



COMMONWEALTH of VIRGINIA

Office of the Governor

Aubrey L. Layne, Jr.
Secretary of Transportation

January 31, 2014

MEMORANDUM

TO: The Honorable Charles J. Colgan
The Honorable Walter A. Stosch
The Honorable R. Creigh Deeds
The Honorable S. Chris Jones
The Honorable R. Lee Ware
The Honorable Thomas D. Rust

FROM: Aubrey L. Layne, Jr., Secretary of Transportation *AL* 1-31-2014

SUBJECT: Report on the Transportation Partnership Opportunity Fund

Pursuant to Section 33.1-221.1:8 of the Code of Virginia, the Governor is required to submit semiannual reports on the Transportation Partnership Opportunity Fund ("TPOF" or the "Fund"). This memorandum and related attachment will constitute that report on behalf of Governor McAuliffe for the period ending December 31, 2013.

To date, capitalization for the Fund has come from the following:

- \$23,600,000 and \$26,400,000 from the Toll Facility Revolving Account and from the Highway Construction Fund, respectively, pursuant to Chapter 951 of the Acts of Assembly of 2005;
- \$305,000,000 pursuant to Chapter 847 of the Acts of Assembly of 2007; and,
- \$50,000,000 made available July 1, 2011 from the Commonwealth Transportation Fund pursuant to Item 452 H. of Chapter 890 of the Acts of Assembly of 2011.

The \$305,000,000, as outlined by Chapter 847 of the 2007 Acts of Assembly, is targeted for specific projects while the other \$100,000,000 may be used for any eligible applicant and project. The body of this report focuses on the use of the \$100,000,000. The attachment to the report provides a brief summary and overview on the use of the \$305,000,000 to date.

For the period ending June 30, 2013, the fifteenth semiannual report was submitted outlining the activities of the Fund. At that time, thirty-three applications, representing twenty-five separate projects, had been submitted requesting a total of \$185,468,000 in assistance, with \$93,552,184 in awards approved by the Governor and \$9,724,878 pending the Governor's approval.

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During this reporting period of July 1, 2013 to December 31, 2013, the TPOF program experienced the following activity:

The State Route 28 Highway Transportation Improvement District Commission submitted a grant application for \$5,000,000 in November 2012 to assist with the construction of lane and bridge widening of Route 28 over the Dulles Toll Road. The grant was approved by the Panel in January 2013 and received the Governor's approval in July 2013. A grant agreement is pending.

The County of Giles submitted a grant application for \$724,878 in March 2013 to assist with the construction a new unsignalized industrial access intersection from U.S. 460 into the Celanese Acetate, LLC facility. The grant was approved by the Panel in May 2013 and received the Governor's approval in July 2013. A grant agreement is pending.

The County of Accomack submitted a grant application for \$4,000,000 in November 2012 to assist with the construction of a taxiway connecting the Wallops Research Park to the NASA/Wallops runways. The grant was approved by the panel in June 2013 and received the Governor's approval in July 2013. A grant agreement was executed in October 2013.

With the close of this reporting period, thirty-three applications, representing twenty-five separate projects, have been submitted requesting a total of \$185,468,000 in TPOF assistance, with \$103,277,062 in awards approved by the Governor.

The Fund continues to be one of many tools available to market the Commonwealth to prospective economic development clients, to assist in developing important public-private partnerships and to advance much needed Design-Build procured transportation improvements. For TPOF to remain a viable source of financial assistance for these types of projects, a sustainable source of funding for TPOF's continuing capitalization is critical.

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

Copy: The Honorable Maurice A. Jones

Attachment

Semiannual Report on the Transportation Partnership Opportunity Fund Activity/Award Details to Date

The following identifies the recipients, the projects and the awards made, and actions taken from TPOF, along with their current status:

Awards/Projects with Financial Close

<u>Recipient</u>	<u>Project</u>	<u>Location</u>	<u>Type of Assistance</u>	<u>Amount</u>	<u>Status</u>
State Route 28 Highway Transportation District Commission	Rt. 28 Corridor Improvements	Loudoun and Fairfax Counties	Grant	\$5,000,000	Grant is fully disbursed.
VDOT	Coalfields Expressway	Buchanan, Wise and Dickenson Counties	Grant	2,000,000	Grant was amended in April 2010 and work is ongoing and expected to be completed by April 2014.
Town of Leesburg	Battlefield Parkway	Town of Leesburg	Grant	5,000,000	Grant is fully disbursed.
VDOT	Coalfields Expressway – Hawks Nest Section	Buchanan, Wise and Dickenson Counties	2 Grants-\$5,000,000 each	10,000,000	Work is essentially complete; first grant is fully disbursed, second grant is in the final stages of being disbursed.
County of Prince George	Rolls-Royce Economic Development Project	County of Prince George	2 Grants-\$5,000,000 each	10,000,000	Grants are fully disbursed. Investment of \$100 million and 170 jobs.
City of Newport News	Canon Virginia, Inc. Economic Development Project	City of Newport News and County of Gloucester	Grant	5,000,000	Grant was amended in April 2011 and work is ongoing. Investment of \$623 million and 1,035 jobs.
County of Accomack	Mid-Atlantic Regional Spaceport (MARS) – Orbital Sciences Corp.	County of Accomack	Grant	3,427,412	Work is underway and the grant is being disbursed. Investment of \$45+ million and 500 jobs.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	2 Grants-\$5,000,000 each	10,000,000	Grants are fully disbursed. Investment of \$45+ million and 500 jobs.
Page Total				<u>\$50,427,412</u>	

Awards/Projects with Financial Close – Continued

<u>Recipient</u>	<u>Project</u>	<u>Location</u>	<u>Type of Assistance</u>	<u>Amount</u>	<u>Status</u>
County of Loudoun	Pacific Boulevard	County of Loudoun	Grant	\$3,000,000	Work is complete and the grant is fully disbursed.
City of Winchester	Monticello Drive Extension Rubbermaid Products Economic Development Project	City of Winchester	Grant	4,984,500	Work is underway and the grant is being disbursed. Investment of \$76+ million and 71 jobs.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Grant	5,000,000	Grant is fully disbursed.
County of Prince William	USMC Heritage Center Transportation Improvements	County of Prince William	2 Grants- \$2,242,350 and \$2,735,712	4,978,062	Work is underway and the grant is being disbursed.
County of Rockingham	Harrisonburg Southeast Connector	County of Rockingham	Grant	5,000,000	Work is underway and the grant is being disbursed.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Loan	5,000,000	Work is underway and loan is being disbursed.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Grant	5,000,000	Work is in the final stages and the grant is being disbursed.
Department of Aviation	Emporia	City of Emporia	Grant	162,210	Work is completed and the grant is fully disbursed. Grant disbursed was \$151,085.
County of Accomack	Wallops Research Park	County of Accomack	Grant	4,000,000	Work is underway and grant is being disbursed.
Page Total				<u>\$37,124,772</u>	
Financial Close Total				<u>\$87,552,184</u>	

Awards/Projects Pending Financial Close

<u>Recipient</u>	<u>Project</u>	<u>Location</u>	<u>Type of Assistance</u>	<u>Amount</u>	<u>Status</u>
VDOT	Coalfields Expressway and U.S. Route 460 Connector	Buchanan, Wise and Dickenson Counties	2 Grants-\$5,000,000 each	\$10,000,000	Grant agreements are pending an amendment to the PPTA agreement with private partners.
County of Giles	Celanese Acetate	County of Giles	Grant	724,878	Decision brief has been approved by the Governor. Agreement is pending.
State Route 28 Highway Transportation Improvement District Commission	Route 28 bridge widening over the Dulles Toll Road	Loudon and Fairfax Counties	Grant	5,000,000	Decision brief has been approved by the Governor. Agreement is pending.
				Total	<u>\$15,724,878</u>

Awards/Projects Unable to Reach Financial Close

<u>Recipient</u>	<u>Project</u>	<u>Location</u>	<u>Type of Assistance</u>	<u>Amount</u>	<u>Status</u>
Flour Virginia, Inc and Transurban USA Development, Inc.	I-95/ I-395 HOT Lanes	Spotsylvania, Stafford, Prince William and Fairfax Counties	Loan	\$10,000,000	Conflicts with business agreement and TPOF statue. SIB loan has been approved for the project.
City of Newport News	Wolseley Economic Development Project	City of Newport News	Grant	2,700,000	Due to the decline in the economy the plans for expansion were suspended.
VDOT	Coalfields Expressway	Buchanan, Wise and Dickenson Counties	2 Grants-\$5,000,000 each	10,000,000	Project was unable to achieve FHWA approval and the funds have been rescinded.
				Total	<u>\$22,700,000</u>

Application/Project Not Receiving Award

<u>Applicant</u>	<u>Project</u>	<u>Location</u>	<u>Type of Assistance</u>	<u>Amount</u>	<u>Status</u>
County of Rockingham	Southeast Connector	County of Rockingham	Grant	\$4,980,938	The project was denied award due to adjusted priorities for the County.

Applications/Projects Not TPOF Eligible

<u>Applicant</u>	<u>Project</u>	<u>Location</u>	<u>Type of Assistance</u>	<u>Amount</u>	<u>Status</u>
Virginia Port Authority	Western Freeway Rail Relocation	Commonwealth of Virginia	Grant	\$4,800,000	The project did not meet Transportation or Economic Development Evaluation Criteria.
Holliday Properties	Capital Region Center	County of Hanover	Grant	5,000,000	There were several statutory conflicts with the application and project.
The Olde Dominion Agriculture Foundation, Inc	Olde Dominion Ag Complex	County of Pittsylvania	Grant	300,000	There were several statutory conflicts with the application and project. Other funding has been identified for the project.
			Total	<u>\$10,100,000</u>	

The table below summarizes the awards to date and the remaining balance from the \$100 million in capitalization as of December 31, 2013.

Capitalizations	
July 1, 2006	\$ 50,000,000
July 1, 2011	50,000,000
Interest Earnings	<u>10,953,940</u>
Total Funding Available	\$110,953,940

<u>Project</u>	<u>Amount</u>	<u>Type of Assistance</u>	<u>Eligibility Criteria</u>
Rt. 28 HTIDC	5,000,000	Grant	PPTA Project
VDOT – CFX	2,000,000	Grant	PPTA Project
Town of Leesburg	5,000,000	Grant	Design-Build Project
VDOT – CFX (Hawks Nest)	10,000,000	Grants	PPTA Project
VDOT – CFX (CFX/Connector Int.)	10,000,000	Grants	PPTA Project
County of Prince George	10,000,000	Grants	Economic Development
City of Newport News	5,000,000	Grant	Economic Development
County of Loudoun	3,000,000	Grant	Design-Build Project
County of Accomack	3,427,412	Grant	Economic Development
Virginia Comm. Space Flight Authority	10,000,000	Grants	Economic Development
City of Winchester	4,984,500	Grant	Economic Development
County of Rockingham	5,000,000	Grant	Design-Build Project
County of Prince William	4,978,062	Grant	Design-Build Project
Virginia Comm. Space Flight Authority	5,000,000	Grant	Economic Development
Virginia Comm. Space Flight Authority	5,000,000	Loan	Economic Development
Virginia Comm. Space Flight Authority	5,000,000	Grant	Economic Development
County of Accomack	4,000,000	Grant	Design-Build Project
Department of Aviation**	151,085	Grant	Economic Development
County of Giles***	724,878	Grant	Economic Development
State Route 28 Highway Transportation Improvement District Commission***	5,000,000	Grant	PPTA Project

Total Awards	\$103,265,937
Reductions *	884,693
Available for Award	<u>\$ 6,803,310</u>

* FY 2009-2013 Indirect Costs and Governor’s FY 2010 Operational Efficiencies Reductions

**Disbursement amount was less than the original grant amount based on the expenditures incurred.

*** Pending Grant Agreement

Attachment
Report on the Transportation Partnership Opportunity Fund
Chapter 847 of the Acts of Assembly of 2007
Item 449.10 - \$305,000,000 Appropriation

Through Item 449.10 of Chapter 847 of the Acts of Assembly of 2007, \$305,000,000 was allotted to TPOF out of the \$500,000,000 for the 2007 Transportation Initiative (the “Initiative”) projects.

In 2008, the General Assembly, through Item 462 of Chapter 879 of the Acts of Assembly of 2008, reappropriated \$180,000,000 of the \$500,000,000 back to the Commonwealth of Virginia’s General Fund. To substitute for these monies, Item 459.H. of Chapter 879 of the Acts of Assembly of 2008 authorized the issuance of \$180,000,000 of Capital Project Revenue bonds.

During this reporting period, there was no activity with the Initiative projects.

The following are TPOF’s Initiative projects receiving awards and their status:

<u>Project</u>	<u>Grant Amount</u>	<u>Location</u>	<u>Status</u>
I-495 Capital Beltway HOT Lanes	\$ 157,207,586	Northern Virginia	Grant is fully disbursed.
Route 58 Hillsville Bypass	77,000,000	Town of Hillsville	Project is in the final phases of completion and grant funds are being applied to project expenditures as they occur.
Route 50 Widening	14,721,767	County of Fairfax	Project is underway and the grant funds will be applied to the project expenditures as they occur.
Norfolk Southern Corporation (NSC) - Right-of-Way Acquisition	20,000,000	City of Virginia Beach	Grant is fully disbursed.
I-295/Medowville Interchange	<u>5,000,000</u>	County of Chesterfield	Grant is fully disbursed.
Total	<u>\$ 273,929,353</u>		

Attachment
Report on the Transportation Partnership Opportunity Fund
Chapter 847 of the 2007 Acts of Assembly
Item 449.10 - \$305,000,000 Appropriation

The remaining projects identified for funding through the 2007 Initiative and their respective status follows:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Environmental Impact Statement (EIS) for Route 37 - Eastern Bypass	County of Frederick	It was determined that the project did not qualify for TPOF and other funds were identified to perform EIS.
I-64/I-264 Interchange	City of Virginia Beach	A mutual agreement was reached between the City and the Secretary of Transportation to fund the NSC ROW acquisition at \$20,000,000 instead of the I-64/I-264 Interchange.

The following table summarizes the awards from the \$305,000,000 appropriation:

<u>Project</u>	<u>Capitalization</u>	<u>Type of Assistance</u>	<u>Eligibility Criteria</u>
	\$305,000,000		
I-495 Capital Beltway HOT Lanes	\$ 157,207,586	Grant	PPTA Project
U.S. Route 58 - Hillsville Bypass	77,000,000	Grant	PPTA Project
U.S. Route 50 Widening	14,721,767	Grant	Design-Build Project
NSC Right-of-Way Acquisition	20,000,000	Grant	Per FTA Requirements
I-295/Medowville Interchange	5,000,000	Grant	Design-Build Project
Total Awards	<u>\$ 273,929,353</u>		
Authorization Balance	<u>\$ 31,070,647</u>		