



COMMONWEALTH of VIRGINIA

Office of the Governor

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August 1, 2006

MEMORANDUM

TO: The Honorable John H. Chichester
The Honorable Martin E. Williams
The Honorable Vincent F. Callahan, Jr.
The Honorable Harry R. Purkey
The Honorable Leo C. Wardrup, Jr.

FROM: Pierce R. Homer, Secretary of Transportation
Pierce R. Homer

SUBJECT: Report on Transportation Partnership Opportunity Fund

Pursuant to § 33.1-221.1:8 of the Code of Virginia, the Governor is required to submit a semiannual report on the Transportation Partnership Opportunity Fund (TPOF). This memorandum will constitute that report on behalf of Governor Kaine.

As you will recall, the Fund was capitalized with a \$50 million general fund appropriation for FY 2006 and through a transparent and public process, guidelines and criteria were approved by the Commonwealth Transportation Board in October 2005.

To date, five applications for funding have been formally submitted totaling \$59,500,000. Of the five applications, one did not qualify for funding. To date, the Advisory Panel has recommended award of \$39.7 million.

The following awards from the Fund have been made:

- An interest-free loan in an amount of up to \$25 million has been awarded to the State Route 28 Highway Transportation Improvement District Commission to be used in connection with other funds to complete the remaining 4 interchanges associated with the Route 28 Corridor Improvements in Loudoun and Fairfax Counties. The Commission initially requested \$30 million in funding. Subsequently, the Commission submitted a revised application for \$25 million in grant funding. The Advisory Panel has recommended a revised award in the form of a \$5 million grant and a \$20 million interest-free loan. This recommendation is pending final review.

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- A \$2 million grant to the Virginia Department of Transportation for preliminary engineering activities in partnership with Pioneer Group, Inc. and Alpha Natural Resources LLC, to advance the U. S. Route 460 Coalfields Expressway and Coalfields Connector projects in Buchanan, Dickenson and Wise Counties

The following has been recommended for award by the Fund's Advisory Panel and is pending final review:

- A \$10 million interest-free loan to the team of Fluor Virginia, Inc. and Transurban (USA) Development, Inc., for environmental and permitting activities associated with the I-95/I-395 Bus Rapid Transit/High Occupancy Toll Lane project in Northern Virginia. The team requested \$20 million in funding from the Fund.

The following application was just received and will be evaluated by the TPOF Advisory Panel in the near future.

- The City of Newport News has applied for a \$2,700,000 grant from the Fund. The City intends to use the funding to undertake transportation improvements associated with the Wolseley North America's economic development project.

Lastly, as other economic development prospects visit Virginia and explore various options, this Fund has become a part of our marketing of the Commonwealth. Applications to date have more than exceeded the resources available within the fund.

Please let me know if I can provide any additional information regarding these projects or use of the fund.

Copy: The Honorable Patrick O. Gottschalk