



COMMONWEALTH of VIRGINIA


Office of the Governor

Aubrey L. Layne, Jr.
Secretary of Transportation

February 13, 2015

MEMORANDUM

TO: The Honorable Charles J. Colgan
The Honorable Walter A. Stosch
The Honorable Stephen D. Newman
The Honorable S. Chris Jones
The Honorable R. Lee Ware, Jr.
The Honorable Thomas D. Rust

FROM: Aubrey L. Layne, Jr., Secretary of Transportation 

SUBJECT: Report on the Transportation Partnership Opportunity Fund

Pursuant to Section §33.2-1508 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 the related attachment will constitute that report on behalf of Governor McAuliffe for the period ending December 31, 2014.

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 remaining \$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 while the attachment provides a brief summary and overview of the fund in its entirety as of December 31, 2014.

At the end of the previous reporting period, ending July 31, 2014, thirty-three applications, representing twenty-five separate projects, had been submitted requesting a total of \$185,468,000 in assistance, with \$103,277,062 in awards approved by the Governor.

The Honorable Charles J. Colgan
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During this reporting period of July 1, 2014 to December 31, 2014, the TPOF program experienced the following activity:

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 Advisory Panel in May 2013 and received the current Governor's approval in December 2014. A grant agreement is pending.

The Economic Development Authority of the City of Newport News submitted a grant application for \$1,000,000 to assist with completing infrastructure improvements in and around the Copeland Industrial Park in support of the expansion of Liebherr Mining Equipment Company. The grant was approved by the panel in October 2014. The project received the Governor's approval on January 5, 2015 and the grant agreement is pending.

As of December 31, 2014, thirty-four applications, representing twenty-six separate projects, have been submitted requesting a total of \$186,468,000 in TPOF assistance, with \$103,277,062 in awards approved by the Governor and \$1,000,000 pending the Governor's approval.

The Fund is 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

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 the 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 almost complete. Total disbursements made are \$1,772,740; the current balance is \$227,260.
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 almost complete; first grant is fully disbursed, second grant is in the final stages of being disbursed. Total disbursements made are \$9,892,200; the current balance is \$107,800.
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 creation of 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. Total disbursements made are \$4,265,393; the current balance is \$734,607.
County of Accomack	Mid-Atlantic Regional Spaceport (MARS) – Orbital Sciences Corp.	County of Accomack	Grant	3,250,968	Grant is fully disbursed. Grant awarded was \$3,427,412. Final grant amount was \$3,250,968.
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 creation of 500 jobs.
County of Loudoun	Pacific Boulevard	County of Loudoun	Grant	3,000,000	Grant is fully disbursed.
City of Winchester	Monticello Drive Extension Rubbermaid Products Economic Development Project	City of Winchester	Grant	4,984,500	The City has submitted a revised scope of work and all disbursements are on hold pending review; the current balance is \$4,936,967.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Grant	5,000,000	Grant is fully disbursed.
County of Rockingham	Harrisonburg Southeast Connector	County of Rockingham	Grant	5,000,000	Grant is fully disbursed. Project is expected to be opened to traffic in the 1st quarter of 2015.
Page Total				<u>\$68,235,468</u>	

Attachment

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

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 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. Total disbursements made are \$2,043,916; the current balance is \$2,934,146.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Loan	5,000,000	Loan is fully disbursed. Loan is being considered for conversion to a grant.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Grant	5,000,000	Grant is fully disbursed.
Department of Aviation	Emporia	City of Emporia	Grant	151,085	Grant is fully disbursed. Grant awarded was \$162,210. Final grant amount was \$151,085.
County of Accomack	Wallops Research Park	County of Accomack	Grant	4,000,000	Work is underway. Total disbursements made are \$566,039; the current balance is \$3,433,961.
State Route 28 Highway Transportation Improvement District Commission	Route 28 bridge widening over the Dulles Toll Road	Loudoun and Fairfax Counties	Grant	5,000,000	Grant agreement has been executed. No disbursements have been made.
				Subtotal	<u>\$24,129,147</u>
				Financial Close Total	<u>\$92,364,615</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.
Economic Development Authority of the City of Newport News	Liebherr Expansion	City of Newport News and Hampton	Grant	1,000,000	Decision brief has been approved by the Governor. Agreement is pending.
				Total	<u>\$11,724,878</u>

Attachment

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

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 was approved for the project and repaid at closing.
City of Newport News	Wolseley Economic Development Project	City of Newport News	Grant	2,700,000	Due to the decline in the economy the plan 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>	

Awards/Projects Not Receiving Award

<u>Recipient</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.

Awards/Projects Not TPOF Eligible

<u>Recipient</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.
Holiday 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	Old 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>	

Attachment

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

The table below summarizes the awards to date and the remaining balance form the \$100 million in capitalization as of December 31, 2014.

Capitalizations

July 1, 2006	\$50,000,000
July 1, 2011	50,000,000
Interest Earnings	11,195,085
Less: Reductions*	-954,064
Total Funding Available	<u>\$110,241,021</u>

<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	3,250,968	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
State Route 28 HTIDC	5,000,000	Grant	PPTA Project
County of Giles**	724,878	Grant	Economic Development
EDA of Newport News**	1,000,000	Grant	Economic Development

Total Awards \$104,089,493

Available for Award \$6,151,528

* FY 2009-2014 Indirect Costs and Governor's FY 2010 Operational Efficiencies Reductions

** Pending Grant Agreement

Attachment

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

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 Projects Revenue bonds.

During this reporting period, the Hillsville Bypass grant was fully disbursed. There was no activity with the other initiative projects.

The following are TPOF's Initiative projects receiving award 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	Grant is fully disbursed.
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	5,000,000	County of Chesterfield	Grant is fully disbursed.
Total	\$273,929,353		

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

<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>Grant Amount</u>	<u>Type of Assistance</u>	<u>Eligibility Criteria</u>
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		\$273,929,353		
Authorization Balance		\$31,070,647		