

May 7, 2020

MEMORANDUM

TO: The Honorable Janet D. Howell
The Honorable David W. Marsden
The Honorable Delores L. McQuinn
The Honorable Luke E. Torian
The Honorable Vivian E. Watts

FROM: Deputy Secretary of Transportation Nicholas Donohue,
Chair, Transportation Partnership Opportunity Fund Advisory Panel

SUBJECT: Report on the Transportation Partnership Opportunity Fund

Pursuant to Section §33.2-1529.1 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 Northam for the period ending December 31, 2019.

During this reporting period of July 1, 2019 to December 31, 2019, the TPOF program experienced the following activity:

- Multiple localities have sent inquiries regarding criteria and status of the fund; however, no formal applications have been submitted for consideration during this reporting period.

As of December 31, 2019, forty-four applications, representing thirty-four separate projects, have been submitted requesting a total of \$220,204,682 in TPOF assistance. The Governor has approved awards totaling \$106,057,466. There are two grants pending agreement with the Virginia Department of Transportation. With this adjustment, projects that have reached financial close total \$100,107,465 (See attachment, Financial Close Total on page 2).

The Honorable Janet D. Howell
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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 Chapter 780 of the Acts of Assembly of 2016;
- \$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.
- House Bill 1887, effective July 1, 2015, provides the TPOF with one-third of all interest, dividends, and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund.

The \$305,000,000, as outlined by Chapter 847 of the 2007 Acts of Assembly and Chapter 780 of the 2016 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, interest earnings to the fund, and the dedicated revenue beginning in 2015. The attachment provides a brief summary and overview of the fund in its entirety as of December 31, 2019.

The Fund is one of many tools available to market the Commonwealth to prospective economic development partners. Please let me know if I can provide additional information regarding these projects or the use of the Fund.

cc: The Honorable Shannon Valentine, Secretary of Transportation
The Honorable Brian Ball, Secretary of Commerce and Trade
The Honorable Aubrey Layne, Jr., Secretary of Finance

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	1,772,740	Grant is fully disbursed. Grant awarded was \$2,000,000. Final grant amount was \$1,772,740.
Town of Leesburg	Battlefield Parkway	Town of Leesburg	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.
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.
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	Grant	5,000,000	Loan has been converted to a grant. Grant is fully disbursed.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Grant	5,000,000	Grant is fully disbursed.
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.
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.
Virginia Commercial Space Flight Authority (VCSFA)	MARS	County of Accomack	Grant	5,000,000	Grant is fully disbursed.
County of Accomack	Wallops Research Park	County of Accomack	Grant	4,000,000	Grant is fully disbursed.
County of Giles	Celanese Acetate	County of Giles	Grant	724,878	Grant is fully disbursed.
City of Winchester	Monticello Dirve Expansion-Rubbermaid Products expansion	City of Winchester	Grant	47,533	The City was unable to complete original project due to ROW issues. Grant amount is equaliviant to the first disbursement made in good faith of award.
Page Total				<u>\$62,947,204</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>
Economic Development Authority of the 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 August 2019 and work is ongoing. Total disbursements made are \$4,902,242; the current balance is \$97,758.
VDOT	Coalfields Expressway Hawks Nest Section	Buchanan, Wise and Dickenson Counties	2 Grants-\$5,000,000 each	9,892,200	Grants are fully disbursed. Grants awarded was \$10,000,000. Final grant amount was \$9,892,200.
County of Prince William	USMC Heritage Center Improvements	County of Prince William	2 Grants-\$2,242,350 and \$2,735,712	4,978,062	Project is complete. Final grant amount was \$4,978,062.
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 is fully disbursed.
Economic Development Authority of the City of Newport News	Liebherr Expansion	City of Newport News and Hampton	Grant	1,000,000	Grant is fully disbursed.
County of Frederick	Navy Federal Credit Union Expansion	Frederick County	Grant	1,290,000	Work is underway. Total disbursements made are \$1,141,064; the current balance is \$148,936.
Virginia Commercial Space Flight Authority	Rocket Lab- Venture Class Launch Pad	Accomack County	Grant	5,000,000	Work is underway. Grant is fully disbursed.
Virginia Port Authority	Operation of second barge service at Richmond Marine Terminal	City of Richmond	Grant	5,000,000	Grant agreement was entered into in March 2019.
Subtotal				<u>\$37,160,262</u>	
Financial Close Total				<u>\$100,107,466</u>	

Attachment

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

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>
Chesterfield County	I-95/ Willis Road Interchange	Chesterfield County	Grant	\$5,000,000	Decision brief was signed by Governor McAuliffe. Agreement is pending.
City of Richmond	Stone Brewery Phase II	City of Richmond	Grant	950,000	Decision brief was signed by Governor McAuliffe. Agreement is pending.
Pending Financial Close Total				<u>\$5,950,000</u>	
TOTAL AWARDS APPROVED BY THE GOVERNOR				<u>\$106,057,466</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	TPOF loan could not be executed in accordance with the business agreement between VDOT, Fluor and Transurban at the preliminary stage of project development under TPOF's statutory requirements. A State Infrastructure Bank (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 Rockhouse Section	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.
VDOT	Coalfields Expressway and U.S. Route 460 Connector	Buchanan, Wise and Dickenson Counties	2 Grants-\$5,000,000 each	10,000,000	Project has become eligible for 100% federal funding. TPOF funds have been rescinded since they were no longer needed.
County of Frederick	Renaissance Drive Extension	Frederick County	Grant	0	Grant Returned. Scope of project changed and TPOF was no longer needed.
Unable to Reach Financial Close Total				<u>\$32,700,000</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.
City of Virginia Beach	Atlantic Avenue	City of Virginia Beach	Grant	2,497,000	The fund was not open to applications at the time of submittal.
City of Virginia Beach	Atlantic Avenue	City of Virginia Beach	Grant	2,744,000	The project was denied award due to adjusted priorities for the City.
Not Receiving Award Total				<u>\$10,221,938</u>	

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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.
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	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.
The Route 28 Highway Transportaiton Improvement District Commission	Rt. 28 Corridor Improvements-Northbound Widening	Loudoun and Fairfax Counties	Grant	5,000,000	The project did not meet the Economic Development Criteria.
County of Prince William	Commuter Parking Garage	County of Prince William	Grant	5,000,000	The project did not meet the Economic Development Criteria.
Not Eligible Total				<u>\$20,100,000</u>	

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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 from the \$100 million in capitalization as of December 31, 2019.

Capitalizations

July 1, 2006	\$50,000,000
July 1, 2011	50,000,000
Interest Earnings	<u>25,574,727</u>
Total Funding Available	<u>\$125,574,727</u>

<u>Project</u>	<u>Amount</u>	<u>Type of Assistance</u>	<u>Eligibility Criteria</u>
Town of Leesburg	\$5,000,000	Grant	Design-Build Project
County of Loudoun	3,000,000	Grant	Design-Build Project
County of Rockingham	5,000,000	Grant	Design-Build Project
County of Prince William	4,978,062	Grant	Design-Build Project
County of Accomack	4,000,000	Grant	Design-Build Project
County of Prince George	10,000,000	Grants	Economic Development
City of Newport News	5,000,000	Grant	Economic Development
County of Accomack	3,250,968	Grant	Economic Development
Virginia Comm. Space Flight Authority	10,000,000	Grants	Economic Development
City of Winchester	47,533	Grant	Economic Development
Virginia Comm. Space Flight Authority	5,000,000	Grant	Economic Development
Virginia Comm. Space Flight Authority	5,000,000	Grant	Economic Development
Virginia Comm. Space Flight Authority	5,000,000	Grant	Economic Development
Department of Aviation	151,085	Grant	Economic Development
County of Giles	724,878	Grant	Economic Development
EDA of Newport News	1,000,000	Grant	Economic Development
County of Chesterfield*	5,000,000	Grant	Economic Development
County of Frederick	1,290,000	Grant	Economic Development
City of Richmond*	950,000	Grant	Economic Development
Virginia Comm. Space Flight Authority	5,000,000	Grant	Economic Development
Virginia Port Authority	5,000,000	Grant	Transportation Service
State Route 28 HTIDC	5,000,000	Grant	PPTA Project
Rt. 28 HTIDC	5,000,000	Grant	PPTA Project
VDOT – CFX	1,772,740	Grants	PPTA Project
VDOT – CFX (Hawks Nest)	9,892,200	Grant	PPTA Project
Total Awards	\$106,057,466		
Reductions**	<u>1,097,395</u>		
Available for Award	<u>\$18,419,866</u>		

*Grant agreements pending

**FY 2009-2018 Indirect Costs and Governor's FY 2010 Operational Efficiencies Reduction

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

Chapter 847 of the Acts of Assembly of 2007 and Chapter 780 of the Acts of Assembly of 2016 Item 449.10 and Item 453 G - \$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.

Item 453 G of Chapter 780 of the Acts of Assembly of 2016 dedicated the \$31,070,647 that was remaining from the previous allocation to Road Improvements at military installations and improvements at interstate rest areas throughout the Commonwealth.

Item 437 C and Item 4-1.03 of Chapter 836 of the Acts of Assembly of 2017 dedicated the any funds deposited pursuant to Item 453 G.2 of Chapter 836 of the Acts of Assembly of 2017 to fund additional facilities at Mid-Atlantic Regional Spaceport.

The following are the 2007 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	Grant is fully disbursed.
Norfolk Southern Corporation (NSC) - Right-of-Way Acquisition	20,000,000	City of Virginia Beach	The funds were paid out in August 2011 based on the grant agreement with the City. The funds were returned in March 2017 because the project did not advance and repayment was required. See Chapter 836 (2017), Item 453 G.1.
I-295/Meadowville 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

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

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

<u>Project</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*	0	Grant	Per FTA Requirements
I-295/Meadowville Interchange	5,000,000	Grant	Design-Build Project
Road Improvements to military installations	23,110,000	Grant	Item 453, G. of Chapter 780, 2016 Acts of Assembly
Improvements at interstate rest areas	7,960,647	Grant	Item 453, G. of Chapter 780, 2016 Acts of Assembly
Mid-Atlantic Regional Spaceport	20,000,000	Grant	Item 437, C. of Chapter 836, 2017 Acts of Assembly
Total Awards	<u>\$305,000,000</u>		
Authorization Balance	<u><u>\$0</u></u>		

*See Norfolk Southern Corporation Right-of-Way Acquisition on page 6