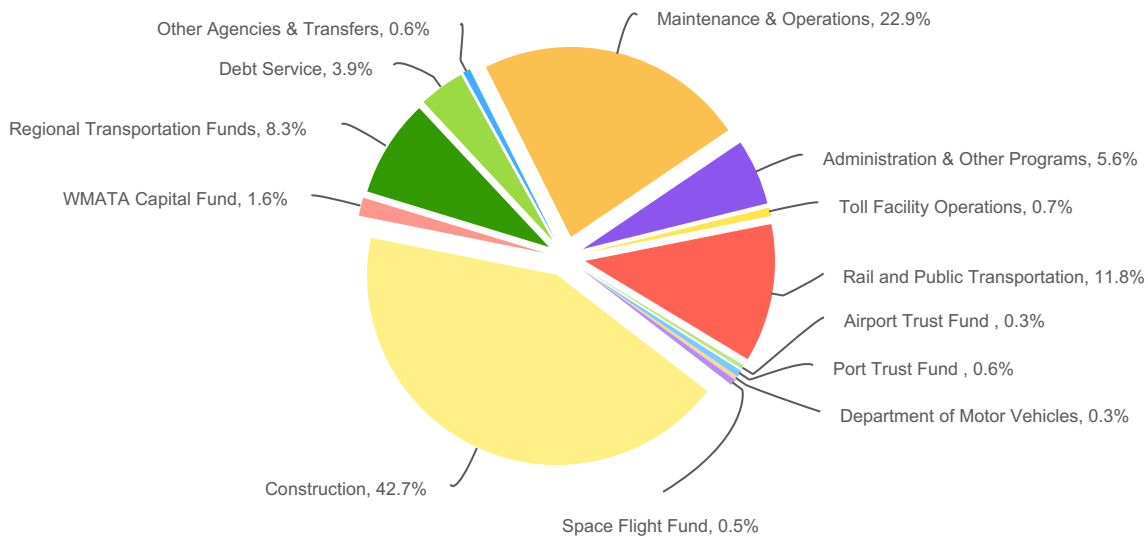
Commonwealth Transportation Fund Total Revenues for FY 2022



Commonwealth Transportation Fund	\$ 4,752,300,000
Other Revenue to the Highway Maintenance and Operating Fund	55,535,702
Other Revenue to the Transportation Trust Fund	1,112,567,050
Federal Fund	1,702,258,377
Priority Transportation Fund	356,671,762
Interstate 81 Corridor Improvement Fund & Financing	279,186,080
Fuel Tax Revenue for Highway Construction District Grant Program	100,300,000
General Fund	170,796,000
Bonds	294,691,183
Total Operating Revenues	8,824,306,154
Pass Through Revenues	
WMATA Capital Fund	131,120,000
Central Virginia Transportation Fund	181,100,000
Northern Virginia Transportation Authority Fund	342,800,000
Hampton Roads Transportation Fund	230,200,000
Hampton Roads Regional Transit Fund	39,400,000
Subtotal	924,620,000
TOTAL	\$ 9,748,926,154

The revenues are dedicated to specific funds within the CTF. After certain distributions required by the Code of Virginia, the remaining funds in the CTF are allocated 51% to the Highway Maintenance and Operating Fund (HMOF) and 49% to the Transportation Trust Fund. Chapter 1230 directs the following distribution of funds from the Transportation Trust Fund: (i) 53% for construction programs; (ii) 23% to the Commonwealth Mass Transit Fund; (iii) 7.5% to the Commonwealth Rail Fund; (iv) 2.5% to the Commonwealth Port Fund; (v) 1.5% to the Commonwealth Aviation Fund; (vi) 1% to the Commonwealth Space Flight Fund; (vii) 10.5% to the Priority Transportation Fund; and (viii) 1% to the Department of Motor Vehicles.

The revenues for the HMOF support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. The Commonwealth Transportation Board can also use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. Federal revenues are used for their defined purposes to support construction, maintenance or transit.



Debt Service	\$382,877,846
Other Agencies & Transfers	60,633,130
Maintenance & Operations	2,234,533,271
Administration & Other Programs	548,445,521
Toll Facility Operations	71,104,020
Rail and Public Transportation	1,148,308,327
Airport Trust Fund	33,896,815
Port Trust Fund	57,996,836
Department of Motor Vehicles	29,997,107
Space Flight Fund	52,983,983
Construction	4,163,529,298
Total Operating Programs	8,784,306,154
Pass Through Programs	
WMATA Capital Fund	151,120,000
Regional Transportation Funds	813,500,000
TOTAL RECOMMENDED DISTRIBUTIONS	\$ 9,748,926,154



STATE REVENUE SOURCES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)	
Commonwealth Transportation Fund	\$ 4,205,500,000	\$ 4,752,300,000	\$ 546,800,000	1
Highway Maintenance & Operating Fund (HMOF)	42,504,565	55,535,702	13,031,137	
General Fund	55,000,000	170,796,000	115,796,000	2
Transportation Trust Fund (TTF) and Other State Revenue				
Interest Earnings	28,515,000	28,515,000	—	
Toll Facilities	34,354,020	34,354,020	—	
Local Revenue Sources	133,131,383	162,294,383	29,163,000	
Project Participation - Regional Entities	782,764,066	782,764,066	—	
GARVEE Bonds	76,300,000	76,300,000	—	
Route 58 Bonds	219,304,103	219,304,103	—	
I-66 Outside the Beltway Concession Fee Payment/Interest	22,094,013	22,094,013	—	
Interstate 81 Corridor Improvement Fund	264,686,080	279,186,080	14,500,000	
Statewide Interstate Improvement Fund	(39,444,828)	(39,444,828)	—	
Special Fund Account for the Highway Construction District Grant Program	100,100,000	100,300,000	200,000	
Other Trust Fund Revenue	121,077,476	121,077,476	—	
Total TTF and Other Revenue	1,742,881,313	1,786,744,313	43,863,000	
Priority Transportation Fund (PTF)				
State Revenue	359,020,211	356,671,762	(2,348,449)	
Total PTF	359,020,211	356,671,762	(2,348,449)	
Pass Through Revenues				
Revenue Dedicated to WMATA Capital Fund	112,103,000	131,120,000	19,017,000	
State Revenue for Regional Entities	732,800,000	793,500,000	60,700,000	
Total Pass Through Revenues	844,903,000	924,620,000	79,717,000.00	
TOTAL STATE REVENUES	7,249,809,089	8,046,667,777	796,858,688	
Federal Funding Sources				
Federal Highway Administration (FHWA)	1,230,716,097	1,653,029,918	422,313,821	3
Federal Transit Administration (FTA)	49,228,459	49,228,459	—	
Total Federal Funding	1,279,944,556	1,702,258,377	422,313,821	
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$ 8,529,753,645	\$ 9,748,926,154	\$ 1,219,172,509	



DISTRIBUTION OF REVENUE SOURCES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Debt Service			
Toll Facilities Debt	\$ —	\$ —	\$ —
Northern Virginia Transportation District	12,604,922	11,427,687	(1,177,235)
Oak Grove Connector	2,128,077	2,128,077	—
Route 28	8,644,519	8,644,519	—
Route 58	29,725,222	29,725,222	—
Interstate 81	6,006,732	6,006,732	—
GARVEE Bonds	134,881,288	129,951,050	(4,930,238)
CPR Bonds	193,458,698	194,994,559	1,535,861
Other	—	—	—
Total Debt Service	387,449,458	382,877,846	(4,571,612)
Other Agencies & Transfers			
Trust Fund Management	3,200,876	3,200,876	—
Support to Other State Agencies (excludes DRPT)	42,304,162	52,304,162	10,000,000 ⁴
Indirect Costs	5,128,092	5,128,092	—
Total State Agencies	50,633,130	60,633,130	10,000,000
Maintenance & Operations			
Highway System Maintenance	1,756,641,898	1,756,641,898	—
Financial Assist. to Localities for Ground Transportation - Cities	405,955,990	405,955,990	—
Financial Assist. to Localities for Ground Transportation - Counties	71,935,383	71,935,383	—
Total Maintenance & Operations	2,234,533,271	2,234,533,271	—
Tolls, Administration & Other Programs			
Ground Transportation System Planning and Research	91,149,140	95,618,648	4,469,508
Environmental Monitoring & Compliance	43,957,252	43,957,252	—
Administrative and Support Services	302,707,781	302,707,781	—
Program Management and Direction	46,161,840	46,161,840	—
Toll Facilities Operations	34,354,020	34,354,020	—
Toll Facility Revolving Account	36,750,000	36,750,000	—
Capital Outlay	60,000,000	60,000,000	—
Total Tolls, Administration & Other Programs	615,080,033	619,549,541	4,469,508

DISTRIBUTION OF REVENUE SOURCES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Transit and Rail Funds			
Share of TTF Distribution for Transit	\$ 339,368,434	\$ 494,794,204	\$ 155,425,770
Transit - Share of administrative costs	(685,308)	(685,308)	—
Other Revenue dedicated to Transit	15,759,375	15,759,375	—
Share of TTF Distribution for Rail	100,516,839	161,345,936	60,829,097
Rail - Share of administrative costs	(176,369)	(176,369)	—
Federal Transit Authority (FTA)	49,228,459	49,228,459	—
CMAQ (without State Match)	22,243,685	22,243,685	—
STP Regional (without State Match)	14,913,598	14,913,598	—
Rail Fund (with prior year adjustments)	—	—	—
Interest Earnings	2,640,000	2,640,000	—
HB1414 Off the Top to Commonwealth Mass Transit Fund	82,185,240	120,000,000	37,814,760
Metro Matters	—	—	—
HB1414 Off the Top to Commonwealth Rail Fund	44,500,000	24,400,000	(20,100,000) ⁵
Mass Transit Fund-Support from Construction	9,289,320	9,289,320	—
Rail Fund - Support from Construction	87,500,000	87,500,000	—
Priority Transportation	99,605,427	85,105,427	(14,500,000)
Other	62,787,000	61,950,000	(837,000)
Subtotal Transit and Rail Funds	929,675,700	1,148,308,327	218,632,627
Pass Through Revenue for WMATA Capital			
Dedicated Revenue for WMATA Capital Fund	112,103,000	131,120,000	19,017,000
Transfer from NVTD Fund for WMATA Capital Fund	20,000,000	20,000,000	—
Subtotal WMATA Capital Fund	132,103,000	151,120,000	19,017,000
Airports - Share of TTF Distribution	25,785,995	32,269,187	6,483,192
Airports - Share of administrative costs	(47,372)	(47,372)	—
Revision from prior year	—	—	—
Airports - Interest Earnings	175,000	175,000	—
Directed CTF Allocation	800,000	1,500,000	700,000
Total Airport Trust Fund	26,713,623	33,896,815	7,183,192
Ports - Share of TTF Distribution	45,125,492	53,781,979	8,656,487
Ports - Share of administrative costs	(85,143)	(85,143)	—
Revision from prior year	—	—	—
Ports - Interest Earnings	300,000	300,000	—
Directed CTF allocation	2,500,000	4,000,000	1,500,000
Total Port Trust Fund	47,840,349	57,996,836	10,156,487
Department of Motor Vehicles - Share of TTF Distribution	8,963,900	21,512,791	12,548,891
DMV - Share of administrative costs	(15,684)	(15,684)	—
Directed CTF allocation	10,800,000	8,500,000	(2,300,000)
Total DMV	19,748,216	29,997,107	10,248,891
Virginia Commercial Space Flight Authority - Share of TTF Distribution	15,800,000	21,512,791	5,712,791
Space Flight Authority - Share of administrative costs	(28,808)	(28,808)	—
Directed CTF allocation	800,000	1,500,000	700,000
Total Space Flight Authority	16,571,192	22,983,983	6,412,791



DISTRIBUTION OF REVENUE SOURCES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Pass Through Revenue Allocations			
Central Virginia Transportation Authority Fund	\$ 200,300,000	\$ 181,100,000	\$(19,200,000)
Northern Virginia Transportation Authority Fund	329,702,389	383,735,532	54,033,143
Hampton Roads Transportation Fund	203,200,000	230,200,000	27,000,000
Hampton Roads Regional Transit Fund	32,300,000	39,400,000	7,100,000
Total Regional Transportation Programs	765,502,389	834,435,532	68,933,143
Construction			
Financial Assistance to Localities for Ground Transportation	14,912,548	17,476,106	2,563,558
State of Good Repair Program	249,479,115	375,287,827	125,808,712
High Priority Projects Program	249,251,163	304,882,522	55,631,359
Construction District Grant Programs	346,881,805	405,182,522	58,300,717
Specialized State and Federal Programs	2,383,378,652	2,979,764,789	596,386,137
Total Construction	3,243,903,283	4,082,593,766	838,690,483
Special Structures	60,000,000.00	60,000,000	—
DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS			
	\$ 8,529,753,644	\$ 9,718,926,154	\$ 1,189,172,510
Agency Funding Summary:			
VDOT	\$ 7,573,496,311	\$ 8,476,517,833	\$ 903,021,522
Less Support to DRPT	(216,394,747)	(201,894,747)	14,500,000
VDOT (Net)	7,357,101,564	8,274,623,086	917,521,522
DRPT	1,061,778,700	1,299,428,327	237,649,627
Ports	47,840,349	57,996,836	10,156,487
Aviation	26,713,623	33,896,815	7,183,192
DMV	19,748,216	29,997,107	10,248,891
Space Flight Authority	16,571,192	22,983,983	6,412,791
Grand Total	\$ 8,529,753,644	\$ 9,718,926,154	\$ 1,189,172,510

CTF State Revenue Details

STATE REVENUE SOURCES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
State Tax on Motor Fuels	\$1,238,500,000	\$1,282,400,000	\$43,900,000
Road Tax	47,200,000	68,200,000	21,000,000
Retail Sales & Use Tax	1,214,700,000	1,290,200,000	75,500,000
Motor Vehicle Sales and Use Tax	899,600,000	1,174,000,000	274,400,000
International Registration Plan	73,900,000	124,300,000	50,400,000
Motor Vehicle Licenses	202,900,000	234,800,000	31,900,000
Miscellaneous Revenues	17,300,000	17,200,000	(100,000)
Motor Vehicle Rental Tax	29,700,000	40,700,000	11,000,000
Aviation Fuels Tax	2,000,000	2,000,000	—
Highway Use Fee	46,600,000	52,400,000	5,800,000
Insurance Premium	171,800,000	180,700,000	8,900,000
Recordation Tax	57,000,000	81,000,000	24,000,000
Total	\$ 4,001,200,000	\$ 4,547,900,000	\$ 546,700,000

Endnotes

Endnote Number	Description
1	Reflects impact of December 2021 revenue estimate from Department of Taxation.
2	Reflects anticipated FY 2021 General Fund surplus committed to the CTF by the Code of Virginia contingent upon appropriation by the 2022 General Assembly and approval of the Governor.
3	Reflects increased federal funding levels provided under the Infrastructure Investment and Jobs Act (IIJA).
4	Reflects allocation of funds to the Department of Wildlife Resources for efforts to address the loss of wildlife habitat impacted by transportation projects in Hampton Roads.
5	Dedication to Rail was increased previously due to revenue conditions. The Rail component of TTF distribution rebounds to provide for Pre-COVID expectations in FY 2022



Revised Fiscal Year 2022

VDOT Annual Budget
January 2022

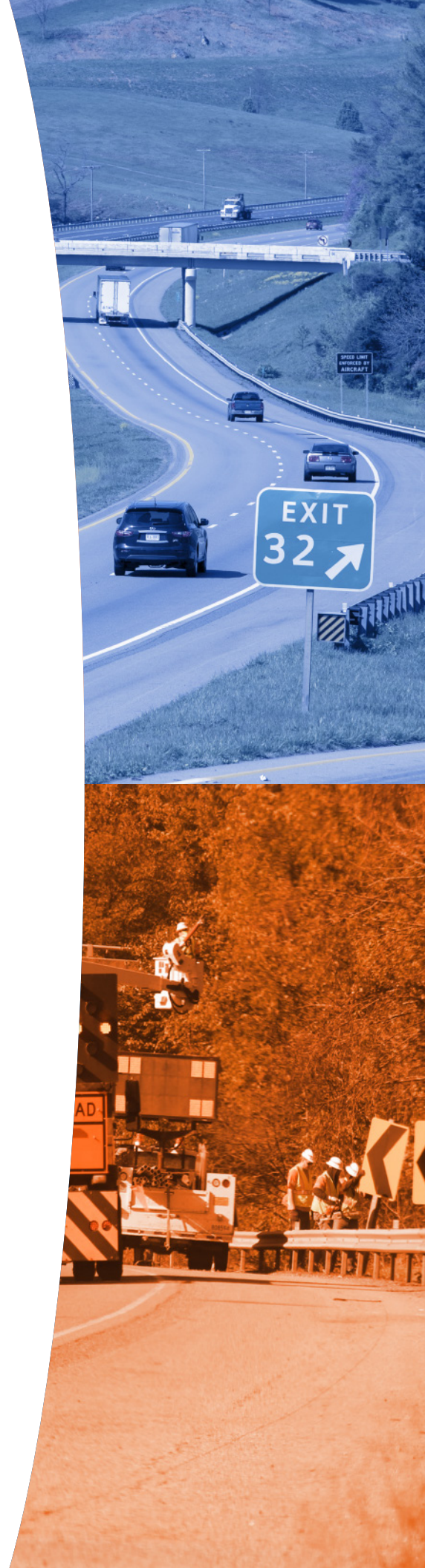


Table of Contents

Overview	3
Highway Maintenance and Operating Fund Revenues	6
Commonwealth Transportation Fund & Transportation Trust Fund	7
Other Funds Revenues	8
VDOT Allocations	9
Environmental Monitoring and Evaluation	11
Ground Transportation Planning and Research	12
Highway Construction Programs	13
• State of Good Repair Program	14
• High Priority Projects Program	14
• Construction District Grant Programs	14
• Specialized State and Federal Programs	15
• Highway Construction Program Management	17
Highway System Maintenance	18
Commonwealth Toll Facilities	19
Financial Assistance to Localities	20
Non-Toll Supported Transportation Debt Service	21
Special Structures	22
Administrative and Support Services	23
VDOT Capital Outlay	24
Support to Other State Agencies	25
VDOT Budget Schedule for Fiscal Year 2022	27
Appendix I - Powhite Parkway Extension	29
Appendix I - Coleman Bridge	30
Appendix I - I-66 Inside the Beltway	31
Appendix I - I-64 Express Lanes	32
Index: Acronyms and Terminology	33
Endnotes	34

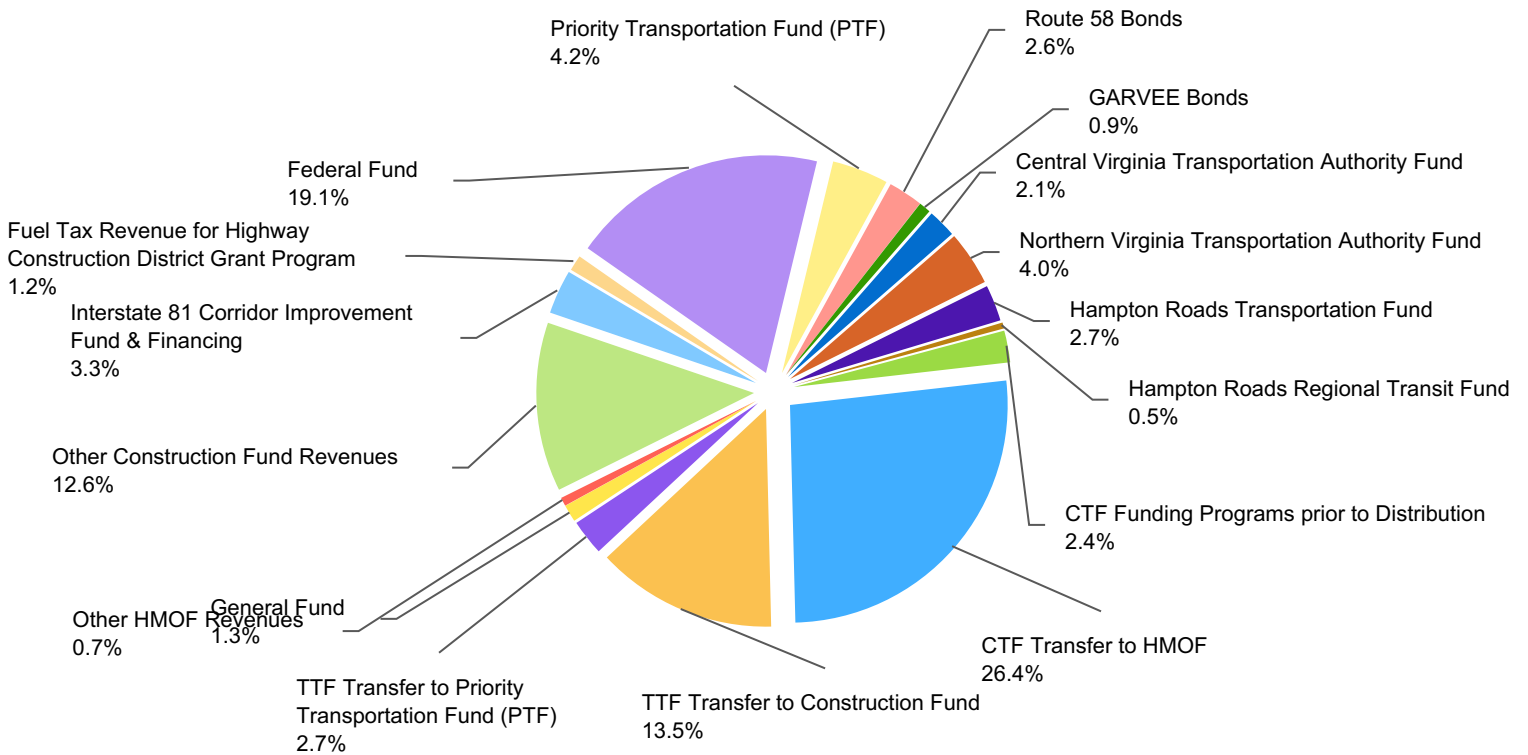
Overview

The Second Revised Fiscal Year 2022 budget for the Virginia Department of Transportation (VDOT) identifies the estimated revenues and the distribution of the revenues to the related transportation programs. It is based on the state revenue forecast from December 2021 and reflects implementation of federal funding provided under the Infrastructure Investment and Jobs Act (IIJA), as well as \$115.8 million from FY 2021 General Fund surplus committed to the Commonwealth Transportation Fund (CTF) by the Code of Virginia contingent upon appropriation by the 2022 General Assembly and approval of the Governor. The Second Revised VDOT Budget for FY 2022 totals \$8,476,517,833 a 11.9% increase over the Revised FY 2022 VDOT Budget of \$7,573,496,312.

Chapter 1230 created the CTF which serves as the fund to which all statewide transportation revenues are deposited and then distributed to programs and funds. These transportation revenues include: (i) motor vehicles fuels taxes and road taxes for diesel fuel; (ii) vehicle registration fees; (iii) highway use fee; (iv) 0.5% statewide sales and use tax; (v) 0.3% statewide sale and use tax for transportation; (vi) 4.15% percent motor vehicles sales and use tax; (vii) motor vehicle rental tax (10 percent of gross proceeds from rentals for most passenger vehicles); (viii) \$0.03 of the \$0.25 per \$100 of assessed value of the statewide recordation tax; (ix) tax on liquid alternative fuel, set at the rate for gasoline; (x) International Registration Plan fees; and (xi) one-third of the revenue from insurance premium taxes.

VDOT's revenues are provided by dedicated state and federal revenue sources. The major state revenues are estimated by the Department of Taxation and are included in the state's official revenue estimate. VDOT continues to estimate federal revenues based upon information received from Federal Highway Administration (FHWA). The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority, the Hampton Roads Transportation Accountability Commission, and the Central Virginia Transportation Authority.

Source of Transportation Funds



Overview

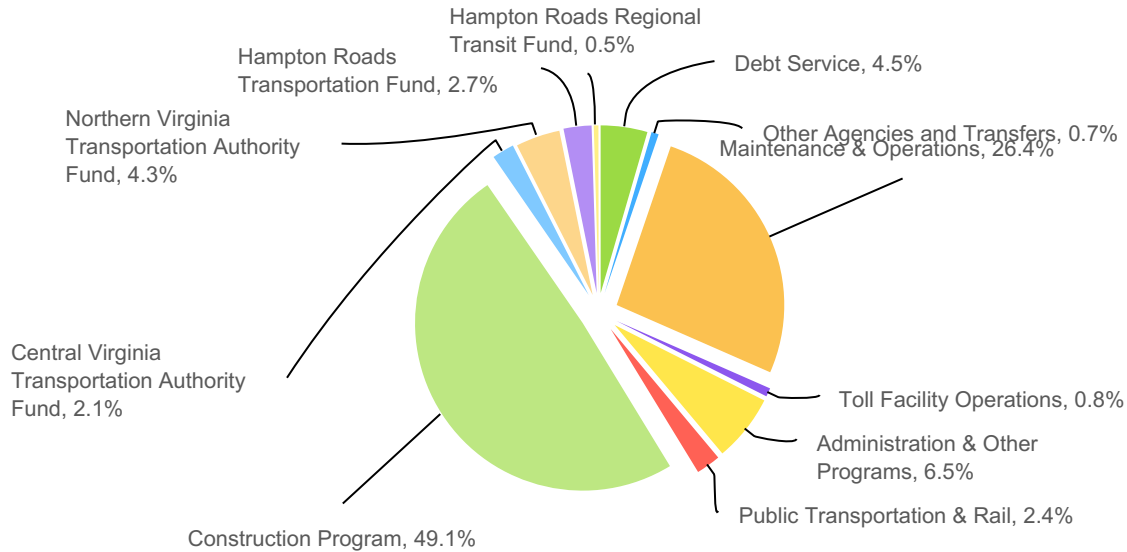
Detailed Sources of Transportation Funds

CTF Funding Programs prior to Distribution	\$ 201,000,000
CTF Transfer to HMOF	2,239,086,459
TTF Transfer to Construction Fund	1,140,177,948
TTF Transfer to Priority Transportation Fund (PTF)	225,884,310
General Fund	108,396,000
Other HMOF Revenues	55,535,702
Other Construction Fund Revenues	1,065,302,834
Interstate 81 Corridor Improvement Fund & Financing	279,186,080
Fuel Tax Revenue for Highway Construction District Grant Program	100,300,000
Federal Fund	1,615,872,635
Priority Transportation Fund (PTF)	356,671,762
Route 58 Bonds	219,304,103
GARVEE Bonds	76,300,000
Subtotal	7,683,017,833
Pass Through Revenues	
Central Virginia Transportation Authority Fund	181,100,000
Northern Virginia Transportation Authority Fund	342,800,000
Hampton Roads Transportation Fund	230,200,000
Hampton Roads Regional Transit Fund	39,400,000
TOTAL	\$ 8,476,517,833

Overview

VDOT's revenues provide funding for debt service, maintenance, administration and construction. This budget reflects the planned use of the revenues available to the agency and also includes the pass through funds to the regions. The following is a summary of the programs by spending category:

Allocations	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Debt Service	\$387,449,459	\$382,877,846	\$(4,571,613)
Other Agencies and Transfers	50,633,130	60,633,130	10,000,000
Maintenance & Operations	2,234,533,271	2,234,533,271	—
Toll Facility Operations	71,104,020	71,104,020	—
Administration & Other Programs	543,976,013	548,445,521	4,469,508
Public Transportation & Rail	216,394,747	201,894,747	(14,500,000)
Construction Program	3,316,605,672	4,163,529,298	846,923,626
Subtotal	\$6,820,696,312	\$7,663,017,833	\$842,321,521
Pass Through Revenues			
Central Virginia Transportation Authority Fund	200,300,000	181,100,000	(19,200,000)
Northern Virginia Transportation Authority Fund	317,000,000	362,800,000	45,800,000
Hampton Roads Transportation Fund	203,200,000	230,200,000	27,000,000
Hampton Roads Regional Transit Fund	32,300,000	39,400,000	7,100,000
TOTAL	\$7,573,496,312	\$8,476,517,833	\$903,021,521



Highway Maintenance & Operating Fund

The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. The HMOF is intended to provide for the agency's maintenance, operations and administrative needs. Since Fiscal Year 2002, the HMOF has required transfers from the Construction Fund to cover the budgetary needs of the fund. With the updated revenue assumptions for the current year, this transfer will reverse direction and the HMOF will provide \$57.5 million to the Construction Fund, representing revenue in excess of budgetary allocations needed. Starting with Fiscal Year 2021, the HMOF is funded by a transfer from the Commonwealth Transportation Fund (CTF) as a result of Chapter 1230. This shift from dedicated revenue sources to a transfer of revenues deposited into the CTF, as well as the crossover reversal from HMOF to the Construction Fund, is demonstrated in the chart below.

HMOF Revenue Sources	REVISED FY 2022	2nd REVISED FY 2022	Difference
CTF Transfer to HMOF	\$ 2,085,900,000	\$ 2,239,086,459	\$ 153,186,459
Miscellaneous Revenues	17,300,000	17,200,000	(100,000)
Other Revenue	25,204,565	38,335,702	13,131,137
Subtotal	\$ 2,128,404,565	\$ 2,294,622,161	\$ 166,217,596
Transfer from Construction	108,704,104	(57,513,492)	(166,217,596)
Total	\$ 2,237,108,669	\$ 2,237,108,669	\$ —

Commonwealth Transportation Fund & Transportation Trust Fund

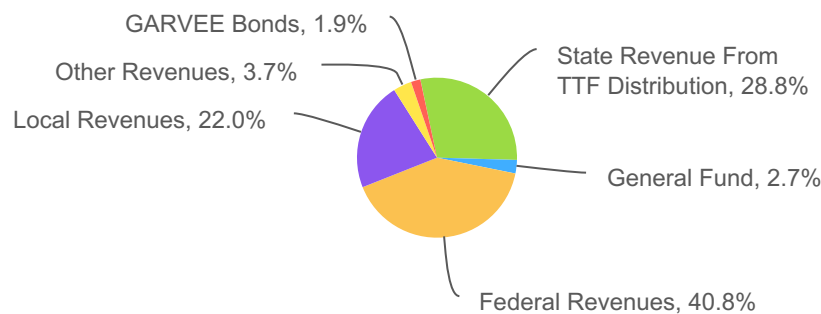
Chapter 1230 amends the allocation of funds. Before funds are distributed between the Transportation Trust Fund and the Highway Maintenance and Operating Fund (HMOF), (i) \$40 million annually will be deposited into the Route 58 Corridor Development Fund; (ii) \$40 million annually will be deposited into the Northern Virginia Transportation District Fund; and (iii) \$80 million annually (as adjusted annually based on changes in consumer price index for urban consumers) will be deposited into the Special Structure Fund. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. With the revision, planned Omnibus Transportation Bill investments are restored to pre-COVID expectations. The following table provides details on revised distributions for Fiscal Year 2022.

Construction Fund Revenue Sources	REVISED FY 2022	2nd REVISED FY 2022	Difference
Distributed to Route 58 Corridor Fund	\$ 40,000,000	\$ 40,000,000	\$ —
Distributed to Northern Virginia Transportation District Fund	40,000,000	40,000,000	—
Distributed to Oak Grove Fund	1,000,000	1,000,000	—
Distributed to TTF for Support	1,034,395	1,034,395	—
Distributed for Omnibus Programs	90,000,000	120,000,000	30,000,000
Total	\$ 172,034,395	\$ 202,034,395	\$ 30,000,000

The following table identifies the construction fund revenues by major source.

Construction Fund Revenue Sources	REVISED FY 2022	2nd REVISED FY 2022	Difference
State Revenue From TTF Distribution	\$ 1,033,919,705	\$ 1,140,177,948	\$ 106,258,243
General Fund	22,600,000	108,396,000	85,796,000
Federal Revenues	1,193,558,814	1,615,872,635	422,313,821
Local Revenues	842,853,270	872,853,270	30,000,000
Other Revenues	147,130,693	147,130,693	—
GARVEE Bonds	76,300,000	76,300,000	—
Total	\$ 3,316,362,482	\$ 3,960,730,546	\$ 644,368,064

Construction Fund Revenue by Source, FY 2022



Other Fund Revenues

VDOT manages a number of special funds. Each special fund receives dedicated revenues to be used to support the mission of the program.

Other Fund Revenues	REVISED FY 2022	2nd REVISED FY 2022	Difference
Regional Transportation Funds	\$ 732,800,000	\$ 793,500,000	\$ 60,700,000
Interstate 81 Corridor Improvement Fund	264,686,080	279,186,080	14,500,000
Fuel Tax Revenue for the Special Fund Account for the Highway Construction District Grant Program	100,100,000	100,300,000	200,000
Powhite Parkway Extension Toll Revenue	11,000,000	11,000,000	—
Coleman Bridge Toll Revenue	6,000,000	6,000,000	—
I-66 Inside the Beltway Toll Revenue	15,216,600	15,216,600	—
I-64 Express Lanes Toll Revenue	2,137,420	2,137,420	—
Northern VA Transportation District (NVTD)	7,020,640	7,020,640	—
Oak Grove	1,128,077	1,128,077	—
Priority Transportation Fund (PTF)	581,108,622	570,492,932	(10,615,690)
Transportation Partnership Opportunity Fund	10,066,667	10,066,667	—
Route 58	219,304,103	219,304,103	—
Route 28	8,644,519	8,644,519	—
Other	18,197,231	18,197,231	—
Total	\$ 1,977,409,959	\$ 2,042,194,269	\$ 64,784,310
Total Construction Major Sources (page 7)	3,316,362,482	3,960,730,546	644,368,064
Transfer to HMOF	(108,704,104)	57,513,492	166,217,596
Total Construction Fund	\$ 5,185,068,337	\$ 6,060,438,307	\$ 875,369,970

VDOT Program Descriptions and Allocations

Summary of Allocations by Program

The following table summarizes VDOT's budget by the major budgetary programs.

	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Environmental Monitoring and Evaluation (514)	\$ 43,957,252	\$ 43,957,252	\$ —
Ground Transportation Planning and Research (602)	91,149,140	95,618,648	4,469,508
Highway Construction Programs (603)	3,275,152,575	4,111,279,500	836,126,925
Highway System Maintenance (604)	1,756,641,898	1,756,641,898	—
Commonwealth Toll Facilities (606)	71,104,020	71,104,020	—
Financial Assistance to Localities (607)	1,258,306,310	1,329,803,011	71,496,701
Non-Toll Supported Transportation Debt Service (612)	387,449,459	382,877,846	(4,571,613)
Special Structures (614)	60,000,000	60,000,000	—
Administrative and Support Services (699)	302,707,781	302,707,781	—
VDOT Capital Outlay (998)	60,000,000	60,000,000	—
Support to Other State Agencies	50,633,130	60,633,130	10,000,000
Support to DRPT Programs	216,394,747	201,894,747	(14,500,000)
Total	\$ 7,573,496,312	\$ 8,476,517,833	\$ 903,021,521

Environmental Monitoring and Evaluation (514)

The Environmental Program consists of the following service areas:

Environmental Monitoring and Compliance for Highway Projects (514008) - To provide efforts to evaluate, monitor and maintain the quality of the state's natural resources as part of a balanced consideration of environmental and transportation needs. VDOT's wetland mitigation program is funded in this service area.

Environmental Monitoring Program Management and Direction (514009) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

Municipal Separate Storm Sewer System Compliance Activities (514010) - To provide efforts to address storm water discharges, including the related operational and maintenance activities, to meet Total Maximum Daily Load reduction targets. VDOT's current Municipal Separate Storm Sewer System (MS4) permit requires VDOT to reduce its pollutant load allocation to the Chesapeake Bay.

ENVIRONMENTAL MONITORING & EVALUATION (514)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Environmental Monitoring & Compliance for Highway Projects (514008)	\$10,873,613	\$10,873,613	\$ —
Environmental Monitoring Program Management (514009)	3,595,685	3,595,685	—
Municipal Separate Storm Sewer System Compliance Activities (514010)	29,487,954	29,487,954	—
TOTAL ENVIRONMENTAL MONITORING & EVALUATION	\$ 43,957,252	\$ 43,957,252	\$ —
TTF	43,957,252	43,957,252	—

Ground Transportation Planning & Research (602)

Ground Transportation Planning and Research is comprised of:

Ground Transportation System Planning (602001) - To provide efforts to lead and plan a comprehensive system of ground transportation, including the planning of particular ground transportation projects through surveying, mapping and studies. These studies are the basis for decisions on proposed highway plans, programs and projects, as well as other travel modes and routes throughout Virginia.

Ground Transportation System Research (602002) - To provide efforts devoted to the planning and delivery of a comprehensive ground transportation research, development, consulting and technology transfer program covering the areas of transportation system operations, maintenance, structural design and construction, materials and specifications, safety, environmental stewardship, finance and policy.

Ground Transportation Program Management and Direction (602004) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

PLANNING & RESEARCH (602)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Ground Transportation System Planning (602001)	\$ 73,335,252	\$ 77,804,760	\$ 4,469,508
Ground Transportation System Research (602002)	13,471,811	13,471,811	—
Ground Transportation Program Management (602004)	4,342,077	4,342,077	—
TOTAL PLANNING & RESEARCH	\$ 91,149,140	\$ 95,618,648	\$ 4,469,508
HMOF	16,990,331	16,990,331	—
CONSTRUCTION	53,832,904	53,832,904	—
FEDERAL	20,325,905	24,795,413	4,469,508

Highway Construction Programs (603)

For Fiscal Year 2022, the funding made available for distribution is distributed via the formula outlined in the Code of Virginia, § 33.2-358. With the enactment of Chapter 1230, funds are distributed to the following programs: State of Good Repair Program, High Priority Projects Program, Construction District Grant Program, Interstate Operations and Enhancement Program, and Virginia Highway Safety Improvement Program. Enactment Clause 11 of Chapter 1230 provides the Commonwealth Transportation Board the ability to take actions deemed necessary in fiscal years 2021, 2022, and 2023 to ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for in the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020. The following table provides details on distributions for Fiscal Year 2022.

The budget also contains a significant application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.

CONSTRUCTION (603)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
State of Good Repair Program (603020)	\$ 249,479,115	\$ 375,287,827	\$ 125,808,712
High Priority Projects Program(603021)	249,251,163	304,882,522	55,631,359
Construction District Grant Programs (603022)	346,881,805	405,182,522	58,300,717
Specialized State and Federal Programs (603023)	2,383,378,652	2,979,764,789	596,386,137
Construction Management (603015)	46,161,840	46,161,840	—
TOTAL CONSTRUCTION	\$3,275,152,575	\$4,111,279,500	\$ 836,126,925
CONSTRUCTION	1,604,658,692	1,928,645,032	323,986,340
FEDERAL	668,848,360	1,089,315,709	420,467,349
I-81 CORRIDOR IMPROVEMENT FUND	258,679,348	273,179,348	14,500,000
STATEWIDE INTERSTATE IMPROVEMENT FUND - PRIOR YEAR ADJUSTMENT	(39,444,828)	(39,444,828)	—
SPECIAL FUND ACCOUNT FOR CONSTRUCTION DGP	100,100,000	100,300,000	200,000
PTF	307,608,622	307,608,622	—
TPOF	10,046,154	20,046,154	10,000,000
BONDS	—	—	—
VTIB	15,333,333	15,333,333	—
GARVEE BONDS	76,300,000	76,300,000	—
CONCESSION FEE FUND	844,013	844,013	—
GENERAL FUND	22,600,000	88,396,000	65,796,000
ROUTE 58	229,366,183	249,578,881	20,212,698

Highway Construction Programs (603)

STATE OF GOOD REPAIR PROGRAM (603020)

The purpose of the State of Good Repair Program service area is to allocate funds to state of good repair purposes for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions. (Code of Virginia §33.2-369)

STATE OF GOOD REPAIR PROGRAM (603020)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
TOTAL STATE OF GOOD REPAIR	\$ 249,479,115	\$ 375,287,827	\$ 125,808,712
CONSTRUCTION	133,820,047	232,683,259	98,863,212
FEDERAL	115,659,068	142,604,568	26,945,500

HIGH PRIORITY PROJECTS PROGRAM (603021)

The purpose of the High Priority Projects Program service area is to allocate funds to the established program for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to Code of Virginia §33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually. (Code of Virginia §33.2-370)

HIGH PRIORITY PROJECTS PROGRAM (603021)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
TOTAL HIGH PRIORITY PROJECTS	\$ 249,251,163	\$ 304,882,522	\$ 55,631,359
CONSTRUCTION	101,353,566	154,951,832	53,598,266
FEDERAL	81,998,290	93,673,914	11,675,624
GARVEE	65,899,307	56,256,776	(9,642,531)

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)

The purpose of the Construction District Grant Programs service area is to allocate funds to the established grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to Code of Virginia §33.2-353. In accordance with §33.2-359, the Commonwealth Transportation Board shall allocate funds to improve nonsurface treated secondary highways that carry 50 or more vehicles per day. This allocation shall not exceed \$25 million annually (Code of Virginia, §33.2-371).

CONSTRUCTION DISTRICT GRANT PROGRAMS (603022)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
TOTAL CONSTRUCTION DISTRICT GRANT	\$ 346,881,805	\$ 405,182,522	\$ 58,300,717
CONSTRUCTION	129,655,711	120,808,231	(8,847,480)
SPECIAL FUND ACCOUNT FOR CONSTRUCTION			
DGP	100,100,000	100,300,000	200,000
FEDERAL	106,725,401	164,031,067	57,305,666
GARVEE	10,400,693	20,043,224	9,642,531

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)

The purpose of the Specialized State and Federal Programs service area is to allocate funds to State and Federal Construction Programs that are not components of the other funding distributions. The Federal programs that are exempt from the distribution process are outlined in § 33.2-214.1 of the Code of Virginia (Statewide prioritization process for project selection). These include Congestion Mitigation and Air Quality (CMAQ) funding, Regional Surface Transportation Program funding, and Safety funding. The service area will also allocate bond programs and the state and local components of Revenue Sharing. Anticipated funding from regional entities for projects is also allocated in this service area.

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
CMAQ & State Match	\$ 40,804,913	\$ 46,282,311	\$ 5,477,398
Open Container	20,919,874	24,987,205	4,067,331
Participating Project Costs	60,000,000	60,000,000	—
Project Participation from HRTAC	—	—	—
HRTAC Participation for Hampton Roads Bridge-Tunnel Expansion Project	584,212,963	584,212,963	—
Project Participation from NVTAC	138,551,103	138,551,103	—
Route 58 Bonds	218,391,183	218,391,183	—
Revenue Sharing	220,210,334	280,210,334	60,000,000 ⁷
Safety & Soft Match	66,318,635	149,616,262	83,297,627
STP Set-aside	23,246,788	36,779,452	13,532,664
STP Regional & State Match	83,917,886	102,972,300	19,054,414
Tele Fees	9,483,037	9,483,037	—
I-66 Outside the Beltway Concession Fee/Interest Earnings	844,013	844,013	—
Interstate 81 Corridor Improvements	258,679,348	273,179,348	14,500,000
Statewide Interstate Improvements	99,071,695	188,852,162	89,780,467
STP Set-aside State Match	—	2,785,506	2,785,506
Highway Improvement Program - CRSSA	37,995,585	37,995,585	—
Improvements to I-64 HRELN	93,100,000	93,100,000	—
PTF for Safety	10,000,000	10,000,000	—
PTF for Construction Projects	297,608,622	297,608,622	—
Carbon Reduction Program and State Match	—	38,372,011	38,372,011
PROTECT	—	45,279,913	45,279,913
Bridge	—	91,249,422	91,249,422
Bridge - Off System	—	16,102,839	16,102,839
Electric Vehicles	—	21,275,226	21,275,226
HSIP to Vulnerable Users	—	12,663,454	12,663,454
Regional Trails	—	25,796,000	25,796,000 ⁸
ATI	—	20,000,000	20,000,000 ⁸
I-64 Gap between exit 205 and exit 234	—	20,000,000	20,000,000 ⁸
Other	120,022,673	133,174,538	13,151,865
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	\$ 2,383,378,652	\$ 2,979,764,789	\$ 596,386,137

Highway Construction Programs (603)

SPECIALIZED STATE AND FEDERAL PROGRAMS (603023)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
CONSTRUCTION	1,193,667,528	1,374,039,870	180,372,342
FEDERAL	364,465,601	689,006,160	324,540,559
I-81 CORRIDOR IMPROVEMENT FUND	258,679,348	273,179,348	14,500,000
STATEWIDE INTERSTATE IMPROVEMENT FUND - PRIOR YEAR ADJUSTMENT	(39,444,828)	(39,444,828)	—
NVTD	—	1,177,236	1,177,236
GENERAL FUND	22,600,000	88,396,000	65,796,000
PTF	307,608,622	307,608,622	—
CONCESSION FEE FUND	844,013	844,013	—
OTHER BOND PROGRAMS/FUNDS	249,578,881	249,578,881	—
VTIB	15,333,333	15,333,333	—
TPOF	10,046,154	20,046,154	10,000,000
TOTAL SPECIALIZED STATE AND FEDERAL PROGRAMS (60323)	\$2,383,378,652	\$2,979,764,789	\$596,386,137

Highway Construction Programs (603)

CONSTRUCTION MANAGEMENT (603015)

The purpose of the construction management program is to provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

CONSTRUCTION MANAGEMENT (603015)	REVISED FY 2022	2nd REVISED	INCREASE (DECREASE)
TOTAL CONSTRUCTION MANAGEMENT	\$46,161,840	\$46,161,840	\$ —
	TTF 46,161,840	46,161,840	—

Highway System Maintenance (604)

The maintenance program consists of:

Interstate Maintenance (604001) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Primary Maintenance (604002) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Secondary Maintenance (604003) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Transportation Operations Services (604004) - To improve mobility, safety, travel time reliability and security on the transportation system through the deployment of a variety of operational strategies including regional smart traffic centers, emergency services, traveler services, congestion management and traffic signalization optimization.

Highway Maintenance Program Management and Direction (604005) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

HIGHWAY SYSTEM MAINTENANCE (604)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$ 336,098,854	\$ 336,098,854	\$ —
Primary Maintenance (604002)	504,798,771	504,798,771	—
Secondary Maintenance (604003)	560,697,117	560,697,117	—
Transportation Operations Services (604004)	272,035,360	272,035,360	—
Highway Maintenance Program Management & Direction (604005)	83,008,796	83,008,796	—
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$1,756,641,898	\$1,756,641,898	\$ —
HMOF	1,394,259,930	1,394,259,930	—
FEDERAL	362,381,968	362,381,968	—

Commonwealth Toll Facilities

Revenues collected from toll facilities contribute to Virginia's safe and effective transportation system. Of these facilities, four are currently owned and operated by VDOT: Powhite Parkway Extension Toll Road in Chesterfield County, George P. Coleman Bridge in Gloucester County, I-66 Inside the Beltway and I-64 Express Lanes.

Toll Facility Acquisition and Construction (606001) -To provide for efforts to acquire and construct ground transportation toll facilities.

Toll Facility Debt Service (606002) -To provide for the debt service requirements of the debt-financed toll facilities. The bond indentures for the toll facilities require the Commonwealth Transportation Board (CTB) to set toll rates for all classes of vehicles which will provide sufficient net revenues to meet the facility's obligations. Toll roads are typically constructed with debt financing and the subsequent toll collection revenues are used for debt service payments. The remaining state-owned facility collecting tolls to pay debt service on outstanding bonds is the George P. Coleman Bridge located between Gloucester and York counties. The bonds issued to finance the Powhite Parkway Extension have been retired, but the toll revenues are needed to repay the outstanding debts of the facility owed to VDOT and Chesterfield County.

Toll Facility Maintenance and Operation (606003) - To provide for the operational costs of the four toll facilities operated by VDOT: the George P. Coleman Bridge and the Powhite Parkway Extension Toll Road, I-66 Inside the Beltway facility and I-64 Express Lanes. All operating costs associated with that facility are to be paid out of the revenues generated by that facility. Customer service and toll collection are toll facilities' main operations.

Toll Facilities Revolving Fund (606004) - To provide a method to finance and/or refinance existing and potential toll facilities. Funds allocated from the Toll Facilities Revolving Account intended for planned or operating toll facilities are considered advance funding and are expected to be repaid to the Toll Facilities Revolving Account.

COMMONWEALTH TOLL FACILITIES (606)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Acquisition & Construction (606001)	\$ —	\$ —	\$ —
Debt Service (606002)	—	—	—
Maintenance & Operations (606003)	34,354,020	34,354,020	—
Toll Facilities Revolving (606004)	36,750,000	36,750,000	—
TOTAL TOLL FACILITIES	\$ 71,104,020	\$ 71,104,020	\$ —
POWHITE	11,000,000	11,000,000	—
COLEMAN	6,000,000	6,000,000	—
I-66 INSIDE THE BELTWAY	15,216,600	15,216,600	—
I-64 EXPRESS LANES	2,137,420	2,137,420	—
TOLL FACILITIES REVOLVING	36,750,000	36,750,000	—

Financial Assistance to Localities (607)

Financial Assistance to Localities consists of:

Financial Assistance for City Road Maintenance (607001) - To provide monetary support to localities for capital improvements and/or maintenance of roads and/or transportation facilities. Direct financial assistance is provided to 84 cities and towns to maintain, operate, and improve their arterial and collector roads and local streets. The level of assistance to the respective local governments for maintenance expenditures is based on the number of qualifying lane-miles in each locality and available funding.

Financial Assistance for County Road Maintenance (607002) - Provide monetary support in lieu of maintenance services to localities for road maintenance and upkeep where such localities have elected to maintain their own highway systems. Currently, Henrico and Arlington maintain their own roads.

Financial Assistance for Planning, Access Roads, and Special Projects (607004) - To manage and distribute funding for recreational and industrial access programs and the Metropolitan Planning federal grant program. The Recreational Access Program provides funding for roads and bikeways to new or expanding non-federal, non-commercial public parks and historic sites. Access roads for qualifying airports and industrial sites, and access tracks for qualified rail users are provided through VDOT's Industrial, Airport, and Rail Access Fund. The Metropolitan Planning Grants are federal funds available to support activities undertaken by Metropolitan Planning Organizations (MPOs) to develop long-range transportation plans and transportation improvement programs.

Distribution of Northern Virginia Transportation Authority Fund Revenues (607006) - To transfer state regional tax revenues to the Northern Virginia Transportation Authority to fund local and regional transportation projects.

Distribution of Hampton Roads Transportation Fund Revenues (607007) - To transfer state regional tax revenues to the Hampton Roads Transportation Accountability Commission to fund local and regional transportation projects.

Distribution of Central Virginia Transportation Authority Fund Revenues (607010) - To transfer state regional tax revenues to the Central Virginia Transportation Authority to fund local and regional transportation projects.

FINANCIAL ASSISTANCE TO LOCALITIES (607)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Financial Assistance for City Road Maintenance (607001)	\$ 405,955,990	\$ 405,955,990	\$ —
Financial Assistance for County Road Maintenance (607002)	71,935,383	71,935,383	—
Financial Assistance for Planning, Access Roads, & Special Projects (607004)	14,912,548	17,476,106	2,563,558
Distribution of Northern Virginia Transportation Authority Fund Revenues (607006)	329,702,389	383,735,532	54,033,143
Distribution of Hampton Roads Transportation Fund Revenues (607007)	235,500,000	269,600,000	34,100,000
Distribution of Central Virginia Transportation Authority Fund Revenues (607010)	200,300,000	181,100,000	(19,200,000)

TOTAL FINANCIAL ASSISTANCE TO LOCALITIES **\$1,258,306,310** **\$1,329,803,011** **\$ 71,496,701**

HMOF	477,891,373	477,891,373	—
CONSTRUCTION	20,493,644	28,983,143	8,489,499
FEDERAL	7,121,293	9,428,495	2,307,202
CENTRAL VIRGINIA TRANSPORTATION FUND	200,300,000	181,100,000	(19,200,000)
NORTHERN VIRGINIA TRANSPORTATION FUND	317,000,000	362,800,000	45,800,000
HAMPTON ROADS TRANSPORTATION FUND	203,200,000	230,200,000	27,000,000
HAMPTON ROADS REGIONAL TRANSIT FUND	32,300,000	39,400,000	7,100,000

Non-Toll Supported Transportation Debt Service (612)

Non-Toll Supported Transportation Debt Service consists of:

Highway Transportation Improvement District Debt Service (612001) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special tax districts. There is currently only one such district, the State Route 28 Highway Transportation Improvement District in Fairfax and Loudoun counties.

Designated Highway Corridor Debt Service (612002) - To provide for the debt service requirements of the bonds sold to finance transportation improvements in special designated highway corridors. The Commonwealth Transportation Board has issued transportation revenue bonds for the U.S. Route 58 Corridor Development Program, the City of Chesapeake Oak Grove Connector Project, and the Northern Virginia Transportation District (NVTD) Program.

Commonwealth Transportation Capital Projects Bond Act Debt Service (612004) - To provide for the debt service requirements of the bonds sold to finance transportation improvements under the Commonwealth Transportation Capital Projects Bond Act.

Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005) - To provide for the debt service requirements of the bonds sold as Federal Transportation Grant Anticipation Revenue bonds (GARVEEs).

I-81 Debt Service (612006) - To provide for the debt service requirements of the bonds sold to finance transportation improvements on the Interstate 81 Corridor.

Non-Toll Supported Transportation Debt Service (612)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Highway Transportation Improvement Debt Service (612001)	\$ 8,644,519	\$ 8,644,519	—
Designated Highway Corridor Debt Service (612002)	44,458,222	43,280,986	(1,177,236)
Commonwealth Transportation Capital Projects Bond Act Debt Service (612004)	193,458,698	194,994,559	1,535,861
Federal Transportation Grant Anticipation Revenue Notes Debt Service (612005)	134,881,288	129,951,050	(4,930,238)
I-81 Debt Service (612006)	6,006,732	6,006,732	—
TOTAL NON-TOLL SUPPORTED DEBT SERVICE	\$ 387,449,459	\$ 382,877,846	\$ (4,571,613)
NVTD	12,604,923	11,427,687	(1,177,236)
OAK GROVE	2,128,077	2,128,077	—
ROUTE 28	8,644,519	8,644,519	—
CPR BONDS	193,458,698	194,994,559	1,535,861
ROUTE 58	29,725,222	29,725,222	—
FEDERAL	134,881,288	129,951,050	(4,930,238)

Special Structures (614)

Statewide Special Structures (614000) - Special Structures are very large, indispensable and unique bridges and tunnels identified by the Commissioner of Highways and approved by the Commonwealth Transportation Board. The General Assembly declares it to be in the public interest that the maintenance, rehabilitation, and replacement of special structures in the Commonwealth occur timely as to provide and protect a safe and efficient highway system. The Board is establishing a program for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth. With the assistance of the Department of Transportation, the Board developed and will maintain a plan for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth.

VDOT SPECIAL STRUCTURES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
TOTAL VDOT SPECIAL STRUCTURES	\$ 60,000,000	\$ 60,000,000	\$ —
SPECIAL STRUCTURES	60,000,000	60,000,000	—

Administrative and Support Services (699)

Administrative and Support Services is comprised of:

General Management and Direction (699001) - To provide for the general administrative management, direction and support activities of VDOT. This includes, but is not limited to, accounting services, human resources, succession planning, health and safety services, procurement, facilities management, management studies, policy analysis, process improvements, performance management, internal auditing, innovative financing, financial planning services and oversight of compensation programs for all VDOT employees.

Information Technology Services (699002) - To provide for administrative management, direction and infrastructure support for tasks including, but not limited to, automated data processing services for citizens and visitors to the Commonwealth, Virginia's legislative bodies, other state and local government agencies as well as its own Department of Transportation employees.

Facilities and Grounds Management Services (699015) - To provide physical plant maintenance needs to VDOT facilities. This maintenance work is considered ordinary or routine nature and includes the cost of labor, equipment and materials to make minor repairs to utilities such as plumbing, heating, and electrical; and the maintenance of driveways, parking lots, and yards. The service area also funds small renovation/alteration projects that cost no more than \$10,000.

Employee Training and Development (699024) - To provide Employee Training and Development services to VDOT. This includes traditional classroom training and related development activities and tuition reimbursement.

ADMINISTRATIVE & SUPPORT SERVICES (699)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
General Management & Direction (699001)	\$ 163,937,254	\$ 163,937,254	\$ —
Information Technology Services (699002)	105,791,557	105,791,557	—
Facilities and Grounds Management Services (699015)	20,540,895	20,540,895	—
Employee Training & Development (699024)	12,438,075	12,438,075	—
TOTAL ADMINISTRATIVE & SUPPORT SERVICES	\$ 302,707,781	\$ 302,707,781	\$ —
HMOF	301,673,386	301,673,386	—
CONSTRUCTION	1,034,395	1,034,395	—

VDOT Capital Outlay (998)

Capital Outlay funding is provided to support the agency's building and renovation needs as well as Maintenance Reserve needs. This funding may be used for acquisition of real property (including buildings or plant) or machinery or equipment, new construction, and improvements related to state-owned real property, buildings, plant, machinery or equipment (including plans therefore), as defined in the Code of Virginia. All capital outlay projects must be approved by the Governor and General Assembly via the Six-Year Capital Improvement Plan and the Biennial Budget. VDOT receives direction from the Department of Planning and Budget and the Department of General Services on the development and execution of the Capital Outlay Program.

VDOT CAPITAL OUTLAY (998)	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
TOTAL VDOT CAPITAL OUTLAY	\$ 60,000,000	\$ 60,000,000	\$ —
CONSTRUCTION	60,000,000	60,000,000	—

Program Allocations by Fund

VDOT provides funding to other agencies to cover support activities and services related to the transportation programs.

SUPPORT TO OTHER STATE AGENCIES	REVISED FY 2022	2nd REVISED FY 2022	INCREASE (DECREASE)
Transportation Appropriation to Other Agencies			
Department of Education	\$ 279,612	\$ 279,612	\$ —
Marine Resources Commission	313,768	313,768	—
Secretary of Transportation	953,895	953,895	—
Department of State Police	9,083,587	9,083,587	—
Department of Minority Business Enterprise	1,640,575	1,640,575	—
Department of Historic Resources	115,642	115,642	—
Department of Emergency Management	1,295,713	1,295,713	—
Department of Motor Vehicles	14,387,417	14,387,417	—
Department of Treasury	185,187	185,187	—
Virginia Liaison Office	164,267	164,267	—
Department of Wildlife Resources	—	10,000,000	10,000,000
Office of the State Inspector General	2,083,846	2,083,846	—
SUBTOTAL	30,503,509	40,503,509	10,000,000
Transfers to the General Fund			
Department of General Services	388,254	388,254	—
Department of Agriculture & Conservation Services	97,586	97,586	—
Chesapeake Bay Initiatives	10,000,000	10,000,000	—
Indirect Costs	5,128,092	5,128,092	—
Department of Taxation	3,015,689	3,015,689	—
SUBTOTAL	18,629,621	18,629,621	—
Transfers to Other Agencies			
Department of Motor Vehicles (fuel tax evasion)	1,500,000	1,500,000	—
SUBTOTAL	1,500,000	1,500,000	—
TOTAL SUPPORT TO OTHER STATE AGENCIES	\$ 50,633,130	\$ 60,633,130	\$ 10,000,000
HMOF	46,293,649	46,293,649	—
CONSTRUCTION	2,874,094	2,874,094	—
TPOF	20,513	20,513	—
DMV	15,684	15,684	—
RAIL	176,369	176,369	—
PTF	406,190	406,190	—
PORTS	85,143	85,143	—
AIRPORTS	47,372	47,372	—
DRPT	685,308	685,308	—
SPACE	28,808	28,808	—

Program Allocations by Fund

The following table summarizes VDOT's budget by major program and major fund.

Program	HMOF	Construction	Federal	Bonds	Other*	Total
Environmental Monitoring and Evaluation (514)	\$ —	\$ 43,957,252	\$ —	\$ —	\$ —	\$ 43,957,252
Ground Transportation Planning & Research (602)	16,990,331	53,832,904	24,795,413	—	—	95,618,648
Highway Construction Programs (603)	—	1,928,645,032	1,089,315,709	76,300,000	1,017,018,759	4,111,279,500
Highway System Maintenance (604)	1,394,259,930	—	362,381,968	—	—	1,756,641,898
Commonwealth Toll Facilities (606)	—	—	—	—	71,104,020	71,104,020
Financial Assistance to Localities (607)	477,891,373	8,047,611	9,428,495	—	834,435,532	1,329,803,011
Non-Toll Supported Transportation Debt Service (612)	—	—	129,951,050	—	252,926,796	382,877,846
Special Structures (614)	—	60,000,000	—	—	—	60,000,000
Administrative and Support Services (699)	301,673,386	—	—	—	1,034,395	302,707,781
VDOT Capital Outlay (998)	—	60,000,000	—	—	—	60,000,000
Support to Other State Agencies	46,293,649	2,874,094	—	—	11,465,387	60,633,130
Support to DRPT Programs	—	96,789,320	—	—	105,105,427	201,894,747
TOTAL	\$2,237,108,669	\$ 2,254,146,213	\$ 1,615,872,635	\$ 76,300,000	\$2,293,090,316	\$8,476,517,833

* - Other includes I-81 Corridor Improvement Fund, Statewide Interstate Improvement Fund, Tolls, PTF, Route 58, Route 28, Oak Grove, TPOF, Concession Fund Interest and Regional Transportation Funds.

Budget Comparison Schedule for FY 2022

Revenues

Revenue provided by the General Fund of the Commonwealth	\$ 22,600,000
Taxes	969,300,000
Rights and privileges	20,546,755
Sale of property and commodities	—
Interest, dividends, and rents	39,914,823
Fines, forfeitures, court fees	—
Penalties and escheats	6,000,000
Receipts from localities and private sector	933,855,752
Federal grants and contracts	1,615,872,635
Toll revenues	64,354,020
Other	453,472,222
Total Revenues	<u>4,125,916,207</u>

Other Financing Sources

Other financing sources	264,466,829
Bond proceeds	279,986,080
Note proceeds	—
Transfers from other state agencies and General Fund	—
Transfers in	3,806,148,717
Total Other Financing Sources	<u>4,350,601,626</u>

Total Revenues and Other Sources \$8,476,517,833

Budget Comparison Schedule for FY 2022

Revenues

Administrative and support services	\$302,707,781
Ground transportation system planning and research	95,618,648
Highway system acquisition and construction	4,111,279,500
Highway system maintenance	1,756,641,898
Financial assistance to localities	1,329,803,011
Environmental monitoring and compliance	43,957,252
Toll facility operations and construction	71,104,020
Special Structures	60,000,000
Capital outlay	60,000,000
Debt Service	382,877,846
Total Expenditures	<u>8,213,989,956</u>

Other Financing Uses

Other financing uses	—
Transfers to other state agencies and General Fund	262,527,877
Transfers out	—
Total Other Financing Uses	<u>262,527,877</u>

Total Expenditures and Other Uses **\$8,476,517,833**

Revenues and Other Sources Over (Under) Expenditures and **\$ —**

Appendix I - Powhite Parkway Extension (0436) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	\$ 11,000,000
TOTAL ESTIMATED REVENUES	\$ 11,000,000

Toll Facility Revolving Account Loan Repayment	2,681,653
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 8,318,347

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	5,716,267
Maintenance Replacement Fund	1,500,000
Estimated Interest Payment to Chesterfield County	1,102,080
TOTAL ESTIMATED EXPENDITURES	\$ 8,318,347

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	\$ 1,512,075	\$ 1,550,721	\$ 38,646
Contractual Services	1,389,655	1,374,600	(15,055)
Supplies and Materials	62,300	59,000	(3,300)
Transfer Payments	2,182,862	2,235,446	52,584
Continuous Charges	109,100	116,500	7,400
Property and Improvements	—	—	—
Equipment	1,876,500	380,000	(1,496,500)
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 7,132,492	\$ 5,716,267	\$ (1,416,225)

Appendix I - Coleman Bridge (0782) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	6,000,000
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 6,000,000

Toll Facility Revolving Account Loan Repayment	2,774,828
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 3,225,172

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	2,412,879
Maintenance Replacement Fund	812,293
TOTAL ESTIMATED EXPENDITURES	\$ 3,225,172

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	\$ 498,198	\$ 522,269	\$ 24,071
Contractual Services	1,452,300	1,065,660	(386,640)
Supplies and Materials	83,550	76,750	(6,800)
Transfer Payments	375,000	400,000	25,000
Continuous Charges	81,000	48,700	(32,300)
Property and Improvements	—	—	—
Equipment	243,190	299,500	56,310
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 2,733,238	\$ 2,412,879	\$ (320,359)

Appendix I - I-66 Inside the Beltway (0446) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	\$ 15,216,600
TOTAL ESTIMATED REVENUES	\$ 15,216,600

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	13,716,600
Maintenance Replacement Fund	1,500,000
TOTAL ESTIMATED EXPENDITURES	\$ 15,216,600

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	596,651	506,369	(90,282)
Contractual Services	8,272,545	7,560,531	(712,014)
Supplies and Materials	—	7,800	7,800
Transfer Payments	794,684	5,641,600	4,846,916
Continuous Charges	—	300	300
Property and Improvements	—	—	—
Equipment	—	—	—
Obligations	—	—	—
TOTAL - Operating Expenditures	\$ 9,663,880	\$ 13,716,600	\$ 4,052,720

Appendix I - I-64 Express Lanes (0447) FY 2022

FY 2022 ESTIMATED REVENUE

Toll Revenues	\$ 1,891,614
TOTAL ESTIMATED REVENUES	\$ 1,891,614
 <i>Cash Balance from Prior Year</i>	 245,806
TOTAL ESTIMATED REVENUE AVAILABLE	\$ 2,137,420

FY 2022 EXPENDITURE BUDGET

Revenue Fund	
Operations	2,137,420
TOTAL ESTIMATED EXPENDITURES	\$ 2,137,420

Details of Operating Expenditures	ALLOCATION FY 2022	RECOMMENDED FY 2022	INCREASE (DECREASE)
Personal Services	\$250,000	255,870	\$5,870
Contractual Services	2,187,000	1,581,375	(605,625)
Supplies and Materials	5,000	175	(4,825)
Transfer Payments	642,000	300,000	(342,000)
Continuous Charges	—	—	—
Property and Improvements	—	—	—
Equipment	—	—	—
Obligations	—	—	—
TOTAL - Operating Expenditures	\$3,084,000	\$2,137,420	(\$946,580)

Index: Acronyms and Terminology

Term	Description
BROS	Bridge Off-System
CMAQ	Congestion Mitigation and Air Quality
CPR	Capital Projects Revenue Bonds
CTF	Commonwealth Transportation Fund
DRPT	Department of Rail and Public Transportation
FHWA	Federal Highway Administration
GARVEE	Federal Grant Anticipation Revenue Bonds
HMOF	Highway Maintenance and Operating Fund
MWAA	Metropolitan Washington Airports Authority
NHPP	National Highway Performance Program
NVTD	Northern Virginia Transportation District
Oak Grove	City of Chesapeake Oak Grove Connector Project Bonds
PTF	Priority Transportation Fund
Soft Match	The budget contains a significant application of Toll Credits that are used as "soft match" to meet the non-federal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects. It permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. The federal share on most projects in the future can effectively be increased up to 100 percent. However, the use of soft match does not increase the federal funding available to Virginia.
STP	Surface Transportation Program
STP Regional	Federal allocation that is to be used in urbanized areas with population greater than 200,000 – This portion is to be divided among those areas based on their relative share of population
STP Statewide	Surface Transportation Program sub-allocation that may be used in any area of the State
STP Under 200,000	Federal allocation that is to be used in areas with population greater than 5,000 but no more than 200,000
STP Under 5,000	Federal allocation that is to be used in areas with population of 5,000 or less
TAP	Transportation Alternatives Program
Tele Fees	Allocation of revenue from Public Rights-of-Way Use Fee to a provider of telecommunications service
Toll Facilities Revolving	Toll Facilities Revolving Account
TPOF	Transportation Partnership Opportunity Fund
TTF	Transportation Trust Fund

Endnotes

Endnote Number	Description
1	Reflects allocation of funds to the Department of Wildlife Resources for efforts to address the loss of wildlife habitat impacted by transportation projects in Hampton Roads and increased federal funds from the Infrastructure Investment and Jobs Act (IIJA).
2	Reflects adjustment of previous dedication to Rail due to revenue conditions; the Rail component of the distribution rebounds in this revision to provide for pre-COVID expectations in FY 2022.
3	Reflects impacts of federal revenue increase resulting from Infrastructure Investment and Jobs Act (IIJA), state revenue estimate increases demonstrated in the December 2021 revenue estimate, and anticipated deposit of General Funds to CTF for transportation purposes.
4	Reflects Construction Program allocation of FY 2021 General Fund surplus committed to the CTF by the Code of Virginia contingent upon appropriation by the 2022 General Assembly and approval of the Governor.
5	Reflects allocation of FY 2021 GF Surplus contingent on General Assembly and Governor approvals.
6	Reflects FY 2021 General Fund surplus committed to the CTF by the Code of Virginia contingent upon appropriation by the 2022 General Assembly and approval of the Governor.
7	Reflects proposed advancement of Revenue Sharing allocations contingent upon approval of the 2022 General Assembly and Governor.
8	Reflects allocation of share of FY 2021 General Fund surplus contingent upon appropriation by the 2022 General Assembly and approval of the Governor.
9	Reflects allocation of funds to the Department of Wildlife Resources for efforts to address the loss of wildlife habitat impacted by transportation projects in Hampton Roads.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 12

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Revised Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2022 – 2027

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 and that the Program shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, the Appropriations Act authorizes the Secretary and all agencies within the Transportation Secretariat to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth; and

WHEREAS, the Board is required by Section 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast; and

WHEREAS, the Board adopted the Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 on June 23, 2021; and

WHEREAS, the update to the official revenue forecast released by the Department of Taxation on December 16, 2021 represents a significant increase in anticipated state revenues for transportation; and

WHEREAS, the federal Infrastructure Investment and Jobs Act (IIJA) signed into law November 15, 2021 provides the largest long-term federal investment in infrastructure in history; and

WHEREAS, there are significant transportation needs across the Commonwealth that stand to benefit from the increased investment in transportation at the state and federal levels; and

WHEREAS, the Revised Six-Year Improvement Program for Fiscal Years 2022 through 2027 accounts for and includes allocations to existing and new programs based on the revised official revenue forecast and IJA; and

WHEREAS, it is the intent of the Board to apply the increase in state and federal allocations for existing programs according to the Board's existing project selection processes in the upcoming solicitation cycle for each program; and

WHEREAS, it is the intent of the Board to apply the increase in the Commonwealth Mass Transit Fund in accordance with Section 33.2-1526.1 of the *Code of Virginia*, addressing FY22 capital projects as prioritized through the MERIT process and operating assistance at an amount not to exceed 35% of agency operating expenses; and

WHEREAS, it is the intent of the Board to apply allocations for new programs to projects following development of required guidance, plans and policies; and

WHEREAS, it is the intent of the Board to allocate the first year of funds for Bridge Rehabilitation and Replacement, as eligible under IJA, to facilitate work being staged for completion; and,

NOW, THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board that the allocations of construction funds provided by Section 33.2-358, Maintenance and Operations funds, and Rail and Public Transportation funds in the Revised Six-Year Improvement Program for Fiscal Years 2022 through 2027 are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the revised Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 for Interstate, Primary and Urban Highway Systems, and Rail and Public Transportation is approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner of Highways and the Director of the Department of Rail and Public Transportation are authorized to enter into agreements for respective programmed projects for Fiscal Year 2022 and prior within the Six-Year Improvement Program satisfactory to the Commissioner and the Director.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the transfers of previous allocations necessary to maximize the use of federal transportation funds as reflected in the Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027, are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner and Director, or their designees, are granted the authority to make transfers of allocations programmed to projects in the approved Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 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 Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<\$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

BE IT FURTHER RESOLVED, that the Commissioner and Director shall notify the Board on a monthly basis should such transfers or allocations be made.

BE IT FURTHER RESOLVED, that if such request for transfer of allocation exceeds the thresholds established herein, the Commissioner and Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action.

####

CTB Decision Brief

Revised Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2022 – 2027

Issue: Each year the Commonwealth Transportation Board (CTB) must adopt a Six-Year Improvement Program (Program or SYIP) and allocations for anticipated projects and programs based on the most recent official revenue forecasts and debt management policy, and other funds available as set forth in the Final Fiscal Years 2022-2027 Six-Year Improvement Program in accordance with policy or statutory formula.

The Appropriations Act authorizes the Secretary and all agencies within the Transportation Secretariat to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth. The Board is required to administer and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast.

Facts:

The Board adopted the Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 on June 23, 2021. Since then, the update to the official revenue forecast released by the Department of Taxation on December 16, 2021 represents a significant increase in anticipated state revenues for transportation. The federal Infrastructure Investment and Jobs Act (IIJA) signed into law November 15, 2021 provides the largest long-term federal investment in infrastructure in history.

The Revised Six-Year Improvement Program for Fiscal Years 2022 through 2027 accounts for and includes allocations to existing and new programs based on the revised official revenue forecast. The increase in state and federal allocations for existing programs will be applied according to the Board's existing project selection processes in the upcoming solicitation cycle for each program. The allocations for new programs will be applied to projects following development of required guidance, plans and policies.

The increase in the Commonwealth Mass Transit Fund will be applied to FY22 capital projects as prioritized through the MERIT process and operating assistance at an amount not to exceed 35% of agency operating expenses.

The first year of funds for Bridge Rehabilitation and Replacement, as eligible under IIJA, has been programmed to projects, as presented to the Board at its December meeting, in order to facilitate work being staged for completion.

Recommendations: VDOT and DRPT recommend the adoption of the Revised Program and that authority be granted to the Commissioner and Director, or their designees, to make transfers of allocations programmed to projects in the approved Program 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 Program consistent with Commonwealth

Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<\$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

The CTB shall receive a report on a monthly basis regarding any such transfers.

If a request for a transfer of allocation exceeds the thresholds above, the Commissioner and Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to adopt the Revised Six-Year Improvement Program of Construction funds, Maintenance and Operations funds, and Rail and Public Transportation funds for Fiscal Years 2022 through 2027, including approval of the transfers of previous allocations completed as part of the revision. The resolution will include authorization for the Commissioner and Director or their designees to make transfers of allocations programmed to projects in the Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 necessary to release funds no longer needed for the delivery of the projects and to apply said funds to projects in the approved program needing funds, consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the thresholds identified above.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: Given the need to have allocations available to continue and/or initiate projects and programs in the Program and Rail and Public Transportation allocations, the public expects the CTB to fulfill its statutory duty by approving the Revised Six-Year Improvement Program and Rail and Public Transportation allocations for Fiscal Years 2022 through 2027.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By:

Seconded By:

Action:

Title: SMART SCALE Project Cancellation Route 220 Business and Route 40 Intersection Realignment UPC 111369

WHEREAS, the Commonwealth Transportation Board's (Board) SMART SCALE Project Prioritization Process last approved February 19, 2020 states that a project that has been selected for funding through either the High Priority Projects Program or Highway Construction District Grant Program may be cancelled only by action of the Board; and

WHEREAS, Item 22 of the Board's SMART SCALE Prioritization Process adopted February 19, 2020 states that surplus Construction District Grant Funds no longer needed for delivery of a project will remain in the applicable Construction District Grant Program and may not be used in other districts, and further, provides that such surplus funds may either be reserved to address budget adjustments for current SMART SCALE projects or for allocation in the next solicitation cycle for SMART SCALE; and

WHEREAS, the Route 220 Business and Route 40 R-Cut Improvement UPC 111369 (Project) was submitted for consideration and selected for \$4,926,472 in funding through the Construction District Grant Program in the second round of the prioritization process pursuant to section 33.2-214.1; and

WHEREAS, the Town of Rocky Mount passed a resolution November 8, 2021 withdrawing their support for the project and requesting that the project be cancelled; and

Resolution of the Board
SMART SCALE Project Cancellation
Route 220 and Route 40 Intersection Realignment
UPC 111369
January 12, 2022
Page 2 of 2

WHEREAS, VDOT recommends Board action to cancel the Project and transfer all Construction District Grant funds to the Salem Construction District Grant balance entry (UPC - 21767).

NOW THEREFORE BE IT RESOLVED, by the Commonwealth Transportation Board, that Route 220 Business and Route 40 Intersection Realignment UPC 111369 project is hereby cancelled.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that all Construction District Grant funds allocated to the Project be transferred to the Salem District Construction District Grant balance entry (UPC -21767).

#####

CTB Decision Brief
SMART SCALE Project Cancellation
Route 220 Business and Route 40 Intersection Realignment UPC 111369

Issue: The Route 220 Business and Route 40 Intersection Realignment UPC 111369 (Project) was selected for funding in the second round of the Commonwealth Transportation Board's (Board) SMART SCALE Prioritization Policy/Process. The Project was submitted by the Town of Rocky Mount and screened in for meeting a VTrans need. It was selected for funding and received \$4,926,472 in Construction District Grant funds to fully fund the Project. The Town of Rocky Mount passed a resolution November 8, 2021 requesting that the project be cancelled. CTB approval is needed for cancellation of this Project pursuant to the Policy for Implementation of the SMART SCALE Project Prioritization Process last approved by the Board February 19, 2020.

Facts: The Project is VDOT administered and has not yet started.

Item 17 of the Board's Policy for Implementation of the SMART SCALE Project Prioritization Process last approved by the Board February 19, 2020 states that a project that has been selected for funding through either the High Priority Projects Program or Highway Construction District Grant Program may be cancelled only by action of the Board. In the event that a project is not advanced to the next phase of construction when requested by the Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the Code of Virginia, to reimburse the Department for all state and federal funds expended on the project.

Item 22 of the Board's SMART SCALE Prioritization Process adopted February 19, 2020 states that Surplus Construction District Grant Funds no longer needed for delivery of a project will remain in the applicable Construction District Grant Program and may not be used in other districts. In addition, this item provides that such surplus funds may either be reserved to address budget adjustments for current SMART SCALE projects or for allocation in the next solicitation cycle for SMART SCALE.

Since the project was originally selected, significant private investments were made to properties/businesses that would be impacted by the project resulting in detrimental impacts to the operations of an existing business. Based on the recent private investments, the costs for necessary right of way acquisitions, and related costs for damages, are estimated to significantly exceed the project budget. The Town and VDOT worked to identify alternative project designs that would reduce the impacts to businesses while staying within the project budget and were unable to identify suitable alternative project designs that would minimize the impacts to businesses while staying within the project budget.

Recommendation: VDOT recommends that the Board cancel Route 220 Business and Route 40 Intersection Realignment UPC 111369 and transfer all Construction District Grant funds to the Salem District Construction District Grant balance entry (UPC -21767).

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to cancel the Route 220 Business and Route 40 Intersection Realignment UPC 111369 project and

transfer all Construction District Grant funds to the Salem Construction District Grant balance entry (UPC -21767).

Result, if Approved: If approved, the project will be removed from the Six-Year Improvement Program and all Construction District Grant funds will be transferred to the Salem Construction District Grant balance entry (UPC -21767).

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda Item #14

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ Seconded By: _____

Action: _____

Title: Designation of lanes on the Opitz Boulevard Ramp and the Seminary Road Ramp as HOT Lanes

WHEREAS, in 2012, pursuant to the Public-Private Transportation Act of 1995 (the “PPTA”), (Va. Code §§ 33.2-1800, *et seq.*), the Virginia Department of Transportation (the “Department”) entered into a comprehensive agreement with 95 Express Lanes, LLC (the “Concessionaire”) to develop, design, finance, construct, maintain, and operate 29 continuous miles of High-Occupancy Toll (“HOT”) lanes on Interstates 95 and 395 between Turkeycock Run (milepost 2.0 on Interstate 395) and Garrisonville Road (VA Route 610) (the “Original 95 HOT Lanes”); and

WHEREAS, in 2016, the parties entered into the First Amendment to the Comprehensive Agreement to extend the HOT lanes on Interstate 95 south 2.2 miles (near milepost 142.5 on Interstate 95) (the “I-95 Express Lanes Southern Terminus Extension”); and

WHEREAS, in 2017, the parties entered into the Amended and Restated Comprehensive Agreement (the “First ARCA”) to extend the HOT lanes on Interstate 395 for approximately 8 miles north to the Washington D.C. line (the “I-395 Express Lanes Northern Extension”); and

Resolution of the Board

Designation of the lanes on the Opitz Boulevard Ramp Project and the Seminary Road Ramp Project as HOT Lanes

January 12, 2022

Page 2 of 3

WHEREAS, in 2019, the parties entered into the Second Amended and Restated Comprehensive Agreement (the “Second ARCA”) to extend the HOT lanes on Interstate 95 for approximately 10 miles farther south to Route 17 in Fredericksburg (the “I-95 Express Lanes Fredericksburg Extension”); and

WHEREAS, on June 17, 2021, the parties entered into the Amended and Restated Opitz Boulevard Ramp Project Development Framework Agreement (the “Opitz Boulevard DFA”) to establish a process for the Concessionaire to pursue the Opitz Boulevard Ramp Project (as hereinafter defined) as a Concessionaire Project Enhancement (as defined in the Second ARCA); and

WHEREAS, on November 29, 2021, the parties entered into the Seminary Road Ramp Project Development Framework Agreement (the “Seminary Road DFA”) to establish a process for the Concessionaire to pursue the Seminary Road Ramp Project (as hereinafter defined) as a Concessionaire Project Enhancement (as defined in the Second ARCA); and

WHEREAS, the Department anticipates amending the Second ARCA to incorporate development plans and any required terms, conditions or other provisions to construct a new access ramp on Interstate 95 between the HOT Lanes and Opitz Boulevard (the “Opitz Boulevard Ramp Project”); and

WHEREAS, the Department anticipates further amending the Second ARCA to incorporate development plans and any required terms, conditions, or other provisions to convert an existing High-Occupancy Vehicle (“HOV”) ramp to a HOT ramp at Seminary Road on Interstate 395 (the “Seminary Road Ramp Project”); and

WHEREAS, the Department intends for (i) the lanes constructed by the Opitz Boulevard Ramp Project (the “Opitz Boulevard HOT Lanes”) and the lanes converted from HOV lanes by the Seminary Road Ramp Project (the “Seminary Road HOT Lanes”) to each be designated by the CTB as HOT lanes pursuant to Va. Code § 33.2-502, and (ii) the Opitz Boulevard and the Seminary Road HOT Lanes to be tolled using congestion pricing; and

WHEREAS, Va. Code § 33.2-502 provides that the Commonwealth Transportation Board (the “CTB”) may designate one or more lanes of any highway in the Interstate System, including lanes that may previously have been designated HOV lanes under § 33.2-501, as HOT lanes; and

Resolution of the Board

Designation of the lanes on the Opitz Boulevard Ramp Project and the Seminary Road Ramp Project as HOT Lanes

January 12, 2022

Page 3 of 3

WHEREAS, pursuant to Va. Code § 33.2-502, in making HOT lanes designations, the CTB is required to also specify the high-occupancy requirement and conditions for use of such HOT lanes or may authorize the Commissioner of Highways to make such determination consistent with the terms of a comprehensive agreement executed pursuant to Va. Code § 33.2-1808; however, the high-occupancy requirement for a HOT lanes facility constructed or operated as a result of the PPTA shall not be less than three; and

WHEREAS, the CTB has previously designated the Original 95 HOT Lanes, the I-95 Express Lanes Southern Terminus Extension, the I-395 Express Lanes Northern Extension, and the I-95 Express Lanes Fredericksburg Extension as HOT lanes with with a high-occupancy requirement of three or more;

NOW, THEREFORE, BE IT RESOLVED that the CTB hereby designates the lanes to be constructed and/or modified by the Opitz Boulevard Ramp Project and the Seminary Road Ramp Project, respectively as HOT lanes in accordance with Va. Code § 33.2-502, to be implemented upon issuance by the Department of a “Service Commencement Notice to Proceed” pursuant to the Second ARCA, as amended

BE IT FURTHER RESOLVED that the CTB hereby specifies the high-occupancy requirement for the HOT lanes on the Opitz Boulevard Ramp Project and the Seminary Road Ramp Project as three or more.

BE IT FURTHER RESOLVED that the CTB hereby authorizes the Commissioner of Highways to establish the conditions for use of the Opitz Boulevard HOT Lanes and the Seminary Road HOT Lanes in accordance with the terms and conditions of the Second ARCA, as amended.

#####

CTB Decision Brief

Designation of lanes on the Opitz Boulevard Ramp and the Seminary Road Ramp as HOT Lanes

Issue: The Virginia Department of Transportation (the “Department”) intends to modify its comprehensive agreement with 95 Express Lanes, LLC regarding I-95 and I-395. The modification would call for 95 Express Lanes to construct an access ramp between the existing HOT Lanes on I-95 and Opitz Boulevard, anticipating that the lanes on the access ramp would be designated as HOT and to convert an existing HOV ramp from Interstate 395 to Seminary Road from an HOV lane to a HOT lane. The lanes will need designation as HOT lanes, with a specification of the high-occupancy requirement of no less than three, and a determination of the conditions of use of the HOT lanes.

Facts:

- On July 31, 2012, pursuant to the Public-Private Transportation Act of 1995 (“PPTA”), (Va. Code §§ 33.2-1800 *et seq.*), the Department and 95 Express Lanes, LLC entered into a comprehensive agreement (the “Original Comprehensive Agreement”) to develop, design, finance, construct, maintain, and operate 29 continuous miles of High-Occupancy Toll (“HOT”) lanes on Interstates 95 and 395 between Turkeycock Run (milepost 2.0 on Interstate 395) and Garrisonville Road (VA Route 610). In 2014, the CTB designated these as HOT lanes, with a high-occupancy requirement of three or more.
- Since the original agreement, additional HOT lanes have been designated to the south of Garrisonville Road on I-95 and to the north of Turkeycock Run on I-395, with a high-occupancy requirement of three or more.
- On May 2, 2016, the Department entered into an amendment to the Original Comprehensive Agreement (the “First Amendment”) to extend the I-95 HOT Lanes south 2.2 miles by constructing one reversible HOT lane and adding new HOT lane access points.
- On June 8, 2017, the Department amended and restated the Original Comprehensive Agreement by entering into the Amended and Restated Comprehensive Agreement (the “First ARCA”) to extend HOT lanes on I-395 for approximately 8 miles north to the Washington DC line.
- On April 18, 2019, the Department amended and restated the First ARCA by entering into the Second Amended and Restated Comprehensive Agreement (the “Second ARCA”) to extend the HOT lanes on Interstate 95 for approximately 10 miles farther south to Route 17 in Fredericksburg.
- In 2021, the parties executed development framework agreements to pursue the Opitz Boulevard and Seminary Road ramp projects as Concessionaire Project Enhancements, as defined in the Second ARCA. These development framework agreements included provisions to construct a new access ramp on Interstate 95 between the HOT Lanes and Opitz Boulevard (the “Opitz Boulevard Ramp Project”) and provisions to convert an existing High-Occupancy Vehicle (“HOV”) ramp to a HOT ramp at Seminary Road on Interstate 395 (the “Seminary Road Ramp Project”)
- The Department intends for (i) the lanes constructed by the Opitz Boulevard Ramp Project (the “Opitz Boulevard HOT Lanes”) and the lanes converted from HOV lanes by the Seminary Road Ramp Project (the “Seminary Road HOT Lanes”) to each be designated by the CTB as HOT lanes pursuant to Va. Code § 33.2-502, and (ii) the Opitz Boulevard and Seminary Road HOT Lanes to be tolled using congestion pricing.

- Va. Code § 33.2-502 authorizes the CTB to designate one or more lanes of any highway, including lanes that may previously have been designated HOV lanes under § 33.2-501, as HOT Lanes. In making HOT lanes designations, the CTB shall also specify the high-occupancy requirement and conditions for use of such HOT lanes or may authorize the Commissioner of Highways to make such determination consistent with the terms of a comprehensive agreement executed pursuant to § 33.2-1808. However, it is noted that pursuant to § 33.2-502, the high-occupancy requirement for a HOT lanes facility constructed or operated as a result of the Public-Private Transportation Act (§§ 33.2-1800, *et seq.*) shall not be less than three.

Recommendation: That the CTB designate the lanes to be constructed by the Opitz Boulevard Ramp Project and to be converted from HOV lanes by the Seminary Road Ramp Project as HOT lanes, with a high-occupancy requirement of three or more, to be implemented upon issuance by the Department of a “Service Commencement Notice to Proceed” pursuant to the Second ARCA, as amended; and further, that CTB authorize the Commissioner of Highways to establish the conditions for use of the Opitz Boulevard and Seminary Road HOT Lanes in accordance with the terms and conditions of the amended comprehensive agreement.

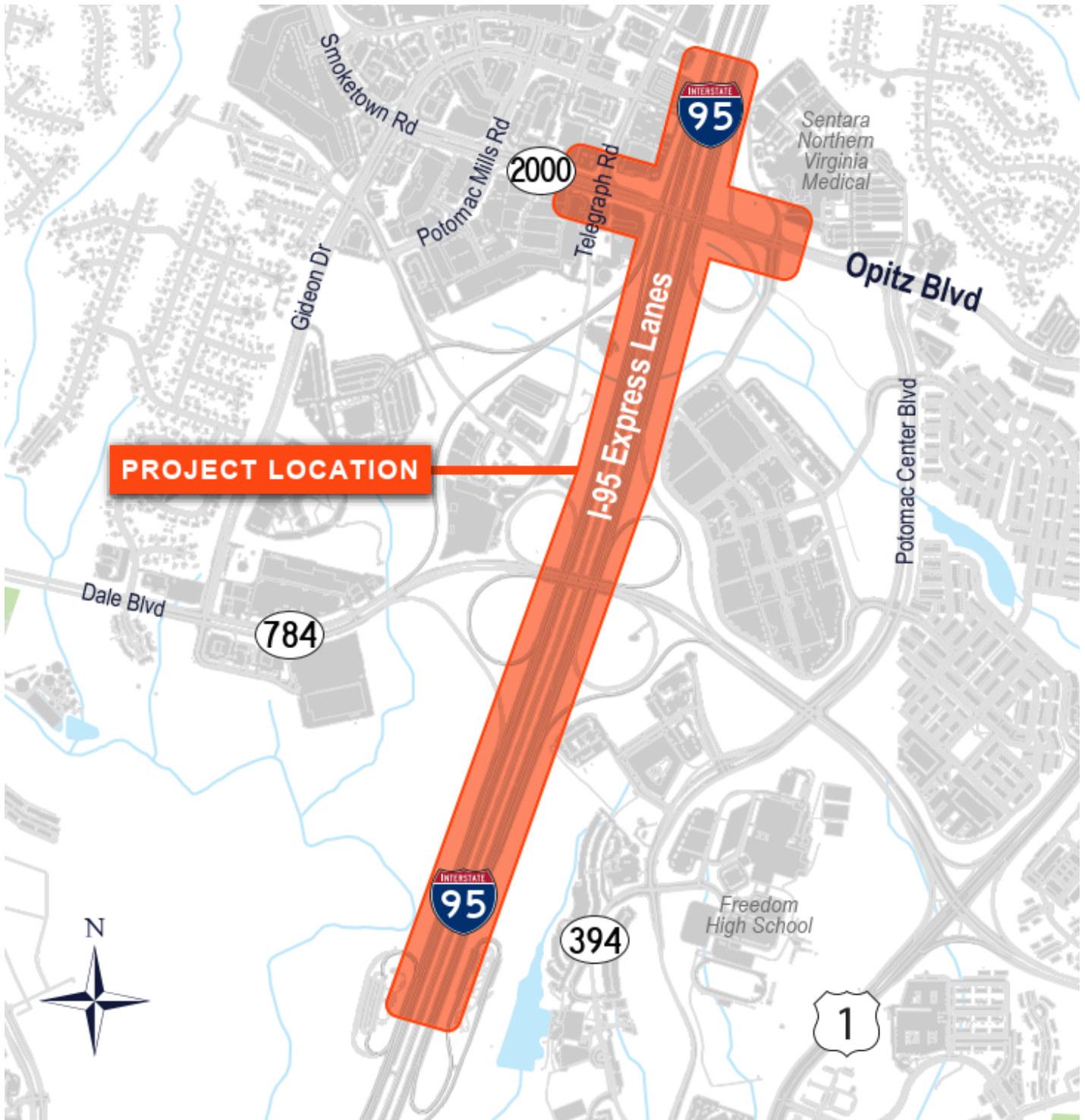
Action Required by CTB: A majority vote of the CTB to approve the recommendation.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: N/A

PROJECT LOCATION MAP

I-95 Express Lanes: Opitz Boulevard Connection



Not to Scale

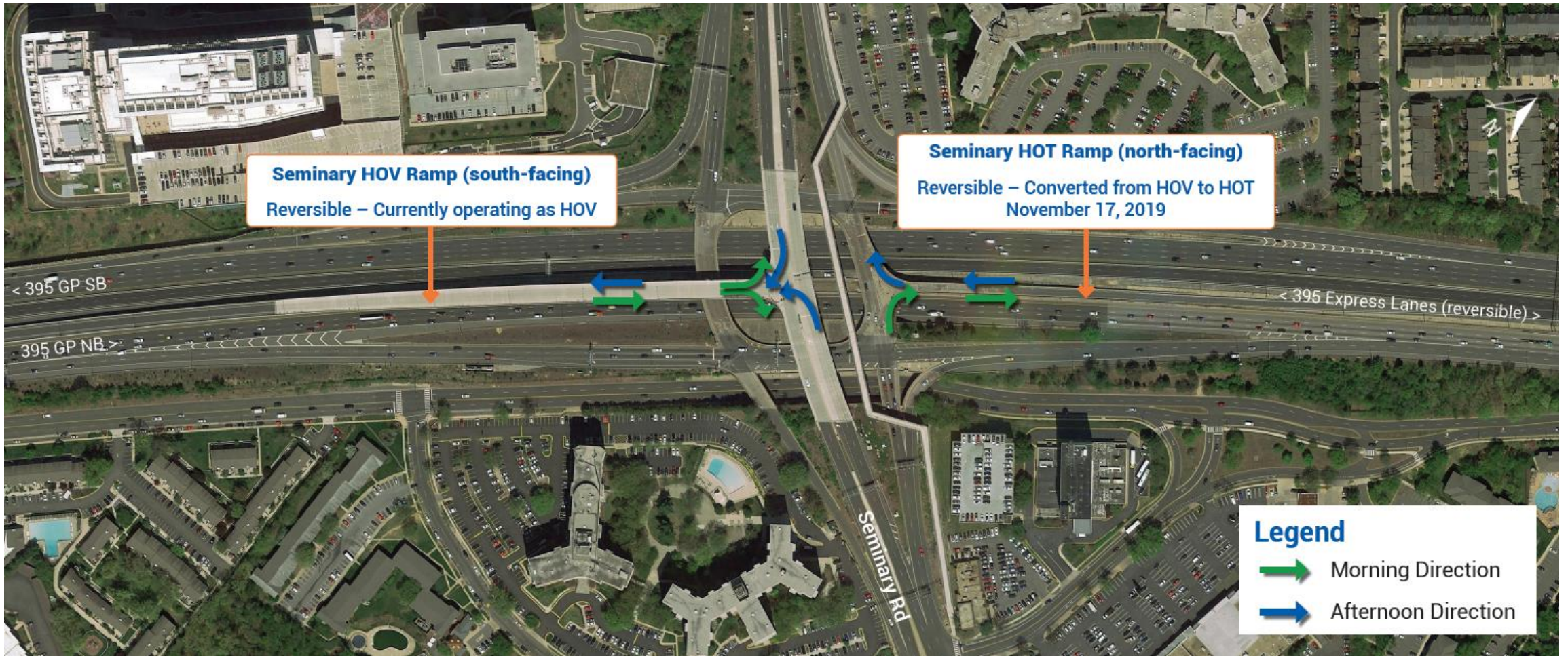


395 Express Lanes Access Points

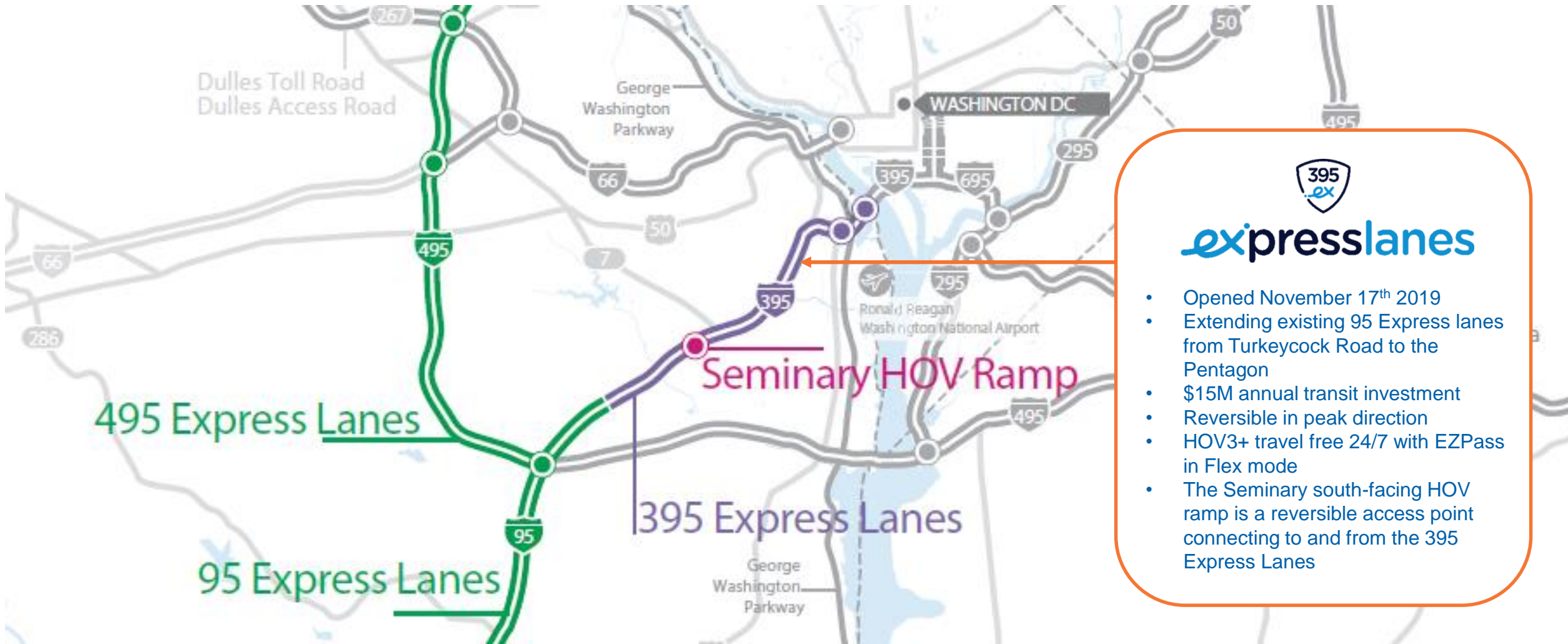



- ① Eads Street (HOT)
- ② Washington Boulevard (HOT)
- ③ Shirlington Road (HOT)
- ④ Seminary Road north-facing ramp (HOT)
- ④ Seminary Road south-facing ramp (HOV3+ only)
- ⑤ Near Edsall Road / Turkeycock Run (HOT)

Seminary Road Ramp - Existing Conditions



Express Lanes Network




expresslanes

- Opened November 17th 2019
- Extending existing 95 Express lanes from Turkeycock Road to the Pentagon
- \$15M annual transit investment
- Reversible in peak direction
- HOV3+ travel free 24/7 with EZPass in Flex mode
- The Seminary south-facing HOV ramp is a reversible access point connecting to and from the 395 Express Lanes



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item # 15

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: _____ **Seconded By:** _____

Action:

Title: Approval of Virginia Highway Safety Investment Strategy

WHEREAS, across the nation, traffic deaths are up an estimated 18.5% the first six months of 2021 as compared 2020; and

WHEREAS, in Virginia, from January 2021 through the end of October 2021, traffic deaths are up almost 13 percent compared to the same period in 2020; and

WHEREAS, pursuant to §33.2-373 of the *Code of Virginia*, it is the responsibility of the Commonwealth Transportation Board (the Board) to establish the Virginia Highway Safety Improvement Program (the Program) to reduce motorized and non-motorized fatalities and severe injuries on highways in the Commonwealth, whether such highways are state or locally maintained; and

WHEREAS, pursuant to §33.2-373 of the *Code of Virginia*, the Board shall adopt an investment strategy to guide the investments of the Program, and the investment strategy shall cover a period of at least five years and seek to achieve a significant reduction in the anticipated number of fatalities and severe injuries over the covered period and shall give priority to projects, strategies, and activities based on the expected reduction in fatalities and severe injuries relative to cost, including improvements that are widely implemented based on a high-risk roadway feature that is correlated with a particular crash type, rather than crash frequency

WHEREAS, pursuant to §33.2-373 of the *Code of Virginia*, the Board, beginning in Fiscal Year 2024, shall, after program administration costs, allocate safety funds in accordance

with its adopted investment strategy that includes allocating at least 54 percent of safety funds for infrastructure projects, 29 percent of funds to address the behavioral causes of crashes, and the remaining for other eligible safety projects pursuant to the investment strategy; and

WHEREAS, the Virginia Department of Transportation (VDOT) and the Department of Motor Vehicles (DMV) have developed a proposed data-driven highway safety investment plan that will deploy Virginia’s limited highway safety resources to projects and efforts with maximum potential to reduce traffic deaths and injuries; and

WHEREAS, a key finding from data-driven analysis demonstrates that systemic and hybrid safety projects—proven low-cost improvements, such as high-visibility backplates, flashing yellow left turn signals, and rumble strips, systemically spread on a roadway network—provide more potential crash reduction benefits for lower costs than do spot improvement projects; and

WHEREAS, in its workshop meeting on December 7, 2021, the Board was presented with the proposed investment strategy and information and recommendations relating to the prioritization and investment of limited Virginia Highway Safety Program funds to maximize the benefits in crash reductions and make progress toward the Commonwealth’s “Toward Zero Deaths” vision for roadway safety; and

WHEREAS, after due consideration of the information received, the Board believes that the investment strategy, as set forth below, should be adopted and used to select projects for highway safety funding in the Six-Year Improvement Program (SYIP) to improve transparency in the project selection process, accelerate delivery of selected projects and investment strategies, and aid in achieving reductions in fatalities, serious injuries, and non-motorized crashes;

NOW THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board hereby approves the following investment strategy to govern prioritization and selection of highway safety infrastructure and behavioral projects for funding:

1. VDOT shall develop an infrastructure implementation plan for the continued deployment of proven systemic and hybrid safety countermeasures across the roadway network, including VDOT and locally-maintained facilities. The implementation plan shall:
 - a. Include, but not be limited to: edge-line rumble strips on the primary system; centerline rumble strips on the primary system; pavement shoulder wedge; chevrons and curve visibility enhancements; high-visibility traffic signal backplates; flashing yellow arrows; unsignalized intersection signage and marking; pedestrian crossing improvements; pavement markings, traffic control devices, and other enhancements on two-lane rural roads; road diets;

- and other systemic/hybrid safety improvements as identified through research or data-driven analysis;
 - b. Be consistent with the emphasis areas included in Virginia's current Strategic Highway Safety Plan and in support of achievement of CTB adopted performance targets;
 - c. Include an estimate of the effectiveness of full deployment of the implementation plans; and
 - d. Be updated periodically to advance additional systemic safety improvements.
2. In order to prioritize, accelerate and maximize the deployment of systemic and hybrid infrastructure safety improvements, the Board will not approve new spot improvement projects until Fiscal Year 2026 unless the systemic and hybrid infrastructure initiatives have been fully funded and their scheduled completion is accelerated as much as possible.
- a. The Board may also consider funding spot improvement projects prior to the Fiscal Year 2026-2031 SYIP, should a proposed spot improvement project address a dire and immediate safety need and receive the recommendation of the Commissioner of Highways by meeting the following minimum thresholds:
 - i. Benefit/Cost ratio greater than 10;
 - ii. Project to be implemented or under construction in less than one year; and
 - iii. Proposed scope will address the observed crash types.
3. Highway safety funding for infrastructure projects will be distributed as follows:
- a. After funds are set aside for program administration (approximately 5 to 10 percent), the remaining funds shall be programmed to projects in accordance with the above safety infrastructure implementation plan through the six-year improvement program.
 - b. Minimum funding levels for locally-maintained roadways shall be based on the proportion of fatalities on locally-maintained versus VDOT-maintained roads with funds available beginning in Fiscal Year 2024 for use on systemic safety improvements.
 - c. The funds for VDOT-maintained roads will be programmed based on the risk-based locations of the systemic safety treatments included in the Implementation Plans.
4. Funding for systemic infrastructure projects on locally-maintained roads will be awarded through a competitive application process with projects that have a higher return on investment receiving priority. If a sufficient number of projects on locally-maintained roadways are not identified and funds remain, the remaining funds may be used to fund and advance projects on VDOT-maintained roadways. VDOT oversight

- of safety projects on locally-maintained roads will continue to be in accordance with Chapter 7 of VDOT's Highway Safety Improvement Program Implementation Guidelines and other existing Locally Administered project requirements.
5. In cases where programmed infrastructure funds are no longer needed for the delivery of a project, or additional funds become available (beyond that assumed in the Implementation Plans), the unexpended surplus and unallocated funds will be reserved and managed centrally by VDOT to address budget adjustments on existing highway safety projects, to further advance systemic safety improvements, or to fund spot improvement projects pursuant to Item 2.
 6. A project that has been selected for funding must be initiated, and at least a portion of the programmed funds expended, within one year of the budgeted year of allocation or funding may be subject to reprogramming. In the event a locally-administered project is not advanced to the next phase of construction when requested by the Board, the locality may be required, pursuant to §33.2-214 of the *Code of Virginia*, to reimburse VDOT for all state and federal funds expended on the project.
 7. DMV shall develop a behavioral safety program investment plan for the deployment of behavioral countermeasures across the state to address the behavioral causes of crashes. The behavioral safety plan shall:
 - a. Include, but not be limited to investments to: expansion of the "Local Heroes" messaging campaign, expansion of the Sober Ride program, institution of public sobriety check points, conducting a NHTSA-administered alcohol impaired driving assessment and law review, creation of new media campaigns to fight drunk and drugged driving, creation of a statewide speed messaging media and outreach campaign with coordinated law enforcement and speed data pilot, creation of a distracted driving media campaign, expand motorcycle safety media messaging, enhancement and amplification of pedestrian and bicycle safety media campaigns, creation of a juvenile licensing ceremony video, expansion of the GrandDriver CarFit program, expansion of the Grand Driver testing centers, expansion of GrandDriver paid media and other behavioral initiatives as identified through experience, data-driven research or analysis;
 - b. Be consistent with the emphasis areas included in Virginia's current Strategic Highway Safety Plan and in support of achievement of CTB adopted performance targets ;
 - c. Include an estimate of the effectiveness of full deployment of the Implementation Plans; and

- d. Be updated periodically to advance additional behavioral safety improvements.
8. In cases where programmed behavioral funds are no longer needed for the delivery of a specific initiative, or additional funds become available (beyond that assumed in the Implementation Plans), the unexpended surplus and unallocated funds will be reserved and managed centrally to address budget adjustments or to further advance other behavioral initiatives.
 9. On an annual basis, VDOT and DMV will report on the following:
 - a. Progress on advancement of infrastructure and behavioral safety implementation plan;
 - b. Funding distribution information;
 - c. Anticipated benefits of investments and performance to date; and
 - d. Recommendations for changes to the infrastructure and behavioral portion of the investment plan, as needed.

BE IT FURTHER RESOLVED that the Board understands the use of federal safety funds requires VDOT and DMV to meet a number of federal requirements and this Policy does not supersede federal requirements, including those governing obligation authority and project delivery. Federal safety funds not subject to this strategy include High Risk Rural Roads (23 USC 148(g)), Railway-Highway Crossings (23 USC 130) and Vulnerable Road Users as defined in Title I Subtitle A, Section 11122 of the federal Infrastructure Investment and Jobs Act.

BE IT FURTHER RESOLVED, that the Board directs the Commissioner of Highways and the Commissioner of the Department of Motor Vehicles to take all actions necessary to implement and administer this investment strategy, including, but not limited to, the development of Implementation Plans and supporting guidance establishing the process for screening, scoring and selection of projects.

BE IT FURTHER RESOLVED, that Board approval of this item replaces and supersedes the, December 11, 2019 resolution titled “Approval of Highway Safety Improvement Program Project Prioritization Policy.”

#####

CTB Decision Brief

Approval of Virginia Highway Safety Investment Strategy

Issue: In accordance with §§33.2-373 of the *Code of Virginia*, the Commonwealth Transportation Board (CTB) must establish the Virginia Highway Safety Improvement Program to reduce motorized and non-motorized fatalities and severe injuries on highways in the Commonwealth, whether such highways are state or locally maintained. It is also the responsibility of the CTB, per §§33.2-373, to adopt an investment strategy to guide the investments of the Program. The investment strategy shall cover a period of at least five years and seek to achieve a significant reduction in the anticipated number of fatalities and severe injuries over the covered period and shall give priority to projects, strategies, and activities based on the expected reduction in fatalities and severe injuries relative to cost, including improvements that are widely implemented based on a high-risk roadway feature that is correlated with a particular crash type, rather than a crash frequency.

At the December 11, 2021 CTB Workshop meeting, the Virginia Department of Transportation (VDOT) and the Virginia Department of Motor Vehicles (DMV) presented a proposed highway safety investment strategy in a presentation titled “Virginia Highway Safety Program Behavioral and Infrastructure Investment Plan.” The presentation outlined the proposed investments in behavioral and infrastructure safety initiatives over the next several years. The proposed investments are proven countermeasures and were chosen for their expected effectiveness at reducing traffic deaths and serious injuries in the Commonwealth. This proposal builds upon and follows an initial VDOT systemic safety plan and HSIP funding policy that was approved by the CTB in 2019. VDOT’s original 2019 systemic safety plan is currently deploying eight proven safety countermeasures on roads throughout Virginia and will continue to completion, included as part of this investment strategy.

Facts: During the first six months of 2021, the National Highway Traffic Safety Administration (NHTSA) estimates that national traffic deaths are up an estimated 18.5% as compared to 2020. This follows a national increase in traffic deaths of over 7 percent in 2020 compared to 2019. Virginia has also seen increases in fatalities in recent years, experiencing an increase of almost 13 percent from January 2021 through October 2021 as compared to the same period in 2020. In 2020 there was an increase in Virginia traffic deaths of over two percent compared to 2019. Common factors involved in fatal crashes include a combination of behavioral and infrastructure issues. As such, the proposed investment strategy focuses on investing in both behavior and infrastructure initiatives.

In 2012 Congress enacted Title 23 section 150 of the US Code, which mandates the establishment of performance management to transform the Federal-aid highway program. The resulting regulations provide a means to the most efficient investment of Federal transportation funds by refocusing on national transportation goals, increasing the accountability and transparency of the Federal-aid highway program, and improving project decision-making through performance-based planning and programming. One such national transportation goal focuses on safety and seeks to achieve a significant reduction in traffic fatalities and serious injuries on all public roads. For background, in 2018, the CTB adopted Virginia Safety Performance Targets for 2019, but directed OIPI and VDOT to develop a data-driven process to establish targets and evaluate current investment strategies. In June 2019, the CTB adopted data-driven Safety Performance Targets for 2020 based on rigorous statistical methods; however,

modeling results for Safety Performance Targets predict increases in fatal crashes, which the CTB found unacceptable. The CTB further directed OIPI, VDOT and DMV to develop a plan that would result in a net reduction in fatal and serious injury crashes.

In its workshop meetings in June, July and September 2019, the CTB was presented with information and recommendations for an outcome-focused HSIP policy with the objective to reduce fatal and serious injury crashes through increased funding to systemic and hybrid safety improvements and to guide prioritization and investment of HSIP funds to provide the highest benefit per dollar and make progress toward the Commonwealth's "Toward Zero Deaths" vision for roadway safety. Additionally, the Board was presented an initial systemic implementation plan, which included a cost estimate and schedule for deployment of eight priority systemic infrastructure improvements along with an estimate of the annual number of fatalities and serious injuries reduced once fully deployed. At its September 2019 meeting, the CTB amended the FY2020-2025 SYIP, approving the project recommendations from the initial Implementation Plan to begin deployment of systemic safety improvements in all nine construction districts.

Now, almost two years later, VDOT has completed two of the eight systemic initiatives; flashing yellow arrow, and high-visibility traffic signal back plates, and is making good progress at deploying the other six initiatives in the initial plan. With the passage of the Virginia transportation bill in 2020 and associated establishment of the Virginia Highway Safety Improvement program as outlined in §§33.2-373, it is now time to approve the first highway safety investment strategy as presented to the CTB at the December 11, 2021 workshop meeting. The proposed resolution presents the highway safety investment strategy and required actions of DMV and VDOT to implement the strategy:

Recommendations: VDOT and DMV recommend the CTB adopt the Virginia Highway Safety Investment Strategy, which will supplant the Highway Safety Improvement Program Project Prioritization Policy, approved by the CTB on December 11, 2019. Further, it is requested that the Commissioner of Highways and Commissioner of the Department of Motor Vehicles be authorized to take all actions necessary to implement and administer the strategy.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the Virginia Highway Safety Investment Strategy and direct the Commissioner of Highways and the Commissioner of the Department of Motor Vehicles be authorized to take all actions necessary to implement and administer the strategy.

Result, if Approved: If approved, VDOT and DMV will develop applicable guidance and implement the Virginia Highway Safety Investment Strategy.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: N/A



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Chairperson

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Agenda item # 16

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: Seconded By:

Action:

Title: Transfers in the Six-Year Improvement Program for Fiscal Years 2022-2027

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 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 2022-2027 Program on June 23, 2021; and

WHEREAS, the Board authorized the Director of the Department of Rail and Public Transportation to make transfers of allocations programmed to projects in the approved Six-Year

Table with 2 columns: Total Project Cost, Threshold. Rows include cost ranges (<\$5 million, \$5 million to \$10 million, >\$10 million) and corresponding percentage or dollar thresholds for DRPT controlled funds.

Improvement Program of projects and programs for Fiscal Years 2022 through 2027 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 2022 through 2027 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Resolution of the Board

January 12, 2022

Transfers in the Six-Year Improvement Program for Fiscal Years 2022-2027

Page 2 of 2

WHEREAS, the Board directed that (a) the Director of the Department of Rail and Public Transportation shall notify the Board on a monthly basis should such transfers or allocations be made; and (b) the Director of the Department of Rail and Public Transportation 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

Six-Year Improvement Program Transfers for December 1, 2021 through December 30, 2021

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

Facts: On June 23, 2021, the CTB authorized the Director of the Department of Rail and Public Transportation to make transfers of allocations programmed to projects in the approved Six-Year Improvement Program of projects and programs for Fiscal Years 2022 through 2027 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 2022 through 2027 consistent with Commonwealth Transportation CTB priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Project Cost	Threshold
<\$5 million	>20% increase in DRPT controlled funds
\$5 million to \$10 million	>\$1 million increase in DRPT controlled funds
>\$10 million	>10% or >\$5 million increase in DRPT controlled funds

In addition, the CTB resolved that the Director of the Department of Rail and Public Transportation 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 December 1, 2021 through December 30, 2021 is attached. The recommended transfers reflect the allocation of additional funding from unobligated federal and state funds to support increased vehicle costs for Section 5310 funding recipients and the replacement of a Section 5311 funded vehicle that was involved in a crash.

Recommendations: DRPT 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 2022–2027 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.

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

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None.

DRPT SYIP Allocation Transfer Report for the Period December 1, 2021 through December 31, 2021

Total										
Donor District	Donor Description	Recipient District	Recipient Description	Recipient Project #	Recipient Fund Source	Transfer Amount	Original Allocation	Original Project Cost	Transfer Percent	Comments
Rural	Deobligated	Rural	STAR Transit	42022-19	MTF Bonds	\$ 5,575	\$ 27,200			
Rural	Deobligated	Rural	STAR Transit	42022-19	FTA 5311	\$ 31,936	\$ 136,000			
					Total for 44022-19:	\$ 37,511	\$ 163,200	\$ 170,000	23%	Additional vehicle replacement needed for totaled vehicle; insurance proceeds not enough to cover replacement.
Rural	Deobligated	Rural	5310 Vehicles		FTA 5310	\$ 67,339	\$ 553,169	\$ 581,461	12%	Prices for paratransit minivans increased from the 9% FY21 and FY22 estimates. FY21 minivans were 9% funded at 80% federal; FY22 minivans were funded 9% at 100%.
Fredericksburg	Deobligated	Fredericksburg	5310 Vehicles		FTA 5310	\$ 5,021	\$ 55,000	\$ 55,000	12%	
Lynchburg	Deobligated	Lynchburg	5310 Vehicles		FTA 5310	\$ 15,063	\$ 165,000	\$ 165,000	12%	
Salem	Deobligated	Salem	5310 Vehicles		FTA 5310	\$ 5,021	\$ 55,000	\$ 55,000	12%	
Staunton	Deobligated	Staunton	5310 Vehicles		FTA 5310	\$ 54,791	\$ 448,881	\$ 478,601	12%	
Hampton Roads	Deobligated	Hampton Roads	5310 Vehicles		FTA 5310	\$ 77,937	\$ 634,569	\$ 683,211	12%	



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Richmond, Virginia 23219

(804) 786-2701
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Agenda item # 17

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 12, 2022

MOTION

Made By: Seconded By: Action:

Title: Approval of Second Amended and Restated Memorandum of Agreement with the Northern Virginia Transportation Commission and Potomac Rappahannock Transportation Commission Relating to the I-395 Express Lanes Annual Transit Investment

WHEREAS, the Commonwealth and the Northern Virginia Transportation Commission (NVTC) and Potomac Rappahannock Transportation Commission (PRTC) previously negotiated the terms of a Memorandum of Agreement (MOA) between the Virginia Department of Transportation (VDOT), the Commonwealth Transportation Board (CTB), the Virginia Department of Rail and Public Transportation (DRPT), the PRTC, and the NVTC relating to the I-395 Express Lanes Annual Transit Investment (Project), and

WHEREAS, the original MOA, which was approved by the CTB on December 7, 2017, set forth the responsibilities of the Parties relating to the Project and provided for, among other things, the transfer to and use by NVTC and PRTC of specified funds collected from the tolling of the I-395 Express Lanes for certain Project Components; and

WHEREAS, there is a need to amend the MOA to include technical amendments to the provisions to modify and conform language to make the agreement more similar to the 2021 Third Amended and Restated Memorandum of Agreement, Transform 66: Inside the Beltway Project for the calculation of funding eligible to support transit operations;

WHEREAS, the Commonwealth, NVTC, and PRTC have negotiated amendments to the MOA addressing this matter, which are reflected in the *Second Amended and Restated Memorandum of Agreement, I-395 Express Lanes*, attached hereto as Exhibit A, and approved by the Northern Virginia Transportation Commission on January 6, 2022, and pending approval by the Potomac Rappahannock Transportation Commission on January 13, 2022.

Resolution of the Board

Approval of Proposed Third Amended and Restated Memorandum of Agreement with the Northern Virginia Transportation Commission Relating to the I-395 Express Lanes Annual Transit Investment

January 12, 2022

Page 2 of 2

NOW THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board, that the *Second Amended and Restated Memorandum of Agreement, I-395 Express Lanes*, attached hereto as Exhibit A, is hereby approved and the Secretary, Commissioner of Highways and the Director of the Department of Rail and Public Transportation are authorized to execute the Amended and Restated MOA on behalf of the Board, VDOT and DRPT, respectively.

BE IT FURTHER RESOLVED that the Secretary is authorized to make and/or approve such changes to the Second Amended and Restated MOA as she deems necessary, provided such changes do not change the overall substance of the terms of the Second Amended and Restated MOA.

#####

CTB Decision Brief

Approval of Second Amended and Restated Memorandum of Agreement with the Northern Virginia Transportation Commission Relating to the I-395 Express Lanes Annual Transit Investment January 12, 2022

Issue: The Commonwealth has negotiated a second amendment to the “Memorandum of Agreement (MOA) with the Northern Virginia Transportation Commission (NVTC) and the Potomac Rappahannock Transportation Commission (PRTC) relating to the I-395 Annual Transit Investment. The Second Amended and Restated MOA requires approval by the CTB.

Facts: The original MOA, which was approved by the CTB on December 6, 2017, set forth the responsibilities of the Parties relating to the Project and provided for, among other things, the transfer to and use by NVTC and PRTC of specified funds collected from the I-395 Express Lanes (Facility) for certain Project Components.

The Parties now desire to make a technical amendment to the provisions of the MOA to conform the MOA to the 2021 Third Amended and Restated Memorandum of Agreement, Transform 66: Inside the Beltway Project for the calculation of funding eligible to support transit operations. The proposed Second Amended and Restated MOA (attached as Exhibit A to the accompanying resolution) addresses this matter. The MOA was approved by the Northern Virginia Transportation Commission on January 6, 2022, and is scheduled to be approved by the Potomac Rappahannock Transportation Commission on January 13, 2022.

Recommendation: DRPT recommends approval of the attached resolution.

Action Required by CTB: Approval of the attached resolution.

Options: Approve, Deny or Defer.

1 **AMENDED AND RESTATED**
2 **MEMORANDUM OF AGREEMENT REGARDING THE**
3 **ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES**
4

5 This Amended and Restated Memorandum of Agreement (“MOA”) is dated December
6 20, 2017[insert execution date], 2022 and is among: (i) the Commonwealth Transportation
7 Board (“CTB”), (ii) the Virginia Department of Transportation (“VDOT”), (iii) the Northern
8 Virginia Transportation Commission (“NVTC”), (iv) the Potomac and Rappahannock
9 Transportation Commission (“PRTC”), and (v) the Virginia Department of Rail and Public
10 Transportation (“DRPT”) ((i), (ii), (iii), (iv), and (v) collectively, the “Parties”).

11 **RECITALS**

12 WHEREAS, on July 31, 2012, VDOT and 95 Express Lanes, LLC (the
13 “Concessionaire”) entered into a comprehensive agreement (the “Comprehensive Agreement”)
14 under which the Concessionaire developed and now operates approximately 29 miles of high-
15 occupancy toll lanes (“HOT Lanes”) in the median of Interstate 95 between the Route 610
16 interchange (Garrisonville Road) and Turkeycock Run (the “Original 95 HOT Lanes”);

17 WHEREAS, the Original 95 HOT Lanes have been in operation since December 2014;

18 WHEREAS, on June 8, 2017, VDOT and the Concessionaire amended and restated the
19 Comprehensive Agreement (the “ARCA”) to add in the median of Interstate 395 approximately
20 eight miles of HOT Lanes between Turkeycock Run and the Washington D.C. Line (the “395
21 HOT Lanes”);

22 WHEREAS, after the Concessionaire has designed and built the 395 HOT Lanes, the
23 Original 95 HOT Lanes and the 395 HOT Lanes will be operated and maintained by the
24 Concessionaire under the ARCA as a continuous and unified 37-mile HOT Lane facility (the
25 “I-95/I-395 Project”);

26 WHEREAS, beginning upon service commencement of the 395 HOT Lanes, the ARCA
27 requires the Concessionaire to pay to VDOT an annual transit investment (the “ATI”) from toll
28 revenue attributable to the addition of the 395 HOT Lanes (the “395 Revenues”);

29 WHEREAS, the parties desire to use the ATI funds for improvements along the
30 “Corridor” (herein defined as the stretch of Interstates 95 and 395 along which the
31 Concessionaire operates and maintains HOT Lanes, including Route 1, Virginia Railway
32 Express (“VRE”), and other adjacent and nearby routes);

33 WHEREAS, the first-scheduled ATI payment is \$15,000,000 and each subsequent
34 scheduled ATI payment escalates at 2.5%, as reflected in **EXHIBIT A**;

35 WHEREAS, the goals of the ATI-Funded Projects (defined below) are to: (1) maximize
36 person throughput in the Corridor; and (2) implement multimodal improvements to: (i) improve
37 mobility along the Corridor, (ii) support new, diverse travel choices, and, (iii) enhance
38 transportation safety and travel reliability ((1) and (2) collectively the “Improvement Goals”),
39 each of which will benefit the users of the I-95/I-395 Project;

40 WHEREAS, to fund projects designed to accomplish the Improvement Goals, VDOT
41 desires to transfer periodically to DRPT, and DRPT desires to transfer periodically to NVTC
42 and PRTC, the ATI funds received by VDOT under the ARCA; ~~and~~

43 WHEREAS, such projects (“ATI-Funded Projects”) would be funded in whole or in
44 part from the ATI funds transferred from VDOT to DRPT, and the CTB desires to delegate to
45 NVTC and PRTC the authority to select and administer the ATI-Funded Projects; ~~and~~

46 WHEREAS, the Parties entered into a Memorandum of Agreement Regarding the
47 Annual Transit Investment from the 395 HOT Lanes, dated December 20, 2017, and now wish

48 to amend and restate that agreement for the purpose of amending provisions relating to payment
49 of operating expenses as an ATI-Funded Project.

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AGREEMENT

NOW THEREFORE, the Parties agree as follows:

I. Purpose of this MOA

This MOA provides for the transfer of the ATI funds received by VDOT under the ARCA to DRPT. It also provides for the transfer of the ATI funds received by DRPT under this MOA to NVTC and PRTC. NVTC and PRTC will select and administer ATI-Funded Projects, which must be approved by the CTB.

This MOA does not grant DRPT, NVTC, or PRTC any authority over: (i) Interstate 95 or Interstate 395, (ii) the tolling of Interstate 95 or Interstate 395, or (iii) any other roadways. It also does not obligate VDOT or the CTB to transfer any funds to DRPT other than the ATI funds. It obligates VDOT to transfer the ATI funds to DRPT only to the extent VDOT actually receives such ATI funds from the Concessionaire (or its successor) under the ARCA.

II. Basic Agreement

A. VDOT and the CTB shall have the following rights and duties:

1. Annual Transfers by VDOT. VDOT shall transfer the ATI funds it receives, if any, to DRPT once per year, within 30 days of VDOT’s receipt of the ATI funds from the Concessionaire under the ARCA. A schedule of the expected ATI funds for each year of this MOA is attached hereto as **EXHIBIT A**. VDOT will not deduct any administrative fee or other charges from the ATI funds it receives.

2. Duration of Tolling: Nothing in this MOA shall obligate or be construed as obligating VDOT to continue or cease tolls after this MOA terminates, except as provided in Section IV.

75 **3. CTB Annual Budget Process.** In preparation for the CTB’s annual budget process,
76 VDOT will ensure the Six Year Financial Plan reflects ATI funds due to VDOT from
77 the Concessionaire under the ARCA.

78 The CTB, working through VDOT and DRPT, agrees to do the following:

79 (a) Each year and in accordance with the schedule of the Department of
80 Planning and Budget of the Commonwealth, the CTB, working through
81 VDOT and DRPT, or the CTB's designee shall request the Governor to
82 include in the budget to be delivered to the General Assembly during its
83 next session a provision that the anticipated ATI funds be appropriated
84 to fund the ATI-Funded Projects during the next succeeding fiscal year
85 or biennial period, as applicable.

86 (b) The CTB, working through VDOT and DRPT, shall use its best
87 efforts to have (i) the Governor include, in each biennial or any
88 supplemental budget that is presented to the General Assembly, the
89 amounts described in (a) above and (ii) the General Assembly deposit,
90 appropriate, and re-appropriate, as applicable, such amounts.

91 (c) The CTB, working through VDOT and DRPT, shall take all actions
92 necessary to have payments which are made pursuant to (b) above
93 charged against the proper appropriation made by the General Assembly.

94 (d) The CTB, working through VDOT and DRPT, shall notify NVTC
95 and PRTC promptly upon becoming aware of any failure by the General
96 Assembly to appropriate for the next succeeding fiscal year or biennial
97 period, as applicable, amounts described in (a).

98 B. DRPT shall have the following rights and duties:

99 **1. DRPT Annual Budget.** DRPT shall include in its annual budget presented
100 to the CTB for approval in June of each year the ATI funds expected to be
101 transferred to it from VDOT in the upcoming year, and the proposed allocation
102 of all such ATI funds, including to pay any NVTC ATI-Related Debt Service
103 and/or PRTC ATI-Related Debt Service (each as defined below) in the
104 upcoming year.

105 **2. Proportion of ATI Funds Available; Annual Transfers by DRPT.** Each
106 year DRPT shall transfer the ATI funds it receives from VDOT to NVTC and
107 PRTC within 30 days of its receipt of the ATI funds from VDOT. DRPT will
108 divide and transfer the ATI funds between NVTC and PRTC *pro rata*, based on
109 each commission's population as determined by the most recent population
110 figures of the Weldon Cooper Center. The populations of all member
111 jurisdictions of each commission will be included in determining the availability
112 of ATI funds as between NVTC and PRTC under this MOA except the
113 populations of the following jurisdictions will not be counted: (i) the County of
114 Loudoun, (ii) the City of Falls Church, (iii) the City of Fairfax, (iv) the City of
115 Manassas, and (v) the City of Manassas Park. For any year during the life of
116 this MOA, during the project approval process established in II.D.1. and II.D.2.,
117 NVTC and PRTC may agree on an alternate mechanism of designating the
118 proportion of ATI funds available to either NVTC or PRTC under this MOA
119 and use this mechanism in the selecting the projects they recommend for CTB
120 approval. DRPT will not deduct any administrative fee or other charges from
121 the ATI funds it receives. Subject to the other requirements of this MOA, no

122 geographic restrictions apply to either NVTC's or PRTC's use of the ATI funds;
123 each of NVTC and PRTC is free to spend its share of the ATI funds on ATI-
124 Funded Projects that are beyond the geographic bounds (in whole or in part) of
125 its respective member jurisdictions.

126 **3. DRPT Assistance; Presentation to CTB.** DRPT may provide technical
127 assistance to NVTC and PRTC during the selection and implementation of ATI-
128 Funded Projects. DRPT will provide the CTB with an analysis of whether the
129 proposed ATI-Funded Projects meet the requirements of this MOA, and will
130 provide a copy of the analysis to NVTC and PRTC for review and input at least
131 fifteen working days prior to DRPT sending it to the CTB.

132 C. Limits on the Use of ATI Funds:

133 **1. Limits on Use of Toll Revenues.** Because the ATI funds are paid out of 395
134 Revenues, this MOA is governed by applicable state and federal laws restricting
135 the use of toll revenues, including (without limitation) Va. Code § 33.2-309, 23
136 U.S.C. §§ 129 and 166, and the terms of any agreement between the Federal
137 Highway Administration ("FHWA") and VDOT required to toll the I-95/I-395
138 Project. The Parties agree that the ATI funds may be used for programs and
139 projects reasonably related to or benefiting the toll paying users of the entire I-
140 95/I-395 Project since the 395 Revenues, as defined under the ARCA, are
141 inclusive of the incremental increase in toll revenue generated on the Original
142 95 HOT Lanes, which incremental increase is attributable to the addition of the
143 395 HOT Lanes.

144 **2. Priority of Use of ATI Funds.** ATI funds transferred to NVTC must first
145 be used to pay any NVTC ATI-Related Debt Service and thereafter may be used

146 to fund ATI-Funded Projects. ATI funds transferred to PRTC must first be used
147 to pay any PRTC ATI-Related Debt Service and thereafter may be used to fund
148 ATI-Funded Projects.

149 **"NVTC ATI-Related Debt"** means (i) any bonds, promissory notes,
150 loan, financing or credit agreements under which NVTC is obligated to repay
151 money borrowed and secured primarily by ATI Funds to finance an ATI-Funded
152 Project, and (ii) all installment sales, conditional sales, and capital lease
153 obligations incurred or assumed by NVTC and secured primarily by ATI Funds
154 to finance an ATI-Funded Project. The term "incurred" as used in the MOA
155 with respect to NVTC ATI-Related Debt shall also mean issued or assumed.

156 **"NVTC ATI-Related Debt Service"** means for a fiscal year or other
157 measurement period the aggregate of the payments to be made in respect of the
158 principal of and interest on NVTC ATI-Related Debt and the associated
159 financing or trustee's fees or charges and required deposits to any reserve funds.

160 **"PRTC ATI-Related Debt"** means (i) any bonds, promissory notes,
161 loan, financing or credit agreements under which PRTC is obligated to repay
162 money borrowed and secured primarily by ATI Funds to finance an ATI-Funded
163 Project, and (ii) all installment sales, conditional sales, and capital lease
164 obligations incurred or assumed by PRTC and secured primarily by ATI Funds
165 to finance an ATI-Funded Project. The term "incurred" as used in the MOA
166 with respect to PRTC ATI-Related Debt shall also mean issued or assumed.

167 **"PRTC ATI-Related Debt Service"** means for a fiscal year or other
168 measurement period the aggregate of the payments to be made in respect of the

169 principal of and interest on PRTC ATI-Related Debt and the associated
170 financing or trustee's fees or charges and required deposits to any reserve funds.

171 **3. NVTC ATI-Related Debt Limits.** No NVTC ATI-Related Debt may be
172 incurred unless the annual amount of NVTC ATI-Related Debt Service
173 payments will be less than 60% of the ATI funds expected to be transferred from
174 DRPT to NVTC in each year such debt service payments will be paid. In
175 addition, no NVTC ATI-Related Debt may be incurred unless the ATI funds
176 expected to be transferred from DRPT to NVTC in the fiscal year prior to the
177 fiscal year the NVTC ATI-Related Debt would be incurred is at least two times
178 the maximum annual scheduled NVTC ATI-Related Debt Service (in the then-
179 current or any future fiscal year) on: (i) all outstanding NVTC ATI-Related
180 Debt, plus (ii) the proposed new NVTC ATI-Related Debt.

181 **4. PRTC ATI-Related Debt Limits.** No PRTC ATI-Related Debt may be
182 incurred unless the annual amount of PRTC ATI-Related Debt Service payments
183 will be less than 60% of the ATI funds expected to be transferred from DRPT to
184 PRTC in each year such debt service payments will be paid. In addition, no
185 PRTC ATI-Related Debt may be incurred unless the ATI funds expected to be
186 transferred from DRPT to PRTC in the fiscal year prior to the fiscal year the
187 PRTC ATI-Related Debt would be incurred is at least two times the maximum
188 annual scheduled Debt Service (in the then-current or any future fiscal year) on:
189 (i) all outstanding PRTC ATI-Related Debt, plus (ii) the proposed new PRTC
190 ATI-Related Debt.

191 **5. Use of ATI Funds Limited to ATI-Funded Projects.** The Commonwealth,
192 NVTC, and PRTC shall have no right to use the ATI funds to pay any debt,

193 obligation, or liability unrelated to a CTB-approved ATI-Funded Project, or for
 194 any purposes other than those specified in this MOA. Interest earned on ATI
 195 funds held by NVTC and PRTC shall be considered ATI funds and may only be
 196 used for the purposes specified in this MOA.

197 **6. Limit on Operating Costs.** Neither NVTC nor PRTC may expend more
 198 than 50% of the ATI funds (as a percentage of the overall ATI funds transferred
 199 to either NVTC or PRTC, as applicable, during the preceding ~~five~~nine-fiscal-
 200 year period) for operating costs. In addition, with respect to operating costs,
 201 NVTC and PRTC may only use the ATI funds:

202 (a) to pay operating costs for individual ATI-Funded Projects that are
 203 transit operations and are regional in nature because: (i) the service crosses
 204 jurisdictional boundaries and/or (ii) the service provides a direct connection to
 205 Metrorail or VRE commuter rail stations; and

206 (b) to pay operating costs for all other individual ATI-Funded Projects
 207 only in the following maximum amounts: (i) up to 100% of operating costs for
 208 the first five years, (ii) up to 75% of operating costs for year six, (iii) up to 50%
 209 of operating costs for year seven, (iv) up to 25% of operating costs for year eight,
 210 and (v) 0% of operating costs after year eight.

211 D. NVTC and PRTC shall have the following rights and duties:

212 **1. Project Criteria and CTB Approval of ATI-Funded Projects.** Each year,
 213 NVTC and PRTC shall submit to DRPT a list of proposed ATI-Funded Projects
 214 for presentation by DRPT, NVTC and PRTC at a regularly-scheduled CTB
 215 workshop. Such proposed ATI-Funded Projects shall be selected by NVTC and
 216 PRTC in accordance with a process established by written agreement between

217 NVTC and PRTC consistent with the terms of this MOA. In addition, NVTC
218 and PRTC must provide to DRPT for DRPT's review and input any draft written
219 materials, presentations, or recommendations that NVTC and PRTC intend to
220 provide to the CTB for any workshop relating to proposed ATI-Funded projects
221 at least fifteen working days before NVTC and PRTC finalize any such written
222 materials, presentations, or recommendations. Each proposed ATI-Funded
223 Project presented to the CTB for approval shall be identified separately with
224 supporting documentation, including a description of the benefits that were the
225 basis for evaluation and selection of each such proposed ATI-Funded Project.
226 If the proposed ATI-Funded Projects are selected in accordance with NVTC and
227 PRTC's selection process described in II.D.2, and the proposed ATI-Funded
228 Projects meet the Project Criteria (defined below), then the CTB will consider
229 and approve the proposed ATI-Funded Projects by an affirmative vote and,
230 subject to appropriation by the General Assembly, allocate ATI funds for such
231 ATI-Funded Projects. To be approved by the CTB, each proposed ATI-Funded
232 Project must meet each of the following four criteria (the "Project Criteria"):

- 233 (a) Must reasonably relate to or benefit the toll-paying users of the
234 I-95/I-395 Project;
- 235 (b) Must have the capacity to attain one or more of the Improvement
236 Goals;
- 237 (c) Must be one of the following types of multimodal transportation
238 improvements serving the Corridor (which term, for the avoidance of
239 doubt, includes adjacent and nearby routes):

- 240 i. New or enhanced local and commuter bus service, including
241 capital and operating expenses (*e.g.*, fuel, tires, maintenance,
242 labor, and insurance), and transit priority improvements,
- 243 ii. Expansion or enhancement of transportation demand
244 management strategies, including without limitation, vanpool,
245 and formal and informal carpooling programs and assistance,
- 246 iii. Capital improvements for expansion or enhancement of
247 Washington Metropolitan Area Transit Authority rail and bus
248 service, including capital and operating expenses, and improved
249 access to Metrorail stations and Metrobus stops,
- 250 iv. New or enhanced park and ride lot(s) and access or improved
251 access thereto,
- 252 v. New or enhanced VRE improvements or services, including
253 capital and operating expenses,
- 254 vi. Roadway improvements in the Corridor (which term, for the
255 avoidance of doubt, includes adjacent and nearby routes),
- 256 vii. Transportation Systems Management and Operations as
257 defined in 23 U.S.C. § 101(a)(30) on September 30, 2017, or
- 258 viii. Projects identified in Commonwealth studies and plans or
259 projects in the region's constrained long range plan (including
260 without limitation the I-95/395 Transit and TDM Study) or
261 regional transportation plans approved by the Northern Virginia

262 Transportation Authority, as any such plan may be updated from
263 time to time; and,

264 (d) Must demonstrate that the ATI-Funded Projects will be in
265 compliance with all applicable laws, rules, and regulations and have
266 received or will receive all required regulatory approvals.

267 Under no circumstances shall the Project Criteria be modified except by
268 written amendment to this MOA.

269 **2. Proposed ATI-Funded Project Selection Process.** Any ATI-Funded Project
270 to be proposed for CTB approval shall be selected by NVTC and PRTC through
271 a process established by written agreement between NVTC and PRTC. Such
272 process shall include at least the following three elements:

273 (a) A request to the following entities to submit a list of their preferred
274 proposed ATI-Funded Projects to NVTC and PRTC:

275 (i) all jurisdictions that are members of either NVTC or PRTC,
276 and

277 (ii) other public transportation providers providing services in
278 those jurisdictions;

279 (b) The evaluation, prioritization, and selection of proposed ATI-Funded
280 Projects by NVTC and PRTC, the development of a funding strategy for
281 each proposed ATI-Funded Project, and the submission of proposed
282 ATI-Funded Projects (including a funding strategy for each) by NVTC
283 and PRTC to the CTB, through DRPT; and,

284 (c) A public hearing held by NVTC and PRTC prior to NVTC and
285 PRTC's selection of proposed ATI-Funded Projects for submission to
286 the CTB.

287 **3. Financing of ATI-Funded Projects; No Recourse against**
288 **Commonwealth.** NVTC and PRTC may use ATI funds appropriated by the
289 General Assembly and allocated by the CTB to NVTC and PRTC to support the
290 financing of approved ATI-Funded Projects.

291 NVTC and PRTC, respectively, are solely responsible for obtaining and
292 repaying all NVTC ATI-Related Debt and PRTC ATI-Related Debt at their own
293 respective cost and risk, and without recourse to the Commonwealth of Virginia,
294 the CTB, VDOT, and/or DRPT, for any ATI-Funded Project.

295 The Commonwealth of Virginia, the CTB, VDOT, and DRPT shall have
296 no liability for any (i) NVTC ATI-Related Debt or NVTC ATI-Related Debt
297 Service, (ii) PRTC ATI-Related Debt or PRTC ATI-Related Debt Service, or
298 (iii) any other sum secured by or accruing under any financing document entered
299 into by NVTC or PRTC as a result of this MOA. No document evidencing or
300 associated with any NVTC ATI-Related Debt or PRTC ATI-Related Debt shall
301 contain any provisions whereby a trustee would be entitled to seek any damages
302 or other amounts from the Commonwealth of Virginia, CTB, VDOT, or DRPT
303 due to any breach of this MOA.

304 Each bond, promissory note, or other document evidencing NVTC ATI-
305 Related Debt or PRTC ATI-Related Debt must include a conspicuous recital on
306 its face stating: (a) payment of the principal and interest does not constitute a
307 claim against VDOT's interest in I-95, I-395, or any part thereof; (b) payment is

308 not an obligation of the Commonwealth of Virginia, VDOT, DRPT, the CTB,
 309 or any other agency, instrumentality, or political subdivision of the
 310 Commonwealth of Virginia (including NVTC’s or PRTC’s member
 311 jurisdictions, as applicable), moral or otherwise; and (c) neither the full faith and
 312 credit nor the taxing power of the Commonwealth of Virginia, VDOT, DRPT,
 313 the CTB, or any other agency, instrumentality, or political subdivision of the
 314 Commonwealth of Virginia, (including NVTC’s or PRTC’s member
 315 jurisdictions, as applicable) is pledged to the payment of the principal and
 316 interest on such NVTC ATI-Related Debt or PRTC ATI-Related Debt.

317 NVTC and PRTC shall not enter into agreements with holders of any
 318 NVTC ATI-Related Debt or PRTC ATI-Related Debt incurred by NVTC,
 319 PRTC, or their member jurisdictions that contain a pledge or claim on the ATI
 320 funds or NVTC or PRTC’s interest in the ATI funds under this MOA except
 321 such debt issued for ATI-Funded Projects. If, despite such efforts, ATI funds
 322 are applied to satisfy any debt of NVTC or PRTC that is not properly payable
 323 out of ATI funds in accordance with this MOA and state and federal law, NVTC
 324 or PRTC as applicable shall reimburse DRPT (which in turn shall reimburse
 325 VDOT an equal amount) in full any such ATI funds or accounts from any other
 326 available revenues other than the ATI funds.

327 **4. Monitoring.** NVTC and PRTC shall provide jointly an annual report to the
 328 CTB within 120 days of the end of NVTC’s and PRTC’s fiscal year. The report
 329 shall contain at a minimum the following four items:

- 330 (a) A description of the ATI-Funded Projects selected for funding in the
 331 past fiscal year and the benefits that were the basis for evaluation and
 332 selection of each such ATI-Funded Projects;
- 333 (b) Starting five years after the effective date of this MOA, a review of
 334 the ATI-Funded Projects funded in past fiscal years describing the
 335 degree to which the expected benefits were realized or are being realized;
- 336 (c) In the event that an ATI-Funded Project is not providing substantially
 337 similar benefits to those that were the basis for evaluation and selection
 338 of the ATI-Funded Project, the report shall evaluate the viability of a
 339 plan to either (i) modify such ATI-Funded Project, or (ii) redeploy assets
 340 in such ATI-Funded Project to other eligible ATI-Funded Projects that
 341 are expected to provide greater benefits; and,
- 342 (d) The proposed uses of: (i) residual, unobligated balances of ATI funds
 343 carried over from prior years, and (ii) interest earned on such ATI funds.

344 **5. Accounting.** NVTC and PRTC shall each receive and manage, as a fiduciary,
 345 the ATI funds appropriated by the General Assembly, allocated by the CTB, and
 346 transferred to them by DRPT. NVTC and PRTC shall each create and maintain
 347 all funds and accounts containing the ATI funds separate and apart from all other
 348 funds and accounts of NVTC and PRTC. Said funds shall constitute a “special
 349 revenue fund” as defined by the Governmental Accounting Standards Board.
 350 The revenues and expenses relating to the use of the ATI funds and the ATI-
 351 Funded Projects undertaken shall not be commingled with any other funds,
 352 accounts, venues, or expenses of NVTC or PRTC. NVTC and PRTC shall each
 353 report for the ATI-Funded Projects financed by ATI funds provided by this

354 MOA and reported as an applicable special revenue fund within their financial
355 statements. Expenditures will be recorded and reported for each ATI-Funded
356 Project.

357 All ATI funds transferred to NVTC and PRTC pursuant to the terms of
358 this MOA shall be held by NVTC and PRTC in accounts with a financial
359 institution under an arrangement that, to the extent reasonably practicable,
360 preclude such funds from being an asset subject to the claims of creditors of
361 NVTC and PRTC, other than (i) a holder of NVTC ATI-Related Debt or PRTC
362 ATI-Related Debt, or (ii) other claims related to the ATI-Funded Projects
363 undertaken in accordance with this MOA.

364 **6. Quality Management.** NVTC and PRTC shall be responsible for all quality
365 assurance and quality control activities necessary to properly manage the
366 funding of the development, design, construction, purchases, acquisition,
367 operation, and maintenance of any ATI-Funded Project they have undertaken
368 pursuant to this MOA, and will develop and provide to VDOT and DRPT for
369 information purposes NVTC's and PRTC's manuals, policies, and procedures.

370 **7. Public Information.** During the term of this MOA, NVTC and PRTC shall
371 provide information to the public concerning the ATI-Funded Projects they have
372 undertaken, including any public meetings and public hearing that may be
373 required by law or regulation.

374 **8. Regulatory Approvals.** NVTC and PRTC shall obtain, keep in effect,
375 maintain, and comply with all regulatory approvals necessary to fund the
376 development, design, construction, purchases, acquisition, operation, and
377 maintenance of any ATI-Funded Projects.

378 **9. Contracting Practices.** During the term of this MOA, NVTC and PRTC
379 covenant and agree that, with respect to the ATI-Funded Projects they have
380 undertaken, they will comply with all requirements of state and federal laws
381 relating to anti-discrimination, including (without limitation) Titles VI and VII
382 of the Civil Rights Act of 1964, as amended, and the Americans with Disabilities
383 Act, and shall contractually require the same of all contractors, subcontractors,
384 vendors, and recipients of any ATI funds. NVTC and PRTC recognize the
385 importance of the participation of minority, women-owned and small businesses
386 through the federal and local Disadvantaged Business Enterprise programs and
387 will abide by such programs in implementing ATI-Funded Projects.

388 NVTC and PRTC shall comply with all applicable federal requirements,
389 including those applicable to highways that are part of the National Highway
390 System.

391 **10. Losses.** "Losses" are losses actually suffered or incurred arising from: (a)
392 any failure by NVTC or PRTC to comply with, to observe or to perform in any
393 material respect any of the covenants, obligations, agreements, terms or
394 conditions in this MOA, or any breach by NVTC or PRTC of its representations
395 or warranties in this MOA; (b) any actual or willful misconduct or negligence
396 of NVTC or PRTC, their employees or agents in direct connection with the I-
397 95/I-395 Project or any related ATI-Funded Projects; (c) any actual or alleged
398 patent or copyright infringement or other actual or alleged improper
399 appropriation or use of trade secrets, patents, proprietary information, know-
400 how, trademarked, or service-marked materials, equipment devices or processes,
401 copyright rights or inventions by NVTC or PRTC in direct connection with the

402 I-95/I-395 Project or any related ATI-Funded Projects; (d) any inverse
403 condemnation, trespass, nuisance, or similar taking of or harm to real property
404 committed or caused by NVTC or PRTC, their employees, or agents in direct
405 connection with the I-95/I-395 Project; or (e) any assumed liabilities.

406 NVTC and PRTC shall each include the Commonwealth of Virginia, the
407 CTB, VDOT, DRPT, and their officers, employees, and agents, (collectively
408 “State Indemnites”) as additional insureds on NVTC and PRTC’s insurance
409 policies so the State Indemnites are protected from and against any Losses.

410 In addition, NVTC and PRTC shall contractually require their
411 contractors, subcontractors, vendors, and others providing goods or performing
412 services related to any ATI-Funded Project to indemnify the State Indemnites
413 against any Losses.

414 All insurance purchased by NVTC and PRTC or their contractors
415 pursuant to this section shall name each of the State Indemnites as additional
416 insureds. This provision shall survive the expiration or earlier termination of
417 this MOA.

418 In the event any third-party claim to which this section II.D.10 applies is
419 asserted in writing against a State Indemnitee, VDOT and/or DRPT will as
420 promptly as practicable notify NVTC and PRTC in writing of such claim, which
421 shall include a copy and any related correspondence or documentation from the
422 third party asserting the claim. However, any failure to give such prompt notice
423 shall not constitute a waiver of any rights of any State Indemnitee unless such
424 failure limits or precludes the availability of those rights.

425 **11. Records.** NVTC and PRTC agree to provide DRPT and VDOT
426 access to all records relating to ATI-Funded Projects. Further, NVTC and PRTC
427 will provide all such records for inspection and audit by VDOT, DRPT, and
428 federal agencies including (without limitation) the United States Department of
429 Transportation, the FHWA, and the Federal Transit Administration, or their
430 designees, upon reasonable notice at all times during the term of this MOA.
431 NVTC and PRTC agree promptly to furnish to VDOT and DRPT copies of all
432 reports and notices they deliver to bondholders or other credit providers or any
433 trustee relating to the use of the ATI funds.

434 **III. Term.** Unless this MOA is otherwise terminated in accordance with Section VII below,
435 the term of this MOA shall commence on the date last signed by the Parties (“the Effective
436 Date”) and shall expire concurrent with the expiration or termination of the ARCA (as may be
437 amended and restated from time to time).

438 **IV. Temporal Limit on Debt and Pay-As-You_Go Financing.** NVTC and PRTC shall not
439 incur any NVTC ATI-Related Debt or PRTC ATI-Related Debt that is dependent on ATI funds
440 and which matures or extends beyond the term of this MOA. If this MOA is terminated in
441 accordance with Section VII, or expires due to the termination of the ARCA, and there is
442 outstanding NVTC ATI-Related Debt or PRTC ATI-Related Debt for which ATI funds have
443 been pledged to pay NVTC ATI-Related Debt Service or PRTC ATI-Related Debt Service, or
444 there are pay-as-you-go ATI-Funded Projects that are not complete (and provided the use of
445 ATI funds to pay NVTC ATI-Related Debt Service or PRTC ATI-Related Debt Service or the
446 costs of the pay-as-you-go ATI-Funded Projects is not a misuse of ATI funds under this MOA
447 and the cause or basis of the termination), then tolls shall continue to be imposed on the I-95/I-
448 395 Project (in the case of expiration of this MOA due to the termination of the ARCA, the

449 continuation of such tolls being subject to CTB approval) and the CTB will allocate 395
450 Revenues in an amount sufficient, if available, to pay NVTC ATI-Related Debt Service or
451 PRTC ATI-Related Debt Service, as applicable, or to complete the pay-as-you-go ATI-Funded
452 Projects. However, for pay-as-you-go ATI-Funded Projects the CTB will not approve funding
453 for more a two-year period after termination of the MOA. For pay-as-you-go ATI-Funded
454 Projects that are capital improvement projects with completion dates more than two years past
455 the termination of the MOA, NVTC and/or PRTC, as applicable, shall use best efforts to obtain
456 additional funding necessary to complete the project. If NVTC and/or PRTC knows it will not
457 be able to obtain additional funding to complete such a project, it shall terminate the project as
458 soon as practicable after gaining such knowledge. No new projects may be funded with the ATI
459 funds after any delivery of a written notice of termination under Section VII.

460 **V. Entire Agreement.** This MOA constitutes the entire and exclusive agreement among the
461 Parties relating to the specific matters covered. All prior written, and prior or contemporaneous
462 verbal agreements, understandings, and representations are superseded, revoked, and rendered
463 ineffective for any purpose.

464 **VI. Amendment.** This MOA may be modified only in writing signed by all Parties or their
465 permitted successor(s) or assignee(s).

466 **VII. Termination.** This MOA may be terminated (a) by a non-breaching Party for material
467 non-compliance with this MOA that has not either been remedied, or a remedy commenced and
468 diligently pursued thereafter, within 120 days after written notice to the breaching Party from a
469 non-breaching Party, or (b) by written agreement of the Parties. However, prior to any
470 termination, the Parties shall meet and confer to make a good faith attempt to resolve any non-
471 compliance issues as follows. Within 30 days of the notice, the Commissioner of Highways,

472 the Director of DRPT, the NVTC Executive Director, and the PRTC Executive Director shall
473 meet to discuss resolution of the non-compliance issues. If a resolution cannot be reached
474 within 30 days, the Secretary of Transportation and the Chairman of NVTC and the Chairman
475 of PRTC shall meet within 30 days to discuss resolution of the non-compliance issues. If a
476 resolution cannot be agreed within 30 days, the termination shall be effective as set forth in the
477 written notice and in accordance with this MOA.

478 **VIII. Notices.** Notices shall be in writing and addressed as follows:

479 **If to NVTC:**

480 Executive Director
481 Northern Virginia Transportation Commission
482 2300 Wilson Boulevard, Suite ~~230620~~
483 Arlington, VA 22201
484 Fax: (703) 524-1756

485
486 **If to PRTC:**

487 Executive Director
488 Potomac and Rappahannock Transportation Commission
489 14700 Potomac Mills Road
490 Woodbridge, VA 22192
491 Fax: (703) 583-1377

492
493 **If to VDOT:**

494 Virginia Department of Transportation
495 1401 East Broad Street
496 Richmond, Virginia 23219
497 Attn: Commissioner of Highways
498 Fax: (804) 786-2940

499
500 *With a copy to:*
501 Office of the Attorney General
502 Chief, Transportation Section
503 202 North Ninth Street
504 Richmond, Virginia 23219
505 Fax: (804) 692-1647

506
507 **If to DRPT:**

508

509 Department of Rail & Public Transportation
510 600 East Main Street
511 Richmond, VA 23219
512 Attn: Director
513 Fax: 804 225 3752
514

515 Any Party may, by notice as specified above, in writing designate an additional or a
516 different entity or mailing address to which all such notices should be sent.

517 **IX. Relationship of the Parties.** The relationship of each Party to each other Party shall be
518 one of an independent contractor, not an agent, partner, lessee, joint venturer, or employee.

519 **X. No Third Party Beneficiaries.** Nothing contained in this MOA is intended or shall be
520 construed as creating or conferring any rights benefits or remedies upon or creating any
521 obligations of the Parties toward any person or entity not a party to this MOA.

522 **XI. Governing Law.** This MOA shall be governed and construed in accordance with the laws
523 of the Commonwealth of Virginia, without regard for conflict of laws principles.

524 **XII. Assignment.** This MOA may be assigned only with the written approval of the other
525 Parties. In the event of an agreed assignment, there will be an amendment to this MOA to
526 reflect the change in Parties.

527 **XIII. Survival.** If any provisions in this MOA are rendered obsolete or ineffective, the Parties
528 agree to negotiate in good faith appropriate amendments to, or replacement of such provisions,
529 to restore and carry out the original purposes to the extent practicable. If any provision is
530 rendered void or invalid, all remaining provisions shall survive.

531 **XIV. Notice of Legal Proceedings.** The Parties agree promptly to notify each other if they
532 become aware of any claim or legal proceeding that could impact the program, projects, and
533 activities undertaken pursuant to this MOA.

534 **XV. Construction of Agreement.** This MOA is intended by the Parties to be construed as a
535 whole, and indivisible, and its meaning is to be ascertained from the entire instrument. All parts

536 of the MOA are to be given effect with equal dignity, including but not limited to the recitals at
537 the beginning of this MOA, and all such parts, including the recitals, are to be given full force
538 and effect in construing this MOA. No provision of any recital shall be construed as being
539 controlled by, or having less force and effect, than any other part of this MOA because the
540 provision is set forth in a recital.

541 **XVI. No Personal Liability.** This MOA shall not be construed as creating any personal
542 liability on the part of any officer, employee, or agent of the Parties.

543 **XVII. No Waiver of Sovereign Immunity.** Nothing in this MOA shall be deemed a waiver
544 of sovereign immunity by any Party.

545 **XVIII. Appropriations.** All obligations of the CTB to allocate ATI funds are subject to
546 appropriation by the Virginia General Assembly.

547 *[SIGNATURE PAGES TO FOLLOW]*

COMMONWEALTH TRANSPORTATION BOARD

The Honorable Shannon Valentine
Secretary of Transportation

Date: _____

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES
SIGNATURE PAGE]

VIRGINIA DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner of Highways

Date: _____

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES
SIGNATURE PAGE]

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Katherine A. Mattice
Executive Director

Date: _____

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395
HOT LANES SIGNATURE PAGE]

POTOMAC AND RAPPAHANNOCK TRANSPORTATION
COMMISSION

Robert Schneider
Executive Director

Date: _____

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT
LANES SIGNATURE PAGE]

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Jennifer Mitchell

Director

Date: _____

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES SIGNATURE PAGE]

EXHIBIT A

PART A – ANNUAL TRANSIT INVESTMENT FORM			
Payment Due Date	Annual Transit Investment (\$ Nominal)	Payment Due Date	Annual Transit Investment (\$ Nominal)
395 Service Commencement Date	\$15,000,000	+ 35 year	\$35,598,078
+ 1 year	15,375,000	+ 36 year	36,488,030
+ 2 year	15,759,375	+ 37 year	37,400,230
+ 3 year	16,153,359	+ 38 year	38,335,236
+ 4 year	16,557,193	+ 39 year	39,293,617
+ 5 year	16,971,123	+ 40 year	40,275,958
+ 6 year	17,395,401	+ 41 year	41,282,857
+ 7 year	17,830,286	+ 42 year	42,314,928
+ 8 year	18,276,043	+ 43 year	43,372,801
+ 9 year	18,732,945	+ 44 year	44,457,121
+ 10 year	19,201,268	+ 45 year	45,568,549
+ 11 year	19,681,300	+ 46 year	46,707,763
+ 12 year	20,173,332	+ 47 year	47,875,457
+ 13 year	20,677,666	+ 48 year	49,072,343
+ 14 year	21,194,607	+ 49 year	50,299,152
+ 15 year	21,724,472	+ 50 year	51,556,631
+ 16 year	22,267,584	+ 51 year	52,845,547
+ 17 year	22,824,274	+ 52 year	54,166,685
+ 18 year	23,394,881	+ 53 year	55,520,852
+ 19 year	23,979,753	+ 54 year	56,908,874
+ 20 year	24,579,247	+ 55 year	58,331,596
+ 21 year	25,193,728	+ 56 year	59,789,885
+ 22 year	25,823,571	+ 57 year	61,284,633
+ 23 year	26,469,160	+ 58 year	62,816,748
+ 24 year	27,130,889	+ 59 year	64,387,167
+ 25 year	27,809,161	+ 60 year	65,996,846
+ 26 year	28,504,391	+ 61 year	67,646,767
+ 27 year	29,217,000	+ 62 year	69,337,937
+ 28 year	29,947,425	+ 63 year	71,071,385
+ 29 year	30,696,111	+ 64 year	72,848,170
+ 30 year	31,463,514	+ 65 year	74,669,374
+ 31 year	32,250,102	+ 66 year	76,536,108
+ 32 year	33,056,354	+ 67 year	78,449,511
+ 33 year	33,882,763	+ 68 year	80,410,749
+ 34 year	34,729,832		
		Term of ARCA	\$2,696,840,696

F99

0023-329-101, PE-101, RW-201, C501

Wise County / Town of Wise

This project consists of widening the existing two-lane roadway to provide an undivided *four lane* roadway being three through lanes with a continuous two-way left-turn lane. This project includes the construction of curb and gutter, sidewalk, and lighting strip. This project is 0.5 mile in length running toward Main Street, and beginning 0.1 mile west of the Rte. 757 Intersection. The project was first initiated in the mid 1990's and was developed as a three lane design, but halted at the right of way stage due to funding issues. The five lane design of March 2017 was halted and plans revised by a resolution supporting design change to *four lanes* –by Town of Wise Resolution No. 32, 2017 dated July 25, 2017.

Fixed Completion Date: November 3, 2023

Letting Date: 12/15/2021

AWARD

ARTERIAL

Order No.	UPC No. Project No.	Location and Work Type	Vendor Name	No Of Bidders	Bid Amount	Estimated Construction Cost.	EE Range
F99	17817	FROM: 0.083 MILE WEST INTERSECTION RTE 757	W-L CONSTRUCTION & PAVING, INC.	2	\$7,149,368.20	\$6,152,920.49	Within
	0023-329-101, C501	TO: 0.067 MILE EAST INTERSECTION CHERRY STREET	CHILHOWIE				
	STP-5329(014)	WISE	VA				
	Construction Funds	BRISTOL DISTRICT					
		ROAD WIDENING					

1 Recommended for AWARD \$7,149,368.20