



# COMMONWEALTH of VIRGINIA

Office of the Governor

Sean T. Connaughton  
Secretary of Transportation

July 31, 2013

## MEMORANDUM

**TO:** The Honorable Walter A. Stosch  
The Honorable Stephen D. Newman  
The Honorable Lacey E. Putney  
The Honorable Harry R. Purkey  
The Honorable Joe T. May

**FROM:** Sean T. Connaughton, Secretary of Transportation

**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 McDonnell for the period ending June 30, 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 847 of the Acts of Assembly of 2005;
- \$305,000,000 pursuant to Chapter 896 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 896 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 December 31, 2012, the fourteenth semiannual report was submitted outlining the activities of the Fund. At that time, twenty-nine applications, representing twenty-one separate projects, had been submitted requesting a total of \$175,580,912 in assistance, with \$83,389,974 in awards approved by the Governor.

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During this reporting period of January 1, 2013 to June 30, 2013, the TPOF program experienced the following activity:

The Virginia Commercial Space Flight Authority submitted a final grant application for \$5,000,000 in November 2012 to assist with the completion of Launch Pad 0A and its Liquid Fuel Facility system at the Wallops Flight Facility's Mid-Atlantic Regional Spaceport. The grant was approved by the TPOF Advisory Panel (the "Panel") in January 2013 and received the Governor's approval in February. An executed grant agreement was in place in February 2013.

The Virginia Department of Aviation submitted a grant application for \$162,210 in December 2012 to reimburse the Emporia - Greensville Regional Airport Commission (the "Commission") for the costs to rehabilitate 25 feet of runway width and the local share of a Federal Aviation Administration grant to rehabilitate 75 feet of runway width. The grant was approved by the Panel in December 2012 and received the Governor's approval in February 2013. An executed grant agreement was in place in March 2013.

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 is still pending the Governor's approval. A grant agreement is expected to be in place in August 2013.

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 is still pending the Governor's approval. A grant agreement is expected to be in place in August 2013.

The County of Accomack submitted a grant application for \$4,000,000 in November 2012 for 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 is still pending the Governor's approval. A grant agreement is expected to be in place in August 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 \$93,552,184 in awards approved by the Governor and \$9,724,878 pending the Governor's approval.

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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 Jim Cheng

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>Grant Amount</u>        | <u>Status</u>                                                                                      |
|---------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------|
| State Route 28 Highway Transportation District Commission                 | Rt. 28 Corridor Improvements                                    | Loudoun and Fairfax Counties              | \$5,000,000                | Grant fully disbursed.                                                                             |
| VDOT                                                                      | Coalfields Expressway                                           | Buchanan, Wise and Dickenson Counties     | 2,000,000                  | Grant amended in April 2010 and additional work is ongoing.                                        |
| Town of Leesburg                                                          | Battlefield Parkway                                             | Town of Leesburg                          | 5,000,000                  | Grant fully disbursed.                                                                             |
| VDOT 2 - \$5,000,000 Grants                                               | Coalfields Expressway – Hawks Nest Section                      | Buchanan, Wise and Dickenson Counties     | 10,000,000                 | Work essentially complete; first grant fully disbursed, second in final stages of being disbursed. |
| County of Prince George 2 - \$5,000,000 Grants                            | Rolls-Royce Economic Development Project                        | County of Prince George                   | 10,000,000                 | Grants fully disbursed. Investment of \$100 million and 170 jobs.                                  |
| City of Newport News                                                      | Canon Virginia, Inc. Economic Development Project               | City of Newport News County of Gloucester | 5,000,000                  | Grant 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                        | 3,427,412                  | Work underway and grant being disbursed. Investment of \$45+ million and 500 jobs.                 |
| Virginia Commercial Space Flight Authority (VCSFA) 2 - \$5,000,000 Grants | MARS                                                            | County of Accomack                        | 10,000,000                 | Work underway and both grants are being disbursed. Investment of \$45+ million and 500 jobs.       |
| <b>Page Total</b>                                                         |                                                                 |                                           | <b><u>\$50,427,412</u></b> |                                                                                                    |

### Awards/Projects with Financial Close – Continued

| <u>Recipient</u>                                                                   | <u>Project</u>                                                                          | <u>Location</u>             | <u>Grant Amount</u>        | <u>Status</u>                                                                        |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------|----------------------------|--------------------------------------------------------------------------------------|
| County of Loudoun                                                                  | Pacific Boulevard                                                                       | County of Loudoun           | \$3,000,000                | Work underway and grant fully disbursed.                                             |
| City of Winchester                                                                 | Monticello Drive<br>Extension<br>Rubbermaid Products<br>Economic Development<br>Project | City of Winchester          | 4,984,500                  | Work underway, grant is being disbursed.<br>Investment of \$76+ million and 71 jobs. |
| Virginia Commercial<br>Space Flight Authority<br>(VCSFA) 1 - \$5,000,000<br>Grants | MARS                                                                                    | County of Accomack          | 5,000,000                  | Work underway and grant being disbursed.                                             |
| County of Prince William<br>\$2,242,350 Grant<br>\$2,735,712 Grant                 | USMC Heritage Center<br>Transportation<br>Improvements                                  | County of Prince<br>William | 4,978,062                  | Grant was approved. No grant has been disbursed.                                     |
| County of Rockingham<br>June 11, 2011                                              | Harrisonburg Southeast<br>Connector                                                     | County of Rockingham        | 5,000,000                  | Grant was approved and grant being disbursed.                                        |
| Virginia Commercial<br>Space Flight Authority<br>(VCSFA) 1 - \$5,000,000<br>loan   | MARS                                                                                    | County of Accomack          | 5,000,000                  | Work underway and loan being disbursed.                                              |
| Virginia Commercial<br>Space Flight Authority<br>(VCSFA) 1 - \$5,000,000<br>Grants | MARS                                                                                    | County of Accomack          | 5,000,000                  | Work underway and grant being disbursed.                                             |
| Department of Aviation                                                             | Emporia                                                                                 | City of Emporia             | 162,210                    | Work completed and grant fully disbursed. Grant<br>disbursed was \$151,085.          |
| <b>Page Total</b>                                                                  |                                                                                         |                             | <b><u>\$33,124,772</u></b> |                                                                                      |
| <b>Financial Close Total</b>                                                       |                                                                                         |                             | <b><u>\$83,552,184</u></b> |                                                                                      |

### Awards/Projects Pending Financial Close

| <u>Recipient</u>                                                            | <u>Project</u>                                               | <u>Location</u>                          | <u>Grant Amount</u>        | <u>Status</u>                                                                                                                                |
|-----------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| VDOT<br>2 - \$5,000,000 Grants                                              | Coalfields Expressway<br>and U.S. Route 460<br>Connector     | Buchanan, Wise and<br>Dickenson Counties | \$10,000,000               | Grant agreements pending amendment<br>to the PPTA agreement with private<br>partners.                                                        |
| County of Giles                                                             | Celanese Acetate                                             | County of Giles                          | 724,878                    | Grant was approved by the panel.<br>\$150 million investment from<br>Celanese and an estimated 200 jobs<br>created over a three year period. |
| County of Accomack                                                          | Wallops Research Park<br>(WRP) Phase I Taxiway<br>Connection | County of Accomack                       | 4,000,000                  | Grant was approved by the panel.                                                                                                             |
| State Route 28 Highway<br>Transportation Improvement<br>District Commission | Route 28 bridge<br>widening over the<br>Dulles Toll Road     | Loudon and Fairfax<br>County             | <u>5,000,000</u>           | Grant was approved by the panel.                                                                                                             |
| <b>Total</b>                                                                |                                                              |                                          | <b><u>\$19,724,878</u></b> |                                                                                                                                              |

### Awards/Projects Unable to Reach Financial Close

| <u>Recipient</u>                                                | <u>Project</u>                           | <u>Location</u>                                                         | <u>Amount</u>              | <u>Status</u>                                                                                  |
|-----------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------|
| Fluor Virginia, Inc. and<br>Transurban USA Development,<br>Inc. | I-95/1-395 HOT Lanes                     | Counties of<br>Spotsylvania, Stafford,<br>Prince William and<br>Fairfax | \$10,000,000               | Loan – Conflict with business agreement<br>and TPOF statute. SIB loan approved<br>for project. |
| City of Newport News                                            | Wolseley Economic<br>Development Project | City of Newport News                                                    | 2,700,000                  | Grant – Decline in economy suspended<br>plans for expansion.                                   |
| VDOT<br>2 - \$5,000,000 Grants                                  | Coalfields Expressway                    | Counties of Buchanan,<br>Wise and Dickenson                             | <u>10,000,000</u>          | Grant – Unable to achieve FHWA<br>approval of project and funds rescinded.                     |
| <b>Total</b>                                                    |                                          |                                                                         | <b><u>\$22,700,000</u></b> |                                                                                                |

### Application/Project Not Receiving Award

| <u>Applicant</u>                                 | <u>Project</u>      | <u>Location</u>      | <u>Grant Amount</u> | <u>Status</u>                                                      |
|--------------------------------------------------|---------------------|----------------------|---------------------|--------------------------------------------------------------------|
| County of Rockingham<br>May 21, 2008 Application | Southeast Connector | County of Rockingham | \$ 4,980,938        | Project denied award to due to adjusted priorities for the County. |

### Applications/Projects Not TPOF Eligible

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

The table below summarizes the awards to date and the remaining balance from the \$100 million in capitalization as of June 30, 2013.

|                                                                          |                       |                                           |                      |
|--------------------------------------------------------------------------|-----------------------|-------------------------------------------|----------------------|
| July 1, 2011                                                             | 50,000,000            |                                           |                      |
| Interest Earnings                                                        | 10,871,403            |                                           |                      |
| <b>Total Funding Available</b>                                           | <b>110,871,403</b>    |                                           |                      |
| <u>Awards</u>                                                            |                       | <u>Type of Assistance and Eligibility</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 |
| 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         |
| County of Accomack***                                                    | 4,000,000             | Grant                                     | Design-Build Project |
| <b>Total Awards</b>                                                      | <b>\$ 103,265,937</b> |                                           |                      |
| <b>Reductions *</b>                                                      | <b>884,693</b>        |                                           |                      |
| <b>Available for Award</b>                                               | <b>\$ 6,720,773</b>   |                                           |                      |

\* 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 Governor Approval

**Attachment**  
**Report on the Transportation Partnership Opportunity Fund**  
**Chapter 896 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:

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

**Attachment**  
**Report on the Transportation Partnership Opportunity Fund**  
**Chapter 896 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><b>Project</b></u>                                              | <u><b>Location</b></u> | <u><b>Status</b></u>                                                                                                                                      |
|--------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental Impact Statement (EIS) for Route 37 – Eastern Bypass | County of Frederick    | Project determined not to qualify for TPOF and other funds identified to perform EIS.                                                                     |
| I-64/I-264 Interchange                                             | City of Virginia Beach | Mutual agreement reached between City and Secretary of Transportation to fund the NSC ROW acquisition at \$20,000,000 and not the I-64/I-264 Interchange. |

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

|                                    |                       |                                    |
|------------------------------------|-----------------------|------------------------------------|
| Capitalization                     | \$ 305,000,000        |                                    |
| Awards                             |                       | Type of Assistance and Eligibility |
| 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         |
| City of Virginia Beach             | 20,000,000            | Grant Per FTA Requirements         |
| County of Chesterfield             | 5,000,000             | Grant Design-Build Project         |
| Total Awards                       | <u>\$ 273,939,353</u> |                                    |
| Authorization Balance              | <u>\$ 31,070,647</u>  |                                    |