



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Thursday, December 11, 2014

6:30 pm

3040 Williams Drive, Suite 200

Fairfax, Virginia 22030

AGENDA

- I. Call to Order** Chairman Nohe
- II. Roll Call** Ms. Speer, Clerk
- III. Minutes of the October 9 and 24, 2014 Meetings**
Recommended action: Approval [with abstentions from those who were not present]

Consent Agenda

- IV. Project Agreement for the Virginia Railway Express – Regional Funding Project 997-14-019-2-08 (Alexandria Station Tunnel)**
Recommended action: Approval of Project Agreement
- V. Project Agreement for the City of Alexandria - Regional Funding Project 510-14-020-1-08 (Traffic Signal Upgrades/Transit Signal Priority)**
Recommended action: Approval of Project Agreement
- VI. Project Agreement for the City of Alexandria - Regional Funding Project 510-14-021-1-08 (Shelters and Real-Time Transit Information for DASH/WMATA)**
Recommended action: Approval of Project Agreement
- VII. Project Agreement for the City of Alexandria - Regional Funding Project 510-14-022-1-08 (Potomac Yard Metrorail Station EIS)**
Recommended action: Approval of Project Agreement
- VIII. Project Agreement for the City of Falls Church - Regional Funding Project 610-14-023-1-06 (Pedestrian Access to Transit)**
Recommended action: Approval of Project Agreement
- IX. Project Agreement for the Virginia Railway Express - Regional Funding Project 997-14-024-2-08 (Lorton Station Second Platform)**
Recommended action: Approval of Project Agreement

- X. Project Agreement for the Virginia Department of Transportation - Regional Funding Project 995-14-025-3-03 (Route 28 Hot Spot Improvements – Loudoun Segment)**
Recommended action: Approval of Project Agreement
- XI. Project Agreement for the Virginia Department of Transportation - Regional Funding Project 995-14-026-1-03 (Route 28 Widening Dulles Toll Road to Route 50)**
Recommended action: Approval of Project Agreement
- XII. Project Agreement for the Virginia Department of Transportation - Regional Funding Project 995-14-027-1-03 (Route 28 Widening McLearen Road to Dulles Toll Road)**
Recommended action: Approval of Project Agreement

Action Items

- XIII. Approval of the NVTa Organizational and Financial Policies**
Chairman York, Chair, Finance Committee
Recommended action: Approval of the NVTa Organizational and Financial Policies
- XIV. Approval of the Post Issuance Disclosure Policy**
Chairman York, Chair, Finance Committee
Recommended action: Approval of the Post Issuance Disclosure Policy
- XV. Approval of NVTa Employee Handbook**
Chairman York, Chair, Finance Committee
Recommended action: Approval of the NVTa Employee Handbook
- XVI. Approval of Principals for the Determination of Long Term Benefits**
Mayor Euille, Chair, FWG
Recommended action: Approval of Principals to Determine Long Term Benefits
- XVII. Approval of the Revised FY2015/16 Two Year Program Schedule**
Chairman Nohe, Chair, PIWG
Recommended action: Approval of the Revised FY2015/16 Two Year Program Schedule
- XVIII. Approval of the NVTa 2015 Federal and State Legislative Program**
Ms. Dominguez, Chair, JACC
Recommended action: Approval of the NVTa 2015 Legislative Program
- XIX. Approval of Comments on the HB 2 Process**
Ms. Dominguez, Chair, JACC & Ms. Harris, Program Coordinator
Recommended action: Approval of Comments on the HB 2 Process

XX. Approval of Comments on the I-66 Corridor Improvement Study
Ms. Dominguez, Chair, JACC & Ms. Harris, Program Coordinator
Recommended action: Approval of Comments on the I-66 Corridor Improvement Study

XXI. Appointment of the Nominating Committee Chairman Nohe
Recommended action: Approval of Appointment of the Nominating Committee

XXII. Approval of the 2015 Meeting Calendar Ms. Backmon, Executive Director
Recommended action: Approval of the January 2015 Meeting Date

Discussion/Information

XXIII. Report on the Listening Session for the TransAction 2040 Update
Mr. Dan Malouff, Chair, TransAction 2040 Update Subcommittee

XXIV. Review of the Process to Amendment TransAction 2040
Ms. Backmon, Executive Director

XXV. 2015 NVTa Work Program Ms. Backmon, Executive Director

XXVI. Report of the Planning Coordination Advisory Committee
Mayor Foreman, Chair, PCAC

XXVII. Report of the Technical Advisory Committee Mr. Boice, Chair, TAC

XXVIII. CMAQ/RSTP Reallocation Request Ms. Dominguez, Chair, JACC

XXIX. Finance Committee Report Chairman York, Chair, Finance Committee

XXX. NVTa Revenue Receipts Report Mr. Longhi, CFO

XXXI. NVTa Operating Budget Report Mr. Longhi, CFO

XXXII. Financial Working Group Mayor Euille, Chair FWG

XXXIII. Project Implementation Working Group Chair Nohe

XXXIV. Executive Director's Report Ms. Backmon, Executive Director

XXXV. Chairman's Comments

Closed Session

XXXVI. Adjournment

Correspondence Section

- City of Fairfax 30% Funds Determination Letter
- Relieving Traffic Congestion Email from Citizen Alan Franks
- City of Alexandria 30% Funds Determination Letter
- WMATA Letter to Delegate Krupicka
- Letter of Appreciation from Prince George's County
- CTB Funding Request from Delegate LeMunyon

Next Meeting: January 2015 – TBD

NEW ADDRESS

**Northern Virginia Transportation Authority
3040 Williams Drive (Suite 200)
Fairfax, VA 22031
www.TheNovaAuthority.org**



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Thursday, October 9, 2014

7:00 pm

Fairfax City Hall

10455 Armstrong St

Fairfax, Virginia 22030

MEETING MINUTES

I. Call to Order

Chairman Nohe

- Chairman Nohe called the meeting to order at 7:06pm.

II. Roll Call

Ms. Speer, Clerk

- Voting Members: Chairman Nohe; Board Member Hynes; Supervisor Letourneau (arrived 7:10pm); Chairman Bulova; Council Member Way; Mayor Silverthorne; Council Member Rishell; Council Member Snyder; Senator Ebbin; Delegate Rust; Delegate Minchew; Mr. Garczynski; Miss Bushue.
- Non-Voting Members: Mayor Umstattd; Ms. Cuervo.
- Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Denise Harris (Program Coordinator); Keith Jasper (Program Coordinator); Camela Speer (Clerk); Peggy Teal (Assistant Finance Officer); various jurisdictional staff.

III. Minutes of the September 11, 2014 Meeting

- Chairman Bulova moved approval of the September 11, 2014 minutes; seconded by Board Member Hynes. Motion passed with ten (10) yeas and two (2) abstentions [with Council Member Way and Miss Bushue abstaining as they were not at the September meeting].

Presentation

IV. I-66 Corridor Improvements

Deputy District Administrator Rene'e Hamilton

- Ms. Shaw, project manager, gave a PowerPoint presentation on the I-66 Corridor Improvements from Route 15 to I-495.

(Supervisor Letourneau arrived.)

- Chairman Bulova asked for clarification that in addition to converting a High Occupancy Vehicle (HOV) lane, an additional lane would also be added. Ms. Shaw responded that there would be.
- Delegate Rust expressed concern that Alternative 1 was no longer being considered and suggested that Alternative 2A continue to be studied. He added that Alternate 2B precludes any fiscally responsible extension of rail in this part of the county. Ms. Shaw responded that the study shows that the right of way impacts for Alternative 2A are minimal. She added that the National Environmental Protection Agency (NEPA) document requires that they continue to study Alternative 2A and it will be studied the full length of the corridor. This alternative will be brought to the public as part of the public vetting process.
- Delegate Rust expressed further concern that if Alternative 2B is selected, it will place a high barrier to overcome for rail in this corridor. Ms. Shaw suggested that members drive the corridor and take notice of what is currently in the median. In some areas in Prince William County there is no median due to environmental resources alongside the roadway. Ms. Shaw noted that these are the areas that everyone will be forced to look at closely when considering the best options.
- Mr. Garczynski reminded everyone that this project will still have to go through the HB 2 process. He added that in order to fund this project, which will be in the billions, the P3, the Federal Government, the Commonwealth and the Authority will have to participate. In all probability, the NVTa will be asked to make a contribution for the greater regional good that I-66 improvements will provide.
- Delegate Minchew asked if a site has been chosen for a transit facility that the study shows in Centreville. Ms. Shaw responded that they are working with Fairfax County to determine this and are looking at future rail stations that have already been identified. She added that they are also looking at some opportunities in Prince William County.
- Chairman Bulova asked Mr. Biesiadny if the Centreville site being considered is the one by the Fairfax County Government Center. Mr. Biesiadny responded that it is not, it is the Fair Lakes site on I-66 and Route 29. Chairman Bulova added that there is land that has been reserved by the Government Center for a transit center.
- Council Member Way asked if there are any sections of the roadway improvements that will narrow the lanes or shoulders enough to make it a problem for buses. Ms. Shaw responded that they have not studied this yet. She added that they expect to be able to keep the twelve foot minimum and that they are looking for opportunities to allow buses to pull off to the left in the event of a breakdown. At this time, do not expect any reduced lane widths.
- Board Member Hynes suggested that this seems like a very practical solution to a challenging problem. She noted that the inner jurisdictions are currently struggling with spaces to store buses and that while rapid bus is a good idea, we need to consider where the rapid buses will be stored. Ms. Shaw responded that she has passed this concern along to the Transit/TDM group.

- Council Member Snyder asked if the study has looked at the District of Columbia's transit plans. He noted that the District is making it difficult to get around by car. He expressed concern that we may make it possible for more vehicles to get to the city, but that they may not be able to get into city. He asked to what extent the study group is looking at the bigger picture and what percentage of vehicles are going all the way into the District. Ms. Shaw responded that they will be looking at origin and destination when they run the models. She noted that currently at the beltway and I-66 only 40% of the traffic goes through on I-66 to the District. She pointed out that the current model does not go through to District, but that they will have a good idea of this travel pattern.
- Council Member Snyder added that if the objective is to create real congestion relief, we need to do it and not create expectations, then not deliver. He noted that this underscores the importance of transit as well as highway improvement.
- Mayor Umstattd asked what the transition for transit riders might be in the sections where there is not enough space to place a median in the roadway. Ms. Shaw responded that the median would be for a future improvement and the study is not currently looking at this piece. She added that the goal is to put a median wherever possible to provide options for future transit improvements.
- Chairman Bulova asked for clarification that this is a shorter term project than extending the metro or rail lines, but that the goal is to preserve as much of the right-of-way as possible to accommodate future transit extension. She added that this project is to increase capacity from the beltway outward by having managed lanes and an additional lane. Ms. Shaw responded that the goal is to improve the transit corridor on I-66. She noted that I-95 has a slug culture and that I-66 does not because there is no incentive. Ms. Shaw suggested that as managed lanes make this a reliable trip, the goal will be to get drivers to consider carpools, vanpools, buses and slug options. She added that similar to the Beltway, this will not solve all travel problems, but the focus is to provide more reliable travel in the corridor.
- Mayor Silverthorne noted that he has appreciated the public outreach being done for this project, but added that he would appreciate the City Council being briefed prior to the study group meeting with the public and his constituency. Ms. Shaw responded that they would be happy to brief the City Council.
- Chairman Nohe expressed concern that there are currently three (3) lanes that are free and will become toll lanes. He added that this may be necessary to encourage ridesharing, but that this is a pretty big shift. He suggested that there will be a need for much community education about the toll lanes. Chairman Nohe stated that the slug community on I-95 appreciates that only HOV3 vehicles are currently using the express lanes, but are concerned that the new lanes will allow single occupant vehicles to pay to use them. He suggested there may be a similar cultural reaction to turning free lanes on I-66

to paid lanes. Chairman Bulova added that while they are toll lanes, they are also free to HOV3 vehicles.

- Chairman Nohe asked if there is anything about this study that will preclude the extension of Godwin Road, or the Tri-County Parkway, to I-66. Ms. Shaw responded that there is nothing currently in the study for this.

Consent Agenda

- V. Project Agreement for Arlington County – Regional Funding Project 013-14-017-1-08 (Crystal City Multimodal Center)**
- VI. Project Agreement for Arlington County - Regional Funding Project 013-14-016-1-09 (Columbia Pike Multimodal Improvement)**
- VII. Project Agreement for Arlington County - Regional Funding Project 013-14-015-2-08 (Boundary Channel Drive Interchange)**
- VIII. Project Agreement for Arlington County - Regional Fund Project 013-14-014-1-08 (Blue/Silver Line Mitigation - Art Fleet Expansion - 4 Buses)**
- IX. Project Agreement for the City of Fairfax-Regional Fund Project 600-14-018-2-06 (Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place)**
- X. Project Agreement for the City of Falls Church - Regional Fund Project 610-14-013-1-01 (Bus Shelters)**

- Chairman Nohe stated that there are six (6) project agreements on the Consent Agenda.
- Delegate Rust requested Item #9 be removed from the Consent Agenda.
- Council Member Snyder moved to approve the consent agenda to include the specific motions in items V – VIII & X; seconded by Chairman Bulova. Motion carried unanimously.
- Chairman Bulova moved approval of the proposed Standard Project Agreement 600-14-018-2-06 (Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority; seconded by Mayor Silverthorne. Motion carried with twelve (12) yeas and one (1) abstention [Delegate Rust].

Action Items

XI. Approval of Agreement Between the Northern Virginia Transportation Authority and the Arlington County Treasurer's Office

Chairman York, Chair, Finance Committee

- Mr. Longhi briefed the Authority on the agreement between NVTa and the Arlington County Treasurer's Office. He highlighted:
 - ✓ Local Government Investment Pool (LGIP) has imposed self-regulations that will make it difficult for NVTa to move HB 2313 funds to organizations that are not LGIP members.
 - ✓ This agreement allows NVTa to transfer funds to Arlington County and Arlington County will then forward the funds within minutes to the destination the Authority requests.
 - ✓ NVTa cannot do this itself as our operating bank account is kept at low levels.
 - ✓ Arlington County has reviewed the agreement and approves.
 - ✓ The Finance Committee has reviewed the agreement and recommend approval.
 - ✓ Arlington County will only charge the Authority for transaction costs.
- Delegate Minchew asked if there are other alternatives, if we did not want to use one of the member jurisdictions. Mr. Longhi responded that we are planning to work with LGIP to form agreements with Towns that have accounts with LGIP and use the LGIP process as much as possible, but we will not be able to reach 100% compliance with the regulations. He added that the other alternative is to move a substantial amount of money into a fund that allows NVTa to have a cash flow to fund these infrequent, but very large, transactions ourselves. There will be interest earned lost in this method.
- Board Member Hynes moved to approve the Agreement Between the Northern Virginia Transportation Authority and the Arlington County Treasurer's Office related to Funds Transfer Assistance; seconded by Chairman Bulova. Motion carried unanimously.

XII. Approval of Standard Project Agreement Between NVTa & VDOT

Mayor Euille, Chair, FWG

- Mr. Biesiadny briefed the Authority on the Standard Project Agreement (SPA) between NVTa and Virginia Department of Transportation (VDOT). He stated that this is a modification to the SPA the Authority approved in March because some aspects of original agreement did not work well for VDOT projects. This agreement will be for projects that are funded 100% by the Authority and are implemented by VDOT, or will ultimately be owned by VDOT. Mr. Biesiadny reviewed the major changes to the original agreement:
 - ✓ References to the governing body were changed to more accurate references for VDOT.
 - ✓ Added some clarifications of terms.
 - ✓ Discussed the concern that if VDOT misappropriates funds. Original SPA states that if a jurisdiction misappropriates funds, it must reimburse the

Authority plus interest. Given the State structure this was a problem, therefore, “to the extent permitted by law” was added.

- ✓ Modified the provision that if the Authority funds a project it must continue to be used for the purpose intended, to add a “meet and confer” provision to discuss individual situations.
- Mr. Biesiadny stated that with approval of this agreement, several FY2014 approved projects can move forward.
- Delegate Minchew suggested that he would have preferred a red lined document showing the document changes. Mr. Biesiadny responded that he has one and will circulate it.
- Chairman Bulova moved to approve, in substantial form, the Standard Project Agreement between the Authority and the Virginia Department of Transportation (VDOT) related to the implementation of projects funded solely with the 70 percent funding the Authority is retaining for regional projects and that are being constructed by VDOT; seconded by Council Member Rishell. Motion carried unanimously.

XIII. Approval of Project Implementation Working Group FY15-16 Two Year Program Project Selection Criteria Chairman Nohe, Chair, PIWG

- Mr. Jasper and Mr. Canizales briefed the Authority on the PIWG FY15-16 Two Year funding program project selection criteria. Mr. Jasper highlighted:
 - ✓ Are on schedule for the adoption of the two year plan in March 2015.
 - ✓ Next step is approval of project selection criteria.
 - ✓ The projects submitted for FY15-16 funding consideration total over \$700M, of which there is funding for about half of that.
 - ✓ Need the project selection criteria to guide selection process.
 - ✓ This process is consistent with that used in the FY2014 approval process and has been vetted by Committees and Working Groups.
 - ✓ The outcome consists of 3 components:
 - Preliminary screening to confirm that a project follows the law and established Authority rules.
 - Quantitative component that scores various criteria and applies weights.
 - Qualitative considerations that do not lend themselves to the quantitative scoring process.
- Mr. Jasper concluded that all three components will be used to make the project selection decisions. He added that it is envisioned that the project selection criteria will be revisited and enhanced each time funding approval is necessary.
- Supervisor Letourneau suggested that there are limitations to the activity center criteria because there are no geographic boundaries to activity centers. He suggested some of these determinations are subjective when this is intended to be a quantitative analysis. Mr. Jasper responded that the definition of activity centers and the general approach to scoring the criteria were largely drawn from the TransAction 2040 criteria. Many of these criteria were scored during

the TransAction 2040 process and PIWG plans to revisit the scores to ensure they are consistent with the current process. If so, will move forward with the same scores, if not they will be revisited. Mr. Jasper added that Metropolitan Washington Council of Governments (MWCOCG) has identified activity centers and these will be a starting point, but acknowledged that there is a degree of subjectivity. Mr. Canizales added that we are looking at different components, like connectivity, not just activity centers. He noted that activity centers have been regionally adopted and we are looking at regional connectivity by connecting jurisdictions and activity centers.

- Supervisor Letourneau asked for clarification as to how high, medium and low ratings will work on a five (5) point scale. Mr. Jasper responded that high would receive a score of one (1), medium receive a score of 2/3 of five (5) and low a score of 1/3 of five (5). He added that there is a weighting of that score of five (5).
- Supervisor Letourneau pointed out that there is a juxtaposition between something so precise in how it is scored and the more amorphous activity centers. He expressed concern about who decides whether something connects an activity center or not. Mr. Canizales responded that on the COG map there are identified boundaries. Supervisor Letourneau stated there are no geographic boundaries. Board Member Hynes noted that NVTa took the activity centers from jurisdictional definitions, so however the activity center is defined in the jurisdictional comprehensive plan, is how the NVTa will define the activity center. She added that if a jurisdiction wants to redefine an activity center, it is within the power of the jurisdiction's Board to do so. Supervisor Letourneau suggested that the activity center boundaries defined in the comprehensive plans were defined with a different purpose in mind. Board Member Hynes responded that activity centers have been accepted as regions in which we want to grow activity. Supervisor Letourneau suggested that if activity centers can be redefined easily, a jurisdiction could redefine their activity center to achieve a higher score. Board Member Hynes stated that this is only five (5) points out of a 100.
- Council Member Way asked if the criteria will be reconciled with TPB criteria. He noted that the TPB has special criteria with regard to environment controls and pollution and are weighted rather heavily by their interest in projects. He also noted that NVTa weights are based on congestion relief and jurisdictional balance. Council Member Way suggested that these two ranking systems are not compatible. Mr. Canizales responded that PIWG will review that, but that we are not trying to be compatible with TPB. We are showing that we are compatible with TransAction 2040. Council Member Way asked if this product will be sent to the TPB as our input for the CLRP. He suggested that if so there needs to some consistency with approaches. Mr. Canizales responded that the PIWG will look at this.
- Council Member Snyder suggested an amendment to the motion for approval of this item that states that criteria will be reevaluated before the next fiscal year, to allow for further discussion. Chairman Nohe clarified that Council Member Snyder is suggesting that we review the project selection criteria prior

to the next round of project selection. He added that we will do another round of evaluation, including a lessons learned after this process. Mr. Canizales responded that this what is envisioned.

- Council Member Snyder stated that we are making good progress, but need to keep refining this process. He asked that “criteria will be reevaluated as we move forward” be added to motion.
- Chairman Nohe noted that a project that fully implements a goal gets scored fully as five (5) points. A project that gets part way to the goal gets 2/3 and a project that gets a little way to the goal gets 1/3. He suggested that while a project that does not get close to the goal should get no score, the reason it gets a score is that this is the model that was used in TransAction 2040. He added that some scores will have to be rounded to avoid repeating decimals, based on this numbering system. Mr. Canizales added that this is essentially creating a scoring system that is between 33-100, not 0-100.
- Chairman Bulova moved to approve the proposed project selection criteria for the FY2015-16 Two Year Program, with the understanding that the project selection criteria will be reevaluated before the next round of project selections; seconded by Delegate Rust. Motion carried unanimously.

XIV. Appointment of Planning Coordination Advisory Committee Chairman and Vice-Chairman Chairman Nohe

- Chairman Nohe noted that the PCAC met and nominated Mayor Foreman as chairman and Council Member Way as vice chairman of the PCAC.
- Chairman Nohe moved concurrence of the NVTAs Chairman’s appointments of Mayor Jerry Foreman of the Town of Dumfries as Chairman and Council Member Jonathan Way of the City of Manassas as Vice Chairman of the PCAC, seconded by Delegate Rust. The motion carried unanimously.

XV. Approval of Northern Virginia Transportation Authority Testimony to the CTB on FY15-20 Six Year Improvement Program Ms. Dominguez, Chair, JACC

- Ms. Dominguez noted that the Secretary of Transportation and the CTB will be conducting public hearings in Northern Virginia next week. She summarized the changes from past NVTAs testimony to the CTB.
 - ✓ HB 2 comments that thank Secretary Donohue for attending the September Authority meeting and request that as the State develops this process, they look to coordinate efforts between HB 2 and HB 599. It also requests that the Commonwealth consider geographic balance in the HB 2 selection process.
 - ✓ VTrans update comments that thank the Commonwealth for including the Authority in this effort, ask that coordination between local and regional plans in regards to VTrans takes place and mentions that as there are so

many performance measures being considered by various bodies, there needs to be some coordination of those.

- Ms. Dominguez concluded that the other items in the Testimony the Authority has seen before.
 - ✓ Of the \$5M that CTB has discretion to allocate, asked for geographic balance, or to ensure that Northern Virginia receive its fair share as required by HB 2313.
 - ✓ Funding for WMATA.
 - ✓ Update on TSDAC.
 - ✓ CMAQ item asking for funding for hybrid buses.
 - ✓ Thank you to the Commonwealth for its continued partnership in funding VRE track leases.
- Delegate Rust expressed concern that the statement suggesting that the Commonwealth must look at geographic balance in the HB 2 selection process. He suggested that since Northern Virginia is not a large geographic proportion of Virginia, if the Commonwealth were to look at geographic balance, it might impede us. Ms. Dominguez responded that at the September Authority meeting there were various references to ensuring that Northern Virginia get its fair share of State funding. She suggested that using the phrase “fair share” does not always come across well, but added that we will reword in a way that might be more consistent.
- Delegate Rust noted that when HB 2313 was passed, it was discussed that it might diminish Northern Virginia’s share of other State funds. He added that HB 2313 funding in Northern Virginia and Hampton Roads must specifically be congestion related and that funding for the rest of the state is to be economically related. He suggested that this addresses how the funds are allocated. Ms. Dominguez responded that HB 2313 specifically states “the amounts deposited in these funds should not be used to calculate or reduce the share of local, federal or state revenues otherwise available to participating jurisdictions”. HB 2 states that there are five (5) criteria that shall be considered and mandates that Northern Virginia and Hampton Roads give the highest priority to congestion.
- Delegate Rust requested that we review the “fair share” statement. Chairman Nohe added that it is reasonable that a reasonable person would understand what we mean, but from the NVTa perspective we would say that we don’t get our fair share because we have most of the traffic and most of the need. Because we have most of the population and most of the traffic, while we may not get what we see as our proportional share, we do get more raw dollars than the other districts. This language could be interpreted that we should get less because we are already getting more than everyone else. Chairman Nohe suggested we need to be very clear about what we mean and be aggressive in stating our concern. Ms. Dominguez responded that we will revise that language.
- Delegate Minchew added that when HB 2313 went through the General Assembly, they worked to make sure this new transportation money for Planning District 8 does not ever, directly or implicitly, reduce the State

monies. He added that as the Chairman, Chairman Nohe should be aggressive in speaking for the Authority, and making that point.

- Council Member Snyder suggested that the verbiage from statute be used in the Testimony.
- Chairman Nohe commented that for the last several CTB hearings of this nature, VDOT has invited an NVTa representative to sit on the dais. He added that this is helpful and makes us more symbiotic.
- Ms. Cuervo noted that Secretary Lane will be meeting with elected officials prior to the public hearing and reviewed the arrangements and schedule for that evening.
- Chairman Bulova moved to approve the Testimony for the Revised Fiscal Year 2015-2020 Six-Year Improvement Program and upcoming FY 2016 – 2021 Six-Year Improvement Program to include direction to revise language regarding HB 2 geographic balance, including the verbiage from the statute; seconded by Delegate Minchew. Motion carried unanimously.

XVI. Approval of NVTa FY15/16 Communication Plan

Ms. Quintana, NVTa PIO

- Ms. Quintana briefed the Authority on the need for the Authority to be proactive rather than reactive in its communications strategy. She added that as NVTa matures as an organization, there is a need to ensure that our branding and messaging focus on regionalism and consensus building. Ms. Quintana highlighted that the communications plan is:
 - ✓ A result of seven (7) years of regional collaboration, working with PIOs to gather input and incorporate best practices into all of NVTa's public engagement and communication activities.
 - ✓ Is a fluid document, with the expectation that key messages and objectives will evolve over time.
 - ✓ Incorporates a series of goals, messages and key objectives.
 - ✓ Recommends creating best practices for online public engagement opportunities.
 - ✓ Outlines specific short, mid and longer goals to support objectives.
 - ✓ Preliminary message mapping exercise has been completed to incorporate specific messages that support the plan goals and can be used consistently in our communication activities.
 - ✓ Includes basic metrics to begin measuring success of activities.
- Ms. Quintana concluded that the Authority is positioned well at this time, however there is much more work to be done.
- Chairman Nohe noted that this communication plan leads into what will need to be a very aggressive communication plan when the Authority starts the TransAction process.
- Ms. Backmon emphasized that this is a fluid plan and that the main objective at this time is to let the public know that the Authority is moving forward with

funding of projects. She added that the communication plan is the foundation for public engagement and that we are looking at online tools for public involvement.

- Chairman Nohe stated that Ms. Quintana is currently working with the Authority two days a week, and as needed. He added that he appreciates this great partnership with NVTC.
- Board Member Hynes recommended to the Authority that WMATA has done a significant scan of the region and has created a comprehensive plan for public engagement. She recommended the Authority review this to add value to the Authority's plan.
- Chairman Bulova moved to approve the FY2015/2016 NVTA Communication Plan; seconded by Board Member Hynes. Motion carried unanimously.

Discussion/Information

XVII. JACC Approval of CMAQ/RSTP Reallocation Request for Loudoun County
Ms. Dominguez, Chair, JACC

- No verbal report.

XVIII. FY14 Report to the Joint Commission on Transportation Accountability
Ms. Backmon, Executive Director

- Ms. Backmon stated that the State budget requires that the Authority report to the JCTA on its HB 2313 revenue expenditures. The draft report has been reviewed by Chairman Nohe and Delegate Rust. She added that currently the 30% revenues only show as payments to the jurisdictions, but as projects advance there is an expectation to add specific project information to these revenue expenditures.

XIX. Report of the Planning Coordination Advisory Committee Chair Foreman

- Mayor Foreman briefed the Authority on the first meeting of the PCAC. He highlighted that the Committee:
 - ✓ Elected a chair and vice-chair.
 - ✓ Decided to meet monthly, with schedule to be determined.
 - ✓ Reviewed the draft of the FY15/16 Two Year Program Project Selection Criteria.
 - ✓ Discussed PCAC organization.
- Supervisor Letourneau added that he missed the first meeting as Monday mornings are not good for him.

XX. Report of the Technical Advisory Committee Chair Boice

- Mr. Boice briefed the Authority on the September meeting of the TAC. He noted that the Committee:

- ✓ Reviewed the draft of the FY15/16 Two Year Program Project Selection Criteria.
- ✓ Received Long-Term Benefits presentation from Mr. Biesiadny and the TAC provided comments. Noted that the TAC was impressed by the efforts of the Long-Term Benefits Subcommittee and the common sense approach to the suggestions.
- ✓ Next steps are to review Long Range Plan scope of work, to include feedback received at today's listening session.

XXI. Finance Committee Report Chair York

- Board Member Hynes noted that there will be an action item on the bond issuance at the October 24 work session. She added the Authority's financial advisors were present at the meeting tonight.

XXII. NVTa Revenue Receipts Report Mr. Longhi, CFO

- No verbal report.

XXIII. NVTa Operating Budget Report Mr. Longhi, CFO

- No verbal report.

XXIV. Financial Working Group Chair Euille

- No verbal report.

XXV. Project Implementation Working Group Chair Nohe

- No verbal report.

XXVI. Executive Director's Report Ms. Backmon, Executive Director

- Ms. Backmon noted that the work session will be hosted at Historic Blenheim in the City of Fairfax and thanked Mayor Silverthorne for providing the location at no cost to the Authority. She added that the purpose of the work session is to review and discuss the recommendations regarding Long Term Benefit.
- Supervisor Letourneau asked about the update on the possibility of amending TransAction 2040 mid-cycle, previously requested by Chairman York. Ms. Backmon responded that she did reach out to Cambridge Systematics to get schedule, process, costs, etc., and she received that information the day before this meeting. As such, she has not had the opportunity to vet the information and would like to do so prior to bringing it to the Authority. Ms. Backmon stated that she would update the Authority at the next meeting.

- Chairman Nohe asked if this update could be done at the October 24 meeting. Ms. Backmon responded affirmatively.
- Ms. Backmon stated that at the request of the Authority, the staff has created an interactive map that shows all the FY2014 approved 70% fund projects. She noted that the map will be part of the Authority display table at the upcoming CTB public meeting. Ms. Backmon added that this is a work in progress and that staff is looking for ways to enhance this capability.
- Ms. Backmon noted that the NVTa has moved to 3040 Williams Drive, Suite 200. She added that the next meeting will be held at the new facility.

XXVII. Chairman's Comments

- Delegate Minchew noted that he and Delegate Rust will not be in attendance at the October 24 meeting as they will be attending House Speaker Howell's retreat.
- Chairman Nohe added several Chairman's comments.
 - ✓ Clarified that the next meeting will be October 24, followed by the work session which will be facilitated by Craig Gerhart.
 - ✓ Noted that the November 13 meeting of the Authority is during the Governor's Transportation Conference and asked if there is a need to have a November meeting. Ms. Backmon responded that since there is now a business meeting on October 24, it is likely that the November meeting is not necessary.
 - ✓ Stated that we will not officially cancel the November 13 meeting until after the October 24 meeting.
 - ✓ Stated that the other item for the November meeting was Ms. Backmon's six (6) month review. He asked Authority members if this could be a seven (7) month review at the December meeting. There was consensus to do this. He outlined the process:
 - Mayor Parrish will lead the review.
 - Ms. Backmon will write a self-evaluation based on the plan of work previously approved by the Authority.
 - Mayor Parrish will contact Authority members to solicit feedback and comments in advance of December review.
- Ms. Backmon added that there was a public listening session on the TransAction 2040 update prior to this meeting. She stated that staff and the subcommittee will prepare the comments received and responses to report to the Authority at the next meeting.

XXVIII. Adjournment

- Meeting adjourned at 8:39pm.



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

Friday, October 24, 2014

9:45 AM

Historic Blenheim

3610 Old Lee Highway

Fairfax, Virginia 22030

MEETING MINUTES

I. Call to Order

Chairman Nohe

- Chairman Nohe called the meeting to order at 9:55am.

II. Roll Call

Ms. Speer, Clerk

- Voting Members: Chairman Nohe; Mayor Euille (arrived 10:05am); Board Member Hynes; Chairman York; Chairman Bulova; Mayor Parrish; Mayor Silverthorne; Council Member Rishell; Council Member Duncan; Senator Ebbin; Miss Bushue.
- Non-Voting Members: Ms. Hamilton; Ms. Mitchell.
- Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Denise Harris (Program Coordinator); Keith Jasper (Program Coordinator); Camela Speer (Clerk); Peggy Teal (Assistant Finance Officer); various jurisdictional staff.

Action Items

III. Resolution Supplementing and Amending a Prior Resolution of the Northern Virginia Transportation Authority that Authorized the Issuance of Certain Bonds

Chairman York, Chair, Finance Committee

- Mr. York reported that the resolution supplements and amends the previous bond resolution that the Authority adopted on July 24, 2013. He gave a quick update on the bond issuance:
 - ✓ Preliminary Official Statement (POS) is drafted, will be used to market the bonds to potential investors and will receive further refinement from the financing team.
 - ✓ POS will be distributed to potential investors after the Commonwealth budget amendment is finalized.
 - ✓ Credit ratings will be made public around the same time as the POS is distributed.
- Mr. Anderson, with McGuireWoods, Bond Counsel for the NVTa, briefed the Authority on the key amendments to the initial bond resolution. There are three main changes:

- ✓ Changed the name of the bonds from Transportation Facilities Revenue Bonds to Transportation Special Tax Revenue Bonds. During the interviews with potential underwriters, their feedback and feedback from the market in general was that Special Tax Revenue was a better description of the underlying security of the bonds.
 - ✓ Reduced amount of the bond resolution from \$105M to \$85M, due to VRE removing their rolling stock project from the FY2014 Bond Project list.
 - ✓ Extended the final authorized maturity date on the bonds due to the issuance occurring late within the year. The bond maturity will still be 20 years.
- Chairman York moved to approve the Resolution Supplementing and Amending a Prior Resolution of the Northern Virginia Transportation Authority that Authorized the Issuance of Certain Bonds through the adoption of Resolution 15-04; seconded by Mayor Parrish.
 - Chairman Nohe asked Ms. Backmon to update the Authority on the concerns with the Governor's proposed amendment to the budget bill HB 5010.
 - Ms. Backmon briefed the Authority on the concerns of some members of the General Assembly about the proposed budget amendment language. She stated that while the language in the Governor's proposed amendment addresses concerns of the Authority, the proposed amendment could do away with the 14th enactment clause.
 - Ms. Dominguez noted that the General Assembly is still in special session and are anticipated to reconvene in early November to pass the budget. She added that she will keep the Authority informed as this situation progresses.
 - Chairman Nohe clarified that the budget amendment language that was intended to protect the Authority and HB 2313 funding may do away with the 14th enactment clause or the "kill switch." He asked if there is bi-partisan agreement with this interpretation. Ms. Backmon responded that she is not certain of this yet and that there may be some efforts underway to get rid of any use of the HB 2313 funds to fill the budget deficit.
 - Chairman Bulova asked if there is a good faith effort to fix this language. Ms. Backmon responded that there is and that General Assembly members are working to not only protect the Authority, but the State as well.
 - Senator Ebbin asked who is working on this effort. Ms. Backmon responded that it is her understanding that some members of the House are currently working on a solution before General Assembly reconvenes.
 - Senator Ebbin reviewed the procedures of the General Assembly and the steps to amend the existing amendment. He offered to speak to Authority members and staff off-line about key people to contact for assistance in the effort. Ms. Backmon thanked him for his offer.
 - Chairman Nohe added that he would do whatever it takes to get this budget amendment language fixed.
 - Senator Ebbin asked if Delegates Rust and Minchew have been contacted. Chairman Nohe responded that Delegate Minchew contacted the Authority about

these concerns and the reason the Delegates are not at the Authority meeting is because they are at the House caucus meeting.

- Chairman Nohe added that one solution might be for the General Assembly to reject the Governor's amendment. Then, the Governor could veto the bill and the General Assembly could introduce a new bill. The hope is that this would happen while the General Assembly was still in session.
- Senator Ebbin noted that this could work and that it might make sense for Delegate Rust and others to have an alternate bill ready. He added this would have to happen quickly.
- Motion carried unanimously.

IV. Acceptance of Northern Virginia Transportation Authority Financial and Compliance Reports – Year Ended June 30, 2014

Mr. Longhi, CFO

- Mr. Longhi updated the Authority on the first audit of the FY2014 NVTAF financials. He highlighted:
 - ✓ The audit was completed 30 days earlier than projected and Authority acceptance today will allow NVTAF to use the audit results publicly.
 - ✓ The Authority received a clean opinion.
 - ✓ The audit identified one material weakness in internal controls, in that the Authority does not have a general ledger accounting system and data integrity cannot be assured without this. The audit noted the use of Excel spreadsheets has allowed Authority staff to produce monthly financial statements and timely reports to the Authority and member jurisdictions.

(Mayor Euille arrived.)

- ✓ The accounting system will be installed in April of 2015. Data for all of FY2014 and year to date FY2015 will be incorporated into the new system.
 - ✓ The Audit Report will be reviewed in detail with the Finance Committee at their next meeting.
- Chairman York moved acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit Report for the year ended June 30, 2014; seconded by Chairman Bulova. Motion passed unanimously.

Adjournment

- The meeting adjourned at 10:08am.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Regional Funding Project 997-14-019-2-08 (Alexandria Station Tunnel)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 997-14-019-2-08.
2. **Suggested motion.** *I move approval of the proposed Standard Project 997-14-019-2-08 (Alexandria Station Tunnel), in accordance with NVTa's approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY2014 70% regional funds on July 24, 2013.
 - b. FY2014 Bond funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by Virginia Railway Express is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTa Project Number 997-14-019-2-08

Coordination: Council of Counsels

IV. ATTACHMENT

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
NVTC/PRTC as joint owners and operators of VRE ("VRE")
(Recipient Entity)**

NVTA Project Number: 997-14-019-2-08

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this _____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and NVTC/PRTC as joint owners and operators of VRE ("VRE") ("Recipient Entity").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 48.2 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Virginia Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, _____ VRE _____ formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed _____ VRE _____'s application for funding and has approved _____ VRE _____'s administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by _____ VRE _____, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Virginia Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by _____ VRE _____ to finance the Project;

WHEREAS, NVTA agrees that _____ VRE _____ will design and/or construct the Project or perform such other specific work for the Project and _____ VRE _____ agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in the _____ VRE _____'s administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and _____ VRE _____'s governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto as Appendix E;.

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. Recipient Entity's Obligations

VRE shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Ann. Sections 33.2-2510(A),(C)1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTAFunds specified on Appendix B to pay any Project cost if the NVTAFunds Act does not permit such Project cost to be paid with NVTAFunds.
5. Recognize that, if the Project contains "multiple phases" (as such "multiple phases" are defined for the Project on Appendix A), for which NVTAFunds will provide funding for such multiple phases (as set forth on Appendix B), NVTAFunds may not provide funding to VRE to advance the Project to the next phase until the current phase is completed. In any circumstance where VRE seeks to advance a Project to the next phase using NVTAFunds, VRE shall submit a written request to NVTAFunds's Executive Director explaining the need for NVTAFunds's funding of an advanced phase. NVTAFunds's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTAFunds's current and projected cash flow position and make a recommendation to NVTAFunds whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit VRE from providing its own funds to

advance a future phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, _____ VRE _____ further recognizes that NVTA's reimbursement to _____ VRE _____ for having advance funded a Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and to the extent that any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. _____ VRE _____ shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, _____ VRE _____ can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of _____ VRE _____.
8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. _____ VRE _____ understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. _____ VRE _____ shall timely provide to NVTA a

complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTA no later than 90 days after final payment has been made to the contractors.
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to _____ VRE _____'s Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should _____ VRE _____ be required to provide matching funds in order to proceed or complete the funding necessary for the Project, _____ VRE _____ shall certify to NVTA that all such matching funds have been either authorized and/or appropriated by _____ VRE _____s governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations, unless superseded by the laws that govern _____ VRE _____ and provide copies of any such financial records to NVTA, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations, unless superseded by the laws that govern _____ VRE _____; and provide to NVTAs copies of all such drawings and plans free of charge, upon request.
14. Reimburse NVTAs for all NVTAs funds (with interest earned at the rate earned by NVTAs) that _____ VRE _____ misapplied or used in contravention of Sections 33.2-2500 *et. seq.* of the Virginia Code ("the NVTAs Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.
15. Name NVTAs and its Bond Trustee or require that all _____ VRE _____'s contractors name NVTAs or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of _____ VRE _____ for the Project and present NVTAs with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTAs that _____ VRE _____ may use NVTAs funds to pay outside legal counsel services (as opposed to utilizing the services of its own in-house counsel or NVTAs's in-house legal counsel) in connection with the work performed under this Agreement _____ VRE _____ so as to ensure that no conflict of interest may arise from any such representation.
17. Provide certification to NVTAs, that upon final payment to all contractors for the Project, _____ VRE _____ will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTAs be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts, unless superseded by the laws that govern _____ VRE _____.

19. Acknowledge that if the Project is being funded in whole or in part by NVTA Bond Proceeds, comply with the tax covenants attached as Appendix D.
20. Acknowledge that if _____ VRE _____ expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system that _____ VRE _____ agrees to comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that _____ VRE _____ is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
22. Recognize that if _____ VRE _____ is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTA funds and/or NVTA Bond Proceeds that _____ VRE _____ will need to comply with all federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTA will not be a party or signatory to that Agreement; nor will NVTA have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTA no later than 90 days after final payment to the contractors that _____ VRE _____ adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTA's Obligations

NVTA shall:

- I. Provide to _____ VRE _____ the funding authorized by NVTA for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in

Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.

2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO") , all payment requisitions submitted by _____ VRE _____ for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.
3. Route to NVTA's assigned Program Coordinator all _____ VRE _____'s payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from _____ VRE _____. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify _____ VRE _____ in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of _____ VRE _____ that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.

4. Route all _____ VRE _____'s supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of _____ VRE _____'s financial records for the Project and on -site inspections.
6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that _____ VRE _____ has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise _____ VRE _____'s designated representative in writing. _____ VRE _____ will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review _____ VRE _____'s response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that _____ VRE _____ has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from _____ VRE _____ of all funds previously remitted by NVTA (with interest earned at the rate earned by NVTA) which were misapplied or misused by _____ VRE _____. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Make guidelines available to _____ VRE _____ to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon recipient's final payment to all contractors, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.
2. _____ VRE _____ may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by _____ VRE _____ to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, _____ VRE _____ shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.
3. NVTA may terminate this Agreement, for cause, resulting from _____ VRE _____'s material breach of this Agreement. If so terminated, _____ VRE _____ shall refund to NVTA all funds NVTA provided to _____ VRE _____ for the Project (including interest earned at the rate earned by NVTA). NVTA will provide _____ VRE _____ with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, _____ VRE _____ may

request that NVTA excuse _____ VRE _____ from refunding all funds NVTA provided to _____ VRE _____ for the Project based upon _____ VRE _____'s substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse _____ VRE _____ from refunding all or a portion of the funds NVTA provided to _____ VRE _____ for the Project. No such request to be excused from refunding will be allowed where _____ VRE _____ has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, _____ VRE _____ will release or return to NVTA all unexpended NVTA funds with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTA's Executive Director and _____ VRE _____'s Chief Executive Officer or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to _____ VRE _____'s governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTA's Financial Interest in Project Assets

_____ VRE _____ agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTA under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. NVTA shall retain a financial interest in the value of each of the of the Project Assets, whether any such Project Asset may have depreciated or appreciated, throughout its respective useful life proportionate to the amount of the cost of the Project Asset funded by NVTA under this

Agreement. In the event that _____ VRE _____ fails to use any of the Project Assets funded under this Agreement for the transportation purposes as authorized by this Agreement or applicable law throughout its respective useful life, _____ VRE _____ shall refund to NVTA with interest at the rate earned by NVTA the amount attributable to NVTA's proportionate financial interest in the value of said Project Asset. If _____ VRE _____ refuses or fails to refund said monies to NVTA, NVTA may recover its proportionate financial interest from _____ VRE _____ by pursuit of any remedies available to NVTA, including but not limited to NVTA's withholding of commensurate amounts from future distributions of NVTA funds to _____ VRE _____.

F. Appropriations Requirements

1. Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.

2. The parties acknowledge that all funding provided by NVTA pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTA Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTA Fund are subject to appropriation by the General Assembly and (ii) NVTA's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTA Fund by the General Assembly.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

1) to: NVTA, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031

2) to _____ VRE _____, to the attention of Doug Allen, CEO
1500 King Street, Suite 202
Alexandria, VA 22314 (address)

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

VRE represents that it is not acting as a partner or agent of NVTA; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

NVTC/PRTC as joint owners and operators of VRE (V) (Name of Recipient Entity)

By: Deey Allen _____

Date: 10/22/2014

Appendix A –Narrative Description of Project

Attach- Approved NVTA Project Description Sheet

NVTA Project Title: VRE Alexandria Station Tunnel

Recipient Entity: Virginia Railway Express

Recipient Entity/Project Manager Contact Information: Norine Walker

Email: nwalker@vre.org

Phone: 703-838-5443

NVTA Program Coordinator Contact information:

Project Scope
Only Complete if Different from the Approved NVTA Project Description Sheet

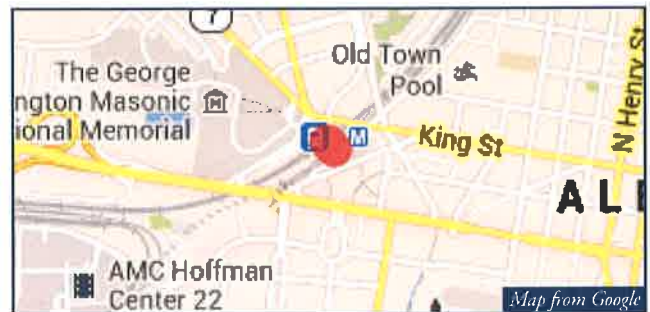
Detailed Scope of Services
Only Complete if Different from the Approved NVTA Project Description Sheet



Project Description Form — 8I

Basic Project Information

1. **Submitting Agency:**
Virginia Railway Express (VRE)
2. **Project Title:** VRE Alexandria Station Tunnel
3. **Project Type:**
☐ Roadway ☐ Multimodal ☒ Transit
4. **Project Description/Scope:** This project includes a pedestrian tunnel connection between Alexandria Union Station/VRE Station and the King St. Metrorail station and the improvement of the VRE station east side platform to enable it to service trains on both sides.
5. **Route (if applicable)/Corridor:**
I-95 / I-395 / US 1 / Corridor 8
6. **Total Project Cost:** \$10,000,000
7. **Total Funds Required:** \$1,300,000
8. **Phase/s of Project Covered by Funding:** The requested funding fills a shortfall in construction funds for the project and allow it to proceed to the next phase (construction phase).



9. **Project Milestones (by phase, include all phases):**
 - NEPA/design of the project is underway; estimated completion March 2014
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
 Yes, CLRP. Yes, TIP, ID #2090
12. **Leverages Sources:**
☐ Local ☐ State ☒ Federal
☐ Other (please explain)
 These funds will provide the local match needed to leverage \$8,700,000 of federal funds identified by VDOT.

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

Tier II 8 out of 8 points

Tier III Congestion Reduction Relative to Cost:

Plan ☒ CLRP ☐ TA2040 only **Rating** ☒ High ☐ Med ☐ Low

Stated Benefits

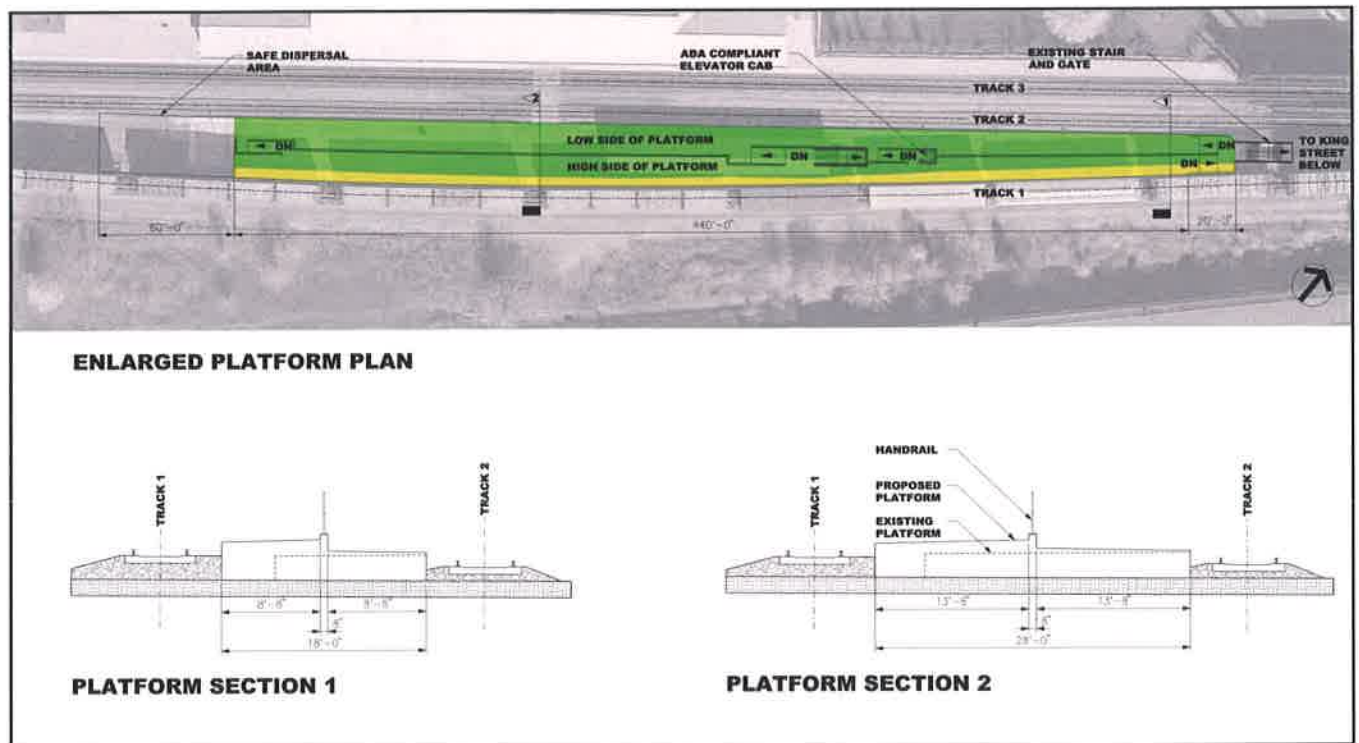
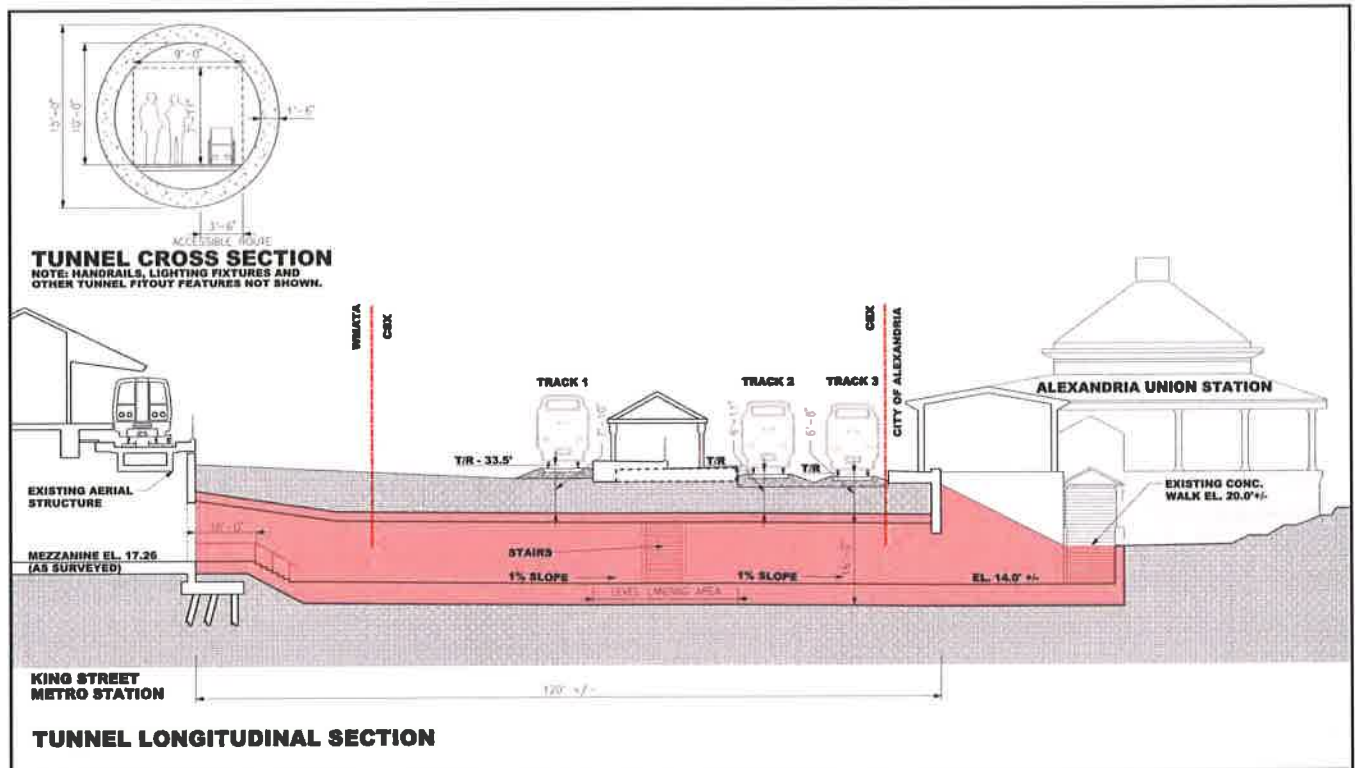
- 1. What regional benefit/s does this project offer?** The requested funding fills a funding shortfall for the project and allows it to proceed to construction. The project benefits pedestrian safety and connectivity at Alexandria Union Station/VRE Station and the King St. Metrorail station, an important regional transportation hub. The project will construct a pedestrian tunnel connection between Alexandria Union Station and the King St. Metrorail station. This connection will be used by the estimated 2,300 VRE, Amtrak and Metrorail riders who transfer between the VRE station and Metrorail every day as well as others who will use it to travel to/from the Metrorail station and points beyond. VRE surveys indicate that 13% of prospective tunnel users are from Fairfax County, 45% are from Prince William County, 4% are from the City of Manassas, 3% are from the City of Manassas Park, 18% are from Stafford County, 17% are from the Fredericksburg area and 4% are from Fauquier County and other points west.

The project will also modify the VRE station east side platform to enable it to service trains on both sides which expands VRE and Amtrak operational flexibility and the maintenance of on-time performance (OTP). Maintaining high levels of OTP and service predictability are crucial to sustain and grow commuter/passenger rail ridership and retain VRE and Amtrak as viable regional travel options. As the station serves both the VRE Fredericksburg and Manassas Lines as well as Amtrak trains it will benefit riders from all VRE member jurisdictions, including jurisdictions beyond the NVTB boundaries.

- 2. How does the project reduce congestion?** VRE (and Amtrak) helps reduce regional congestion by providing an alternative commuting mode to the single occupancy vehicle. Two VRE trains in an hour carry the equivalent capacity as one lane of traffic on I-95/I-395. By supporting expansion of VRE capacity in the region, the project expands the capacity of the I-95/I-395/US 1 travel corridor and contributes to the reduction of regional congestion.
- 3. How does the project increase capacity? (*Mass transit projects only*)** The project expands the platform/boarding capacity at the station. It also expands operational capacity for VRE, Amtrak and freight trains at the Alexandria station and within the overall regional CSX rail corridor. The project also expands pedestrian capacity by providing an ADA-compliant, grade-separated pedestrian crossing of the railroad tracks and connection between the VRE station and the King St. Metrorail station.
- 4. How does the project improve auto and pedestrian safety?** Commuter Rail is one of the safest modes of travel. Automobile and pedestrian safety is improved in the region by directly moving commuters and their vehicles from freeway system (one of the most dangerous) and other regional roads to commuter rail (one of the safest ways to commute). At the station level, the project improves pedestrian safety by providing a handicap accessible, safe and much shorter route for pedestrians connecting between the VRE station and the King St. Metrorail station. The platform height will also be adjusted to the correct standard making it safer for pedestrians to get on and off the train.
- 5. List internet address/link to any additional information or documentation in support of project benefits. (*Optional*)** The VRE annual Master Agreement survey documents VRE ridership characteristics including the number of riders destined for the Alexandria station, riders origin jurisdiction and the number of riders transferring from VRE to Metrorail or bus at the Alexandria station. Survey results are available from VRE.

Information on the project can be found on the VRE web site at http://vre.org/about/projects/cip/Alexandria%20Pedestrian%20Tunnel/Alexandria_pedestrian_tunnel.html

6. Project Picture/Illustratives



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APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: VRE Alexandria Station Tunnel
 Recipient Entity: Virginia Railway Express (VRE)
 Project Contact Information: Norine Walker
 Email: nwalker@vre.org
 Phone: 701-838-5443

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$ -	\$ -	\$ -		\$ -	\$ -
Engineering	\$ 1,423,894			VDOT/FRA	\$ 1,423,894	
Environmental Work						
Right-of-Way Acquisition						
Construction	\$ 8,597,971		\$ 1,300,000	VDOT/FRA	\$ 7,297,971	
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 10,021,865	\$ -	\$ 1,300,000	\$ -	\$ 8,721,865	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019	
	OTHER	Financed	OTHER	Financed	OTHER	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering	816,584		607,310							
Environmental Work										
Right-of-Way Acquisition										
Construction			510,772	8,790	6,787,199	1,291,210				
Contract Administration										
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other										
Total Estimated Cost	816,584	-	1,118,082	8,790	6,787,199	1,291,210	-	-	-	-

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 15 Mthly Cash Flow		FY 16 Mthly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow		FY 19 Qtrly Cash Flow	
	OTHER	Financed	OTHER	Financed	OTHER	Financed	OTHER	Financed	OTHER	Financed
July			\$ 60,731	\$ -						
August			\$ 60,731	\$ -						
September	\$ 270,000	\$ -	\$ 60,731	\$ -	\$ 1,171,654	\$ 130,183.80				
October	\$ 60,736	\$ -	\$ 60,731	\$ -						
November	\$ 60,731	\$ -	\$ 60,731	\$ -						
December	\$ 60,731	\$ -	\$ 60,731	\$ -	\$ 1,743,046	\$ 193,671.80				
January	\$ 60,731	\$ -	\$ 60,731	\$ -						
February	\$ 60,731	\$ -	\$ 60,731	\$ -						
March	\$ 60,731	\$ -	\$ 60,731	\$ -	\$ 3,088,546	\$ 343,171.80				
April	\$ 60,731	\$ -	\$ 142,439	\$ -						
May	\$ 60,731	\$ -	\$ 163,415	\$ -						
June	\$ 60,731	\$ -	\$ 265,650	\$ 8,790	\$ 783,951	\$ 624,182.90				
Total per Fiscal Year	\$ 816,584	\$ -	\$ 1,118,083	\$ 8,790	\$ 6,787,198	\$ 1,291,210	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Doug Allen
 Signature
 CEO
 Title
 10/22/2014
 Date
 Doug Allen
 Print name of person signing

Northern Virginia Transportation Authority

 Signature
 NVTA Executive Director
 Title

 Date

 Print name of person signing

APPENDIX B-PROJECT BUDGET & CASH FLOW

BACK-UP INFORMATION

NVTA Project Title: VRE Alexandria Station Tunnel
 Recipient Entity: Virginia Railway Express (VRE)

PROJECT COSTS BY CATEGORY			ANNUAL CASH FLOW			
Cost Categories	Amount		FY 2015	FY 2016	FY 2017	TOTAL
Engineering		Engineering	816,584	607,310	-	1,423,894
Construction		Construction	-	519,563	8,078,408	8,597,971
Design Work			816,584	1,126,873	8,078,408	10,021,865
Engineering	1,423,894					
Construction	8,597,971					
Testing Services						
Inspection Services						
Other: CSX, WMATA	-					
TOTAL	10,021,865					

	COSTS			SOURCE OF FUNDS			
	Eng.	Construct.	Total	1,855,556 Rail Crossing 100%	6,866,309 VDOT -Oth 90%	1,300,000 NVTA	10,021,865 TOTAL
FY 2015							
Jul-14							
Aug-14							
9/1/2014 (costs to date)	270,000		270,000	270,000			270,000
Oct-14	60,736		60,736	60,736			60,736
Nov-14	60,731		60,731	60,731			60,731
Dec-14	60,731		60,731	60,731			60,731
Jan-15	60,731		60,731	60,731			60,731
Feb-15	60,731		60,731	60,731			60,731
Mar-15	60,731		60,731	60,731			60,731
Apr-15	60,731		60,731	60,731			60,731
May-15	60,731		60,731	60,731			60,731
Jun-15	60,731		60,731	60,731			60,731
FY 2016							
Jul-15	60,731		60,731	60,731			60,731
Aug-15	60,731		60,731	60,731			60,731
Sep-15	60,731		60,731	60,731			60,731
Oct-15	60,731		60,731	60,731			60,731
Nov-15	60,731		60,731	60,731			60,731
Dec-15	60,731		60,731	60,731			60,731
Jan-16	60,731		60,731	60,731			60,731
Feb-16	60,731		60,731	60,731			60,731
Mar-16	60,731		60,731	60,731			60,731
Apr-16	60,731	81,708	142,439	142,439			142,439
May-16		163,415	163,415	163,415			163,415
Jun-16		274,440	274,440	186,539	79,111	8,790	274,440
FY 2017							
Jul-16		433,946	433,946		390,551	43,395	433,946
Aug-16		433,946	433,946		390,551	43,395	433,946
Sep-16		433,946	433,946		390,551	43,395	433,946
Oct-16		433,946	433,946		390,551	43,395	433,946
Nov-16		751,386	751,386		676,247	75,139	751,386
Dec-16		751,386	751,386		676,247	75,139	751,386
Jan-17		1,143,906	1,143,906		1,029,515	114,391	1,143,906
Feb-17		1,143,906	1,143,906		1,029,515	114,391	1,143,906
Mar-17		1,143,906	1,143,906		1,029,515	114,391	1,143,906
Apr-17		741,799	741,799		667,619	74,180	741,799
May-17		414,968	414,968		116,332	298,636	414,968
Jun-17		251,367	251,367	-	-	251,367	251,367
Sub-totals	1,423,894	8,597,971	10,021,865	1,855,556	6,866,309	1,300,000	10,021,865
Chk				-	(0)	0	

APPENDIX D

TAX COVENANTS

The Recipient Entity will not permit more than five percent of the total amount of NVTB Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons. Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this paragraph. In addition, a loan may arise from the direct lending of NVTB Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

The Recipient Entity agrees not to requisition or spend NVTB Bond Proceeds for any Project Cost not constituting a Capital Expenditure.

Except as may be described in Appendix B, the Recipient Entity neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Recipient Entity is receiving NVTB Bond Proceeds.

The Recipient Entity acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by NVTB to the contractors/vendors or (ii) the Recipient Entity remits payment to the contractors/vendors within five banking days after the date on which NVTB advances the amount of the requisition. NVTB may request the detailed information in order to compute the rebate liability to the U.S. Treasury on NVTB's bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

"Capital Expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

"Federal Government" means the government of the United States and its agencies or instrumentalities.

"Financed Property" means the property financed by the NVTB Bond Proceeds.

"General Public Use" means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not

engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

"Governmental Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"NVTB Bond Proceeds" means, as used herein, the sale proceeds of any NVTB bonds or other debt instrument and the investment earnings on such proceeds, collectively.

"Nongovernmental Person" mean any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

"Private Business Use" means a use of the NVTB Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of NVTB Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with the Recipient Entity. Examples of the types of special legal entitlements resulting in Private Business Use of Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including (i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and

(iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person.

"Service Contract" means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

"Trade or Business" has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.

**Virginia Railway Express
Operations Board**

**Resolution
8I-3-2014**

**Recommendation that Commissions Authorize
Execution of NVT A Project Agreements**

WHEREAS, the passage of House Bill (HB) 2313 requires the NVT A to fund highway projects that contribute to congestion relief and emergency evacuation or mass transit capital projects that increase capacity; and,

WHEREAS, NVT A approved an initial FY 2014 project list in July 2013 that included funding for VRE projects; and,

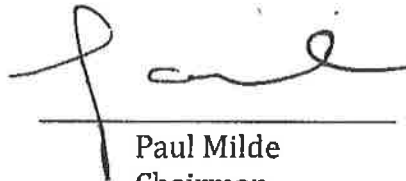
WHEREAS, NVT A has developed a Standard Project Agreement for Funding and Administration that will be executed for each approved project.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer of VRE to make any necessary corrections to project amounts or descriptions for the initial FY 2014 projects, and to execute the agreements for Gainesville-Haymarket expansion project development, Lorton station second platform project and the Alexandria station tunnel and platform improvements project on behalf of the Commissions.

Approved this 21st day of March 2014



Gary Skinner
Secretary



Paul Milde
Chairman



Resolution #2243

SUBJECT: Authorize the VRE CEO to Execute Northern Virginia Transportation Authority (NVTA) Project Agreements.

WHEREAS: The passage of House Bill (HB) 2313 requires the Northern Virginia Transportation Authority (NVTA) to fund highway projects that contribute to congestion relief and emergency evacuation or mass transit capital projects that increase capacity;

WHEREAS: NVTA approved an initial FY 2014 Project List in July 2013 that included funding for VRE projects;


WHEREAS: NVTA has developed a Standard Project Agreement for Funding and Administration that will be executed for each approved project; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorize the VRE Chief Executive Officer to make any necessary corrections to project amounts or descriptions for the initial FY 2014 projects, and to execute the agreements for Gainesville-Haymarket expansion project development, Lorton station second platform project and the Alexandria station tunnel and platform improvements project on behalf of the Commissions.

Approved this 3rd day of April 2014.


Jay Fisette
Secretary-Treasurer


Paul C. Smedberg
Chairman



Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

RESOLUTION

MOTION: LASCH

RESOLUTION NO. 14-04-06

SECOND: DURANY

**OFFICIAL COMMISSION MEETING
APRIL 3, 2014**

**RE: RECOMMENDATION THAT COMMISSIONS AUTHORIZE EXECUTION
OF NVTA PROJECT AGREEMENTS**

WHEREAS, the passage of House Bill (HB) 2313 requires the Northern Virginia Transportation Authority (NVTA) to fund highway projects that contribute to congestion relief and emergency evacuation or mass transit capital projects that increase capacity; and

WHEREAS, the NVTA approved an initial FY 2014 project list in July 2013 that included funding for VRE projects; and

WHEREAS, the NVTA has developed a Standard Project Agreement for Funding and Administration that will be executed for each approved project; and

WHEREAS, the VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the VRE Chief Executive Officer to make any necessary corrections to project amounts or descriptions for the initial FY 2014 projects, and to execute the agreements for Gainesville-Haymarket expansion project development, Lorton station second platform project and the Alexandria station tunnel and platform improvements project on behalf of the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission.

**POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION
OFFICIAL COMMISSION MEETING
RESOLUTION NO. 14-04-06
PAGE 2**

VOTES:

AYES:

**DURANY, JENKINS, JONES, KELLY, LASCH,
MAY, MILDE, MILLER, PITTARD, PRINCIPI,
THOMAS, WAY**

NAYS:

NONE

ABSTAIN:

NOHE

ABSENT DURING VOTE:

NONE

MEMBERS PRESENT:

**JENKINS, JONES, KELLY, MAY, MILDE,
MILLER, NOHE, PRINCIPI, THOMAS, WAY**

MEMBERS ABSENT:

**ANDERSON, CADDIGAN, COVINGTON,
MITCHELL, PULLER, SKINNER, TRAMPE**

ALTERNATES PRESENT:

DURANY, LASCH, PITTARD

ALTERNATES ABSENT:

**BARG, BOHMKE, HOWE, NADDONI, PAGE,
PARRISH, PATE, ROSS, SELLERS, STEWART,
WREN**

****CERTIFIED COPY****

APRIL 3, 2014



**ALFRED H. HARF
EXECUTIVE DIRECTOR**

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 3, 2014

SUBJECT: Regional Funding Project 510-14-020-1-08 (Traffic Signal Upgrades/Transit Signal Priority)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 510-14-020-1-08.
2. **Suggested motion.** *I move approval of the proposed Standard Project 510-14-020-1-08 (Traffic Signal Upgrades/Transit Signal Priority), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY 2014 70% regional funds on July 24, 2013.
 - b. FY2014 PayGo funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by the City of Alexandria is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTAs Project Number 510-14-020-1-08

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and

City of Alexandria
(Recipient Entity)**

NVTA Project Number: 510-14-020-1-08

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this _____ day of _____, 20____, as between the Northern Virginia Transportation Authority ("NVTA") and _____ City of Alexandria _____ ("Recipient Entity").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 48.2 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Virginia Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, City of Alexandria formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed City of Alexandria's application for funding and has approved City of Alexandria's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by City of Alexandria, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Virginia Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by City of Alexandria to finance the Project;

WHEREAS, NVTA agrees that City of Alexandria will design and/or construct the Project or perform such other specific work for the Project and City of Alexandria agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in the City of Alexandria's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and City of Alexandria's governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto as Appendix E;

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. Recipient Entity's Obligations

City of Alexandria shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Ann. Sections 33.2-2510(A),(C)1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTA funds specified on Appendix B to pay any Project cost if the NVTA Act does not permit such Project cost to be paid with NVTA funds.
5. Recognize that, if the Project contains "multiple phases" (as such "multiple phases" are defined for the Project on Appendix A), for which NVTA will provide funding for such multiple phases (as set forth on Appendix B), NVTA may not provide funding to City of Alexandria to advance the Project to the next phase until the current phase is completed. In any circumstance where City of Alexandria seeks to advance a Project to the next phase using NVTA funds, City of Alexandria shall submit a written request to NVTA's Executive Director explaining the need for NVTA's funding of an advanced phase. NVTA's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTA's current and projected cash flow position and make a recommendation to NVTA whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit City of Alexandria from providing its own funds to

advance a future phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, City of Alexandria further recognizes that NVTA's reimbursement to City of Alexandria for having advance funded a Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and to the extent that any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. City of Alexandria shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, City of Alexandria can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of City of Alexandria.
8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. City of Alexandria understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. City of Alexandria shall timely provide to NVTA a

complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTA no later than 90 days after final payment has been made to the contractors.
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to City of Alexandria's Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should City of Alexandria be required to provide matching funds in order to proceed or complete the funding necessary for the Project, City of Alexandria shall certify to NVTA that all such matching funds have been either authorized and/or appropriated by City of Alexandria's governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations, unless superseded by the laws that govern City of Alexandria and provide copies of any such financial records to NVTA, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations, unless superseded by the laws that govern City of Alexandria; and provide to NVTA copies of all such drawings and plans free of charge, upon request.
14. Reimburse NVTA for all NVTA funds (with interest earned at the rate earned by NVTA) that City of Alexandria misapplied or used in contravention of Sections 33.2-2500 *et. seq.* of the Virginia Code ("the NVTA Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.
15. Name NVTA and its Bond Trustee or require that all City of Alexandria's contractors name NVTA or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of City of Alexandria for the Project and present NVTA with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTA that City of Alexandria may use NVTA funds to pay outside legal counsel services (as opposed to utilizing the services of its own in-house counsel or NVTA's in-house legal counsel) in connection with the work performed under this Agreement City of Alexandria so as to ensure that no conflict of interest may arise from any such representation.
17. Provide certification to NVTA, that upon final payment to all contractors for the Project, City of Alexandria will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTA be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts, unless superseded by the laws that govern City of Alexandria.

19. Acknowledge that if the Project is being funded in whole or in part by NVTB Bond Proceeds, comply with the tax covenants attached as Appendix D.
20. Acknowledge that if City of Alexandria expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system that City of Alexandria agrees to comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that City of Alexandria is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
22. Recognize that if City of Alexandria is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTB funds and/or NVTB Bond Proceeds that City of Alexandria will need to comply with all federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTB will not be a party or signatory to that Agreement; nor will NVTB have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTB no later than 90 days after final payment to the contractors that City of Alexandria adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTB's Obligations

NVTB shall:

- I. Provide to City of Alexandria the funding authorized by NVTB for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in

Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.

2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO") , all payment requisitions submitted by _____ City of Alexandria _____ for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.
3. Route to NVTA's assigned Program Coordinator all _____ City of Alexandria _____'s payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from _____ City of Alexandria _____. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify _____ City of Alexandria _____ in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of _____ City of Alexandria _____ that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.

4. Route all _____ City of Alexandria _____'s supplemental requests for funding from NVTa under Paragraphs A.5 and A.8 of this Agreement to NVTa's Executive Director. NVTa's Executive Director will initially review those requests and all supporting documentation with NVTa's CFO. After such initial review, NVTa's Executive Director will make a recommendation to NVTa's Finance Committee for its independent consideration and review. NVTa's Finance Committee will thereafter make a recommendation on any such request to NVTa for final determination by NVTa.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTa Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of _____ City of Alexandria _____'s financial records for the Project and on -site inspections.
6. Acknowledge that if, as a result of NVTa's review of any payment requisition or of any NVTa compliance review, NVTa staff determines that _____ City of Alexandria _____ has misused or misapplied any NVTa funds in derogation of this Agreement or in contravention of the NVTa Act, Chapter 766 or applicable law, NVTa staff will promptly advise NVTa's Executive Director and will advise _____ City of Alexandria _____'s designated representative in writing. _____ City of Alexandria _____ will thereafter have thirty (30) days to respond in writing to NVTa's initial findings. NVTa's staff will review _____ City of Alexandria _____'s response and make a recommendation to NVTa's Finance Committee. NVTa's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTa. Pending final resolution of the matter, NVTa will withhold further funding on the Project. If NVTa makes a final determination that _____ City of Alexandria _____ has misused or misapplied funds in contravention of this Agreement, the NVTa Act, Chapter 766, or other applicable law, NVTa will cease further funding for the Project and will seek reimbursement from _____ City of Alexandria _____ of all funds previously remitted by NVTa (with interest earned at the rate earned by NVTa) which were misapplied or misused by _____ City of Alexandria _____. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Make guidelines available to City of Alexandria to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon recipient's final payment to all contractors, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.
2. City of Alexandria may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by City of Alexandria to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, City of Alexandria shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.
3. NVTA may terminate this Agreement, for cause, resulting from City of Alexandria's material breach of this Agreement. If so terminated, City of Alexandria shall refund to NVTA all funds NVTA provided to City of Alexandria for the Project (including interest earned at the rate earned by NVTA). NVTA will provide City of Alexandria with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, City of Alexandria may

request that NVTA excuse _____ City of Alexandria _____ from refunding all funds NVTA provided to _____ City of Alexandria _____ for the Project based upon _____ City of Alexandria _____'s substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse _____ City of Alexandria _____ from refunding all or a portion of the funds NVTA provided to _____ City of Alexandria _____ for the Project. No such request to be excused from refunding will be allowed where _____ City of Alexandria _____ has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, _____ City of Alexandria _____ will release or return to NVTA all unexpended NVTA funds with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTA's Executive Director and _____ City of Alexandria _____'s Chief Executive Officer or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to _____ City of Alexandria _____'s governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTA's Financial Interest in Project Assets

_____ City of Alexandria _____ agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTA under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. NVTA shall retain a financial interest in the value of each of the of the Project Assets, whether any such Project Asset may have depreciated or appreciated, throughout its respective useful life proportionate to the amount of the cost of the Project Asset funded by NVTA under this

Agreement. In the event that City of Alexandria fails to use any of the Project Assets funded under this Agreement for the transportation purposes as authorized by this Agreement or applicable law throughout its respective useful life, City of Alexandria shall refund to NVTa with interest at the rate earned by NVTa the amount attributable to NVTa's proportionate financial interest in the value of said Project Asset. If City of Alexandria refuses or fails to refund said monies to NVTa, NVTa may recover its proportionate financial interest from City of Alexandria by pursuit of any remedies available to NVTa, including but not limited to NVTa's withholding of commensurate amounts from future distributions of NVTa funds to City of Alexandria.

F. Appropriations Requirements

1. Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.
2. The parties acknowledge that all funding provided by NVTa pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTa Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTa Fund are subject to appropriation by the General Assembly and (ii) NVTa's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTa Fund by the General Assembly.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTa, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to City of Alexandria, to the attention of Mark Jinks
301 King Street,, Room 3500
Alexandria, VA 22314 (address)

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

City of Alexandria represents that it is not acting as a partner or agent of NVTa; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

City of Alexandria (Name of Recipient Entity)

By: 

Date: 11 - 24 - 14


APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

Appendix A –Narrative Description of Project

Attach- Approved NVT A Project Description Sheet

NVT A Project Title: Traffic Signal Upgrades/Transit Signal Priority

Recipient Entity: City of Alexandria

Recipient Entity/Project Manager Contact Information: Ravindra Raut (703)746- 4152

NVT A Program Coordinator Contact information:

Project Scope

Only Complete if Different from the Approved NVT A Project Description Sheet

This project will fund a self-contained Phase I of this project, which will fund the design for all transit priority systems on Route 1 and on Duke Street, and will buy equipment and software to install TSP on Route 1 and upgrade traffic signals on the road. The City intends to complete the installation of TSP on Duke Street with future funding of a Phase II of the project that the City hopes will be funded by NVT A 70% funds in the future. The City has reassessed the total cost of this project and determined that the current Phase I will cost \$660,000 as originally projected, but future Phase II will only cost \$250,000, for a new total project cost of \$910,000. This contrasts with the City's original estimate of \$1.2 million for the same items of work.

Project Milestones:

Design of TSP for Route 1 and Duke St. Begins- May, 2015

Begin Installation of Hardware and Software on Route 1- January, 2016

Finish Installation of Hardwar and Software on Route 1-December, 2016

Detailed Scope of Services

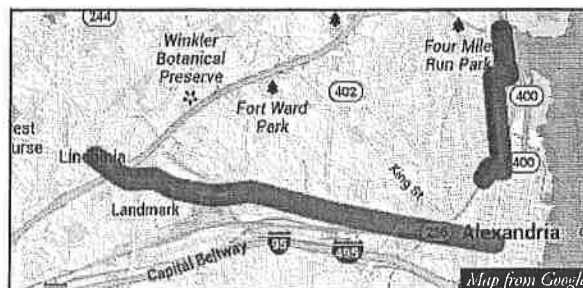
Only Complete if Different from the Approved NVT A Project Description Sheet



Project Description Form — 8K

Basic Project Information

1. **Submitting Agency:**
City of Alexandria
2. **Project Title:** Traffic Signal Upgrades/
Transit Signal Priority
3. **Project Type:**
☐ Roadway ☐ Multimodal ☒ Transit
4. **Project Description/Scope:** The first phase of this project will leverage existing infrastructure and improve system efficiencies by funding transportation technologies such as traffic signal upgrades, Transit Signal Priority (TSP), and queue jumps. These technologies will help maximize efficiency of the transportation system without large investment in new infrastructure. The systems will be implemented on the Duke Street corridor from the western City limit to Route 1 and on the Route 1 Transitway corridor from the Braddock Road Metrorail station to Potomac Yard. Some of the funds may also be used to upgrade traffic signals on Route 1, south of Braddock Road Metro without providing TSP. The TSP work will improve transit service and systems operations in the Duke Street and Route 1 corridors which provide direct connections to Fairfax and Arlington Counties.
5. **Route (if applicable)/Corridor:**
Corridor 8



6. **Total Project Cost:** \$1,200,000
7. **Total Funds Required:** \$660,000
8. **Phase/s of Project Covered by Funding:** Design (Duke) \$60,000, Construction (Rt. 1) \$600,000
9. **Project Milestones (by phase, include all phases):**
 - Duke Street: Design FY 2014
 - Route 1: Construction Start FY 2014
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
Yes. CLRP, ID# 2090
12. **Leverages Sources:**
☐ Local ☐ State ☐ Federal
☐ Other (please explain)

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

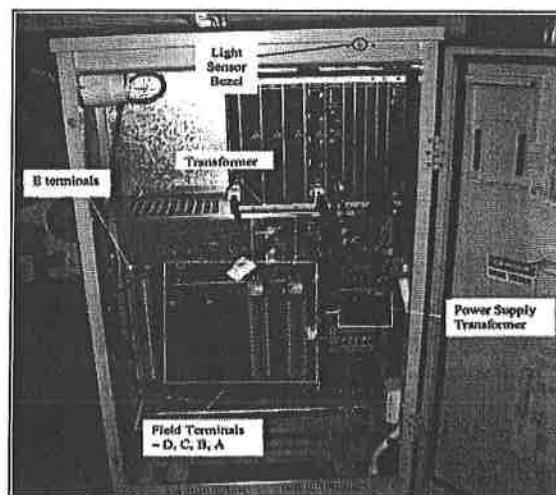
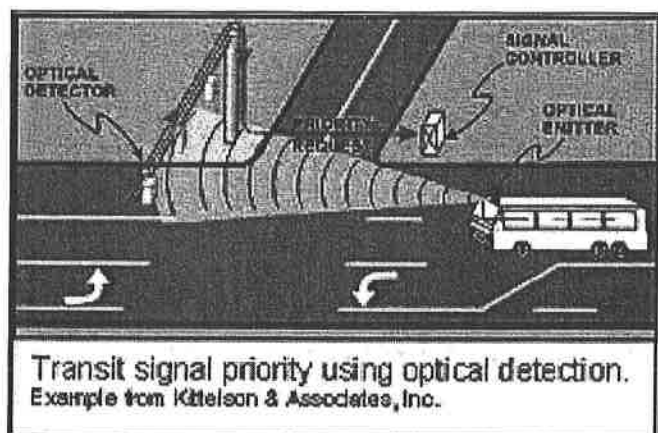
Tier II 7 out of 8 points

Tier III Congestion Reduction Relative to Cost:

Plan ☒ CLRP ☐ TA2040 only Rating ☒ High ☐ Med ☐ Low

Stated Benefits

1. **What regional benefit/s does this project offer?** These corridors will support mobility, as well as improved travel times for SOVs and transit users along both corridors. The project will improve the efficiency of existing and planned transit service within the City of Alexandria, Fairfax County, and Arlington County.
2. **How does the project reduce congestion?** FHWA has estimated that poor traffic signal timing accounts for 5-10% of all traffic delay. Upgrading signal equipment is one of the most cost effective and basic strategies to mitigate congestion.
3. **How does the project increase capacity?** (*Mass transit projects only*) The project will improve the efficiency of existing and planned transit service within the City of Alexandria, Fairfax County, and Arlington County. TSP has the potential to cut transit travel times for riders, making transit a more attractive option for both commute and non-commute trips. In addition, TSP increases both efficiency and capacity by reducing vehicle running times. This creates an opportunity to reduce the number of vehicles on a route and add that capacity elsewhere in the transit system.
4. **How does the project improve auto and pedestrian safety?** The project improves safety by allowing dedicated turning phases, reducing potential auto and pedestrian conflicts.
5. **List internet address/link to any additional information or documentation in support of project benefits.** (*Optional*) N/A
6. **Project Picture/Illustratives**



APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Traffic Signal Upgrades/Traffic Signal Priority-Phase I
 Recipient Entity: City of Alexandria
 Project Contact Information: Ravindra Raut

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$ 144,000.00	\$ 144,000.00			\$ -	\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction						
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions	\$ 516,000.00	\$ 516,000.00				
Other						
Total Estimated Cost	\$ 660,000.00	\$ 660,000.00	\$ -	\$ -	\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2014		Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work			\$ 36,000.00		\$ 108,000.00					
Engineering										
Environmental Work										
Right-of-Way Acquisition										
Construction										
Contract Administration										
Testing Services										
Inspection Services										
Capital Asset Acquisitions					\$258,000.00		\$258,000.00			
Other										
Total Estimated Cost	\$ -	\$ -	\$ 36,000.00	\$ -	\$ 366,000.00	\$ -	\$ 258,000.00	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 14 Mthly Cash Flow		FY 15 Mthly Cash Flow		FY 16 Qtrly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July					\$ 18,000.00		\$ 43,000.00			
August					\$ 18,000.00		\$ 43,000.00			
September					\$ 18,000.00		\$ 43,000.00			
October					\$ 18,000.00		\$ 43,000.00			
November					\$ 18,000.00		\$ 43,000.00			
December					\$ 18,000.00		\$ 43,000.00			
January					\$ 43,000.00					
February					\$ 43,000.00					
March					\$ 43,000.00					
April					\$ 43,000.00					
May			\$ 18,000.00		\$ 43,000.00					
June			\$ 18,000.00		\$ 43,000.00					
Total per Fiscal Year	\$ -	\$ -	\$ 36,000.00	\$ -	\$ 366,000.00	\$ -	\$ 258,000.00	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Northern Virginia Transportation Authority

Signature: [Signature]
 Title: Mark Jinks, Deputy City Manager
 Date: 11-24-14
 Print name of person signing

Signature: _____
 NVTA Executive Director
 Title: _____
 Date: _____
 Print name of person signing

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

APPENDIX E –Authorization of designee(s)

If applicable, replace this page with recipient governing body's authorization for their respective designee(s) to execute this agreement on their behalf(s) as evinced by entity's clerk's minutes.

RESOLUTION NO. 2643

**AUTHORIZE THE EXECUTION OF A STANDARD PROJECT AGREEMENT BETWEEN
THE CITY AND THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FOR
THREE PROJECTS AND DESIGNATE THE CITY MANAGER TO EXECUTE THE
AGREEMENTS**

WHEREAS, in April, 2013 the General Assembly and Governor approved a new transportation funding bill (HB2313) with all taxes and fees imposed by the General Assembly; and

WHEREAS, 70% of HB2313 revenues will be provided in the Northern Virginia Transportation Authority (NVTA) for mass transit capital projects that increase capacity, and for regional highway projects included in TransAction 2040 that have been evaluated by the Virginia Department of Transportation (VDOT) for congestion relief; and

WHEREAS, the NVTA approved a list of 34 projects to be funded with FY 2014 HB2313 funds; and

WHEREAS, the NVTA approved a standard project agreement for the local administration of a project and for implementing jurisdictions and agencies to enter into a formal agreement with the Authority to receive the HB2313 70% funds on a reimbursement basis; and

WHEREAS, the Traffic Signal Upgrades and Traffic Signal Priority for \$660,000, the Shelters and Real-Time Transit Information for DASH/WMATA for \$450,000, and the Potomac Yard Environmental Impact Statement for \$2,000,000 were approved as part of the FY 2014 project list; and

WHEREAS, the City will need to budget and appropriate funds for these three projects to do environmental work, design, construction, and acquire equipment; and

WHEREAS, the City will be reimbursed for these costs through the provisions outlined in the NVTA standard funding agreement;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Alexandria does hereby authorize the execution of three Standard Project Agreements between the City of Alexandria and the Northern Virginia Transportation Authority for local administration of grants for, (1) Route 1 Transitway and Corridor B Transitway (Traffic Signal Upgrades and Traffic Signal Priority), (2) Bus Shelter and Benches (Shelters and Real-Time Transit Information for DASH/WMATA), and (3) Potomac Yard Metrorail Station Environmental Impact Statement (EIS) to be reimbursed with Fiscal Year 2014 70% HB2313 revenues; and

FURTHER BE IT RESOLVED that the City Manager be designated to execute these agreements.

Adopted: October 14, 2014


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 3, 2014

SUBJECT: Regional Funding Project 510-14-021-1-08 (Shelters and Real-Time Transit Information for DASH/WMATA)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 510-14-021-1-08.
2. **Suggested motion.** *I move approval of the proposed Standard Project 510-14-021-1-08 (Shelters and Real-Time Transit Information for DASH/WMATA), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY 2014 70% regional funds on July 24, 2013.
 - b. FY2014 PayGo funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by the City of Alexandria is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTAs Project Number 510-14-021-1-08

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
City of Alexandria
(Recipient Entity)**

NVTA Project Number: 510-14-021-1-08

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this _____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and _____ City of Alexandria ("Recipient Entity").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 48.2 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Virginia Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTa Fund and/or from NVTa Bond Proceeds, is located within a locality embraced by NVTa's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTa;

WHEREAS, City of Alexandria formally requested that NVTa provide funding to the Project by timely submitting an application for NVTa funding in response to NVTa's call for projects;

WHEREAS, NVTa has reviewed City of Alexandria's application for funding and has approved City of Alexandria's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by City of Alexandria, NVTa has determined that the Project complies with all requirements of the NVTa Act related to the use of moneys identified in Virginia Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTa described in Appendix B have been duly authorized and directed by City of Alexandria to finance the Project;

WHEREAS, NVTa agrees that City of Alexandria will design and/or construct the Project or perform such other specific work for the Project and City of Alexandria agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in the City of Alexandria's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTa's governing body and City of Alexandria's governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto as Appendix E;

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. Recipient Entity's Obligations

City of Alexandria shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Ann. Sections 33.2-2510(A),(C)1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVT A funds specified on Appendix B to pay any Project cost if the NVT A Act does not permit such Project cost to be paid with NVT A funds.
5. Recognize that, if the Project contains "multiple phases" (as such "multiple phases" are defined for the Project on Appendix A), for which NVT A will provide funding for such multiple phases (as set forth on Appendix B), NVT A may not provide funding to City of Alexandria to advance the Project to the next phase until the current phase is completed. In any circumstance where City of Alexandria seeks to advance a Project to the next phase using NVT A funds, City of Alexandria shall submit a written request to NVT A's Executive Director explaining the need for NVT A's funding of an advanced phase. NVT A's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVT A's current and projected cash flow position and make a recommendation to NVT A whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit City of Alexandria from providing its own funds to

advance a future phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, City of Alexandria further recognizes that NVTA's reimbursement to City of Alexandria for having advance funded a Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and to the extent that any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. City of Alexandria shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, City of Alexandria can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of City of Alexandria.
8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. City of Alexandria understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. City of Alexandria shall timely provide to NVTA a

complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTA no later than 90 days after final payment has been made to the contractors.
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to City of Alexandria's Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should City of Alexandria be required to provide matching funds in order to proceed or complete the funding necessary for the Project, City of Alexandria shall certify to NVTA that all such matching funds have been either authorized and/or appropriated by City of Alexandria's governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations, unless superseded by the laws that govern City of Alexandria and provide copies of any such financial records to NVTA, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations, unless superseded by the laws that govern City of Alexandria; and provide to NVTa copies of all such drawings and plans free of charge, upon request.
14. Reimburse NVTa for all NVTa funds (with interest earned at the rate earned by NVTa) that City of Alexandria misapplied or used in contravention of Sections 33.2-2500 *et. seq.* of the Virginia Code ("the NVTa Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.
15. Name NVTa and its Bond Trustee or require that all City of Alexandria's contractors name NVTa or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of City of Alexandria for the Project and present NVTa with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTa that City of Alexandria may use NVTa funds to pay outside legal counsel services (as opposed to utilizing the services of its own in-house counsel or NVTa's in-house legal counsel) in connection with the work performed under this Agreement City of Alexandria so as to ensure that no conflict of interest may arise from any such representation.
17. Provide certification to NVTa, that upon final payment to all contractors for the Project, City of Alexandria will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTa be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts, unless superseded by the laws that govern City of Alexandria.

19. Acknowledge that if the Project is being funded in whole or in part by NVTA Bond Proceeds, comply with the tax covenants attached as Appendix D.
20. Acknowledge that if City of Alexandria expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system that City of Alexandria agrees to comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that City of Alexandria is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
22. Recognize that if City of Alexandria is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTA funds and/or NVTA Bond Proceeds that City of Alexandria will need to comply with all federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTA will not be a party or signatory to that Agreement; nor will NVTA have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTA no later than 90 days after final payment to the contractors that City of Alexandria adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTA's Obligations

NVTA shall:

- I. Provide to City of Alexandria the funding authorized by NVTA for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in

Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.

2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO") , all payment requisitions submitted by City of Alexandria for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.
3. Route to NVTA's assigned Program Coordinator all City of Alexandria's payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from City of Alexandria. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify City of Alexandria in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of City of Alexandria that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.

4. Route all City of Alexandria's supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of City of Alexandria's financial records for the Project and on -site inspections.
6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that City of Alexandria has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise City of Alexandria's designated representative in writing. City of Alexandria will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review City of Alexandria's response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that City of Alexandria has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from City of Alexandria of all funds previously remitted by NVTA (with interest earned at the rate earned by NVTA) which were misapplied or misused by City of Alexandria. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Make guidelines available to City of Alexandria to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon recipient's final payment to all contractors, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.
2. City of Alexandria may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by City of Alexandria to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, City of Alexandria shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.
3. NVTA may terminate this Agreement, for cause, resulting from City of Alexandria's material breach of this Agreement. If so terminated, City of Alexandria shall refund to NVTA all funds NVTA provided to City of Alexandria for the Project (including interest earned at the rate earned by NVTA). NVTA will provide City of Alexandria with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, City of Alexandria may

request that NVTA excuse _____ City of Alexandria _____ from refunding all funds NVTA provided to _____ City of Alexandria _____ for the Project based upon _____ City of Alexandria _____'s substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse _____ City of Alexandria _____ from refunding all or a portion of the funds NVTA provided to _____ City of Alexandria _____ for the Project. No such request to be excused from refunding will be allowed where _____ City of Alexandria _____ has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, _____ City of Alexandria _____ will release or return to NVTA all unexpended NVTA funds with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTA's Executive Director and _____ City of Alexandria _____'s Chief Executive Officer or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to _____ City of Alexandria _____'s governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTA's Financial Interest in Project Assets

_____ City of Alexandria _____ agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTA under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. NVTA shall retain a financial interest in the value of each of the of the Project Assets, whether any such Project Asset may have depreciated or appreciated, throughout its respective useful life proportionate to the amount of the cost of the Project Asset funded by NVTA under this

Agreement. In the event that City of Alexandria fails to use any of the Project Assets funded under this Agreement for the transportation purposes as authorized by this Agreement or applicable law throughout its respective useful life, City of Alexandria shall refund to NVTA with interest at the rate earned by NVTA the amount attributable to NVTA's proportionate financial interest in the value of said Project Asset. If City of Alexandria refuses or fails to refund said monies to NVTA, NVTA may recover its proportionate financial interest from City of Alexandria by pursuit of any remedies available to NVTA, including but not limited to NVTA's withholding of commensurate amounts from future distributions of NVTA funds to City of Alexandria.

F. Appropriations Requirements

1. Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.
2. The parties acknowledge that all funding provided by NVTA pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTA Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTA Fund are subject to appropriation by the General Assembly and (ii) NVTA's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTA Fund by the General Assembly.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTA, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to City of Alexandria, to the attention of Mark Jinks
301 King Street,, Room 3500
Alexandria, VA 22314 (address)

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

City of Alexandria represents that it is not acting as a partner or agent of NVTA; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

City of Alexandria (Name of Recipient Entity)

By: _____


Date: 11-24-14


APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

Appendix A –Narrative Description of Project

Attach- Approved NVTA Project Description Sheet

NVTA Project Title: Shelters and Real Time Transit Information for DASH-WMATA

Recipient Entity: City of Alexandria

Recipient Entity/Project Manager Contact Information: Pierre Holloman (703) 746-4080

NVTA Program Coordinator Contact information:

Project Scope
<p>Only Complete if Different from the Approved NVTA Project Description Sheet</p> <p>This project will fund bus shelters and real time information for DASH and WMATA. It will leverage \$1,413,750 of funds from FHWA and FTA to build design and build bus shelters and amenities, such as real time information at bus shelters. The total project budget is \$2,004,530 which has or will pay for shelter design, inspection services, and the installation of shelters, pads, shelters amenities, and bus stop benches.</p> <p>Project Milestones</p> <p>Bus Shelter and Amenity Installation Begins for NVTA funded Shelters and/or Amenities- April, 2015</p> <p>Bus Shelter and Amenity Installation Ends for NVTA funded Shelters and/or Amenities- December, 2016</p>

Detailed Scope of Services
<p>Only Complete if Different from the Approved NVTA Project Description Sheet</p>



Project Description Form — 8H

Basic Project Information

1. **Submitting Agency:**
City of Alexandria
2. **Project Title:** Shelters and Real-Time Transit Information for DASH/WMATA
3. **Project Type:**
☐ Roadway ☐ Multimodal ☒ Transit
4. **Project Description/Scope:** This project would fund the replacement and expansion of bus shelters at high ridership locations throughout the City. The shelters would include amenities, such as real-time transit information to improve riders' access to information and customer satisfaction. Real-time transit data infrastructure installed at 25 high ridership stops. Improve transit service across the region by integrating real-time transit information system and providing high quality transit stops for bus patrons traveling into and out of the City of Alexandria. Bus shelter construction and installation of real time transit signs will begin in FY2014.
5. **Route (if applicable)/Corridor:**
Corridor 8
6. **Total Project Cost:** \$1,500,000
7. **Total Funds Required:** \$450,000



8. **Phase/s of Project Covered by Funding:** WMATA recently awarded real-time transit information contract (City will ride contract to procure signs), City's bus shelters currently at 95% design phase, expected 100% design by June 2013.
9. **Project Milestones (by phase, include all phases):**
 - Bus shelter construction and installation of real time transit signs will begin in FY2014
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
Yes. CLRP, STIP ID # 7971
12. **Leverages Sources:**
 - ☐ Local ☒ State ☒ Federal
 - ☐ Other (please explain)

These funds leverage \$1,050,000 of funds committed by the Federal Highway Administration and the Federal Transit Administration to build bus shelters.

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

Tier II 8 out of 8 points

Tier III Congestion Reduction Relative to Cost:

Plan ☒ CLRP ☐ TA2040 only Rating ☒ High ☐ Med ☐ Low

Stated Benefits

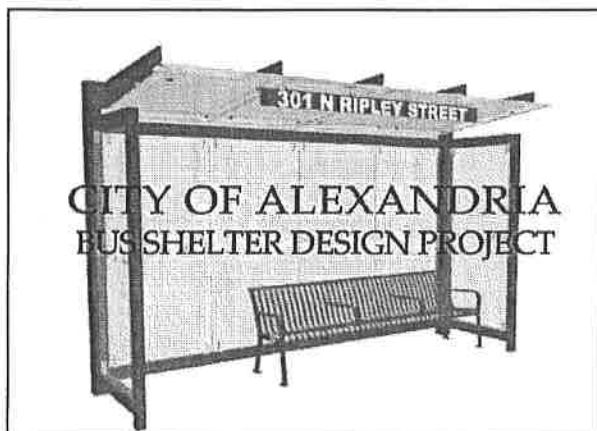
1. **What regional benefit/s does this project offer?** This project would fund the replacement and expansion of bus shelters at high ridership locations throughout the City. The shelters would include amenities, such as real-time transit information to improve riders' access to information and customer satisfaction. Real-time transit data infrastructure installed at 25 high ridership stops. Improve transit service across the region by integrating real-time transit information system and providing high quality transit stops for bus patrons traveling into and out of the City of Alexandria. Bus shelter construction and installation of real-time transit signs will begin in FY2014.
2. **How does the project reduce congestion?** According to information published by the Metropolitan Transit Authority of Harris County, Texas, (Houston) providing and attractive bus shelter increases transit ridership at that location by 20 people per day. Similarly, VIA in San Antonio, Texas has found that transit ridership has increased 10% since it installed new bus shelters. The Federal Transit Administration in a report entitled "White Paper on Literature Review of Real Time Information System" indicated that after a Swedish city implemented the "Think Tram-Use Bus" program, which provides real-time arrival times at bus stops and signal priority, market share for public transit jumped from 19% to 22%.
3. **How does the project increase capacity?** (*Mass transit projects only*) According to information published by the Metropolitan Transit Authority of Harris County, Texas, (Houston) providing and attractive bus shelter increases transit ridership at that location by 20 people per day.
4. **How does the project improve auto and pedestrian safety?** This project provides safe and accessible places for passengers to wait for the bus and supports the use of transit, thus reducing the number of drivers on the road.
5. **List internet address/link to any additional information or documentation in support of project benefits.** (*Optional*)

Metropolitan Transit Authority of Harris County web site.

VIA Web site

White Paper on Literature Review of Real Time Transit Information Systems, Multisystems and Battelle- August, 2002

6. Project Picture/Illustratives



APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Shelters and Real Time Transit Information for DASH-WMATA
 Recipient Entity: City of Alexandria
 Project Contact Information: Pierre Holloman

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$ 170,000.00	\$ -	\$ -	FHWA RSTP	\$ 170,000.00	\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction						
Contract Administration						
Testing Services						
Inspection Services	\$ 190,780.00			NVTA 30% Funds	\$ 140,780.00	
				FTA Section 5309	\$ 50,000.00	
Capital Asset Acquisitions	\$ 1,643,750.00	\$450,000.00		FHWA RSTP	\$ 330,000.00	
				FTA Section 5309	\$ 863,750.00	
Other						
Total Estimated Cost	\$ 2,004,530.00	\$ 450,000.00	\$ -	\$ -	\$ 1,554,530.00	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2014		Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering										
Environmental Work										
Right-of-Way Acquisition										
Construction										
Contract Administration										
Testing Services										
Inspection Services										
Capital Asset Acquisitions			57,000.00		276,000.00		117,000.00			
Other										
Total Estimated Cost	\$ -	\$ -	\$ 57,000.00	\$ -	\$ 276,000.00	\$ -	\$ 117,000.00	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 14 Mthly Cash Flow		FY 15 Mthly Cash Flow		FY 16 Qtrly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July					\$ 12,000.00		\$ 12,000.00			
August					\$ 12,000.00		\$ 15,000.00			
September					\$ 45,000.00		\$ 45,000.00			
October					\$ 12,000.00					
November					\$ 12,000.00					
December					\$ 45,000.00		\$ 45,000.00			
January					\$ 12,000.00					
February					\$ 12,000.00					
March					\$ 45,000.00					
April					\$ 12,000.00					
May			\$ 12,000.00		\$ 12,000.00					
June			\$ 45,000.00		\$ 45,000.00					
Total per Fiscal Year	\$ -	\$ -	\$ 57,000.00	\$ -	\$ 276,000.00	\$ -	\$ 117,000.00	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Northern Virginia Transportation Authority

Signature Mark Jinks
 Title **Mark Jinks, Deputy City Manager**
 Date 11-24-14
 Print name of person signing

Signature _____
 NVTA Executive Director
 Title _____
 Date _____
 Print name of person signing

APPROVED AS TO FORM:
DEPUTY CITY ATTORNEY

APPENDIX E –Authorization of designee(s)

If applicable, replace this page with recipient governing body's authorization for their respective designee(s) to execute this agreement on their behalf(s) as evinced by entity's clerk's minutes.

RESOLUTION NO. 2643

**AUTHORIZE THE EXECUTION OF A STANDARD PROJECT AGREEMENT BETWEEN
THE CITY AND THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FOR
THREE PROJECTS AND DESIGNATE THE CITY MANAGER TO EXECUTE THE
AGREEMENTS**

WHEREAS, in April, 2013 the General Assembly and Governor approved a new transportation funding bill (HB2313) with all taxes and fees imposed by the General Assembly; and

WHEREAS, 70% of HB2313 revenues will be provided in the Northern Virginia Transportation Authority (NVTA) for mass transit capital projects that increase capacity, and for regional highway projects included in TransAction 2040 that have been evaluated by the Virginia Department of Transportation (VDOT) for congestion relief, and

WHEREAS, the NVTA approved a list of 34 projects to be funded with FY 2014 HB2313 funds; and

WHEREAS, the NVTA approved a standard project agreement for the local administration of a project and for implementing jurisdictions and agencies to enter into a formal agreement with the Authority to receive the HB2313 70% funds on a reimbursement basis; and

WHEREAS, the Traffic Signal Upgrades and Traffic Signal Priority for \$660,000, the Shelters and Real-Time Transit Information for DASH/WMATA for \$450,000, and the Potomac Yard Environmental Impact Statement for \$2,000,000 were approved as part of the FY 2014 project list; and

WHEREAS, the City will need to budget and appropriate funds for these three projects to do environmental work, design, construction, and acquire equipment; and

WHEREAS, the City will be reimbursed for these costs through the provisions outlined in the NVTA standard funding agreement;

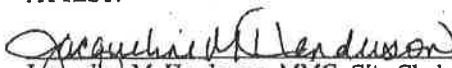
NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Alexandria does hereby authorize the execution of three Standard Project Agreements between the City of Alexandria and the Northern Virginia Transportation Authority for local administration of grants for, (1) Route 1 Transitway and Corridor B Transitway (Traffic Signal Upgrades and Traffic Signal Priority), (2) Bus Shelter and Benches (Shelters and Real-Time Transit Information for DASH/WMATA), and (3) Potomac Yard Metrorail Station Environmental Impact Statement (EIS) to be reimbursed with Fiscal Year 2014 70% HB2313 revenues; and

FURTHER BE IT RESOLVED that the City Manager be designated to execute these agreements.

Adopted: October 14, 2014


WILLIAM D. EUILLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 3, 2014

SUBJECT: Regional Funding Project 510-14-022-1-08 (Potomac Yard Metrorail Station EIS)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 510-14-022-1-08.
2. **Suggested motion.** *I move approval of the proposed Standard Project 510-14-022-1-08 (Potomac Yard Metrorail Station EIS), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY 2014 70% regional funds on July 24, 2013.
 - b. FY2014 PayGo funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by the City of Alexandria is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTAs Project Number 510-14-022-1-08

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
City of Alexandria
(Recipient Entity)**

NVTA Project Number: 510-14-022-1-08

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this _____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and _____ City of Alexandria _____ ("Recipient Entity").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 48.2 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Virginia Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, City of Alexandria formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed City of Alexandria's application for funding and has approved City of Alexandria's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by City of Alexandria, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Virginia Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by City of Alexandria to finance the Project;

WHEREAS, NVTA agrees that City of Alexandria will design and/or construct the Project or perform such other specific work for the Project and City of Alexandria agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in the City of Alexandria's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and City of Alexandria's governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto as Appendix E;

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. Recipient Entity's Obligations

City of Alexandria shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Ann. Sections 33.2-2510(A),(C)1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTA funds specified on Appendix B to pay any Project cost if the NVTA Act does not permit such Project cost to be paid with NVTA funds.
5. Recognize that, if the Project contains "multiple phases" (as such "multiple phases" are defined for the Project on Appendix A), for which NVTA will provide funding for such multiple phases (as set forth on Appendix B), NVTA may not provide funding to City of Alexandria to advance the Project to the next phase until the current phase is completed. In any circumstance where City of Alexandria seeks to advance a Project to the next phase using NVTA funds, City of Alexandria shall submit a written request to NVTA's Executive Director explaining the need for NVTA's funding of an advanced phase. NVTA's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTA's current and projected cash flow position and make a recommendation to NVTA whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit City of Alexandria from providing its own funds to

advance a future phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, City of Alexandria further recognizes that NVTA's reimbursement to City of Alexandria for having advance funded a Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and to the extent that any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. City of Alexandria shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, City of Alexandria can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of City of Alexandria.
8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. City of Alexandria understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. City of Alexandria shall timely provide to NVTA a

complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTA no later than 90 days after final payment has been made to the contractors.
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to City of Alexandria's Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should City of Alexandria be required to provide matching funds in order to proceed or complete the funding necessary for the Project, City of Alexandria shall certify to NVTA that all such matching funds have been either authorized and/or appropriated by City of Alexandria's governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations, unless superseded by the laws that govern City of Alexandria and provide copies of any such financial records to NVTA, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations, unless superseded by the laws that govern City of Alexandria; and provide to NVTa copies of all such drawings and plans free of charge, upon request.
14. Reimburse NVTa for all NVTa funds (with interest earned at the rate earned by NVTa) that City of Alexandria misapplied or used in contravention of Sections 33.2-2500 *et. seq.* of the Virginia Code ("the NVTa Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.
15. Name NVTa and its Bond Trustee or require that all City of Alexandria's contractors name NVTa or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of City of Alexandria for the Project and present NVTa with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTa that City of Alexandria may use NVTa funds to pay outside legal counsel services (as opposed to utilizing the services of its own in-house counsel or NVTa's in-house legal counsel) in connection with the work performed under this Agreement City of Alexandria so as to ensure that no conflict of interest may arise from any such representation.
17. Provide certification to NVTa, that upon final payment to all contractors for the Project, City of Alexandria will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTa be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts, unless superseded by the laws that govern City of Alexandria.

19. Acknowledge that if the Project is being funded in whole or in part by NVTA Bond Proceeds, comply with the tax covenants attached as Appendix D.
20. Acknowledge that if City of Alexandria expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system that City of Alexandria agrees to comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that City of Alexandria is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
22. Recognize that if City of Alexandria is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTA funds and/or NVTA Bond Proceeds that City of Alexandria will need to comply with all federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTA will not be a party or signatory to that Agreement; nor will NVTA have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTA no later than 90 days after final payment to the contractors that City of Alexandria adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTA's Obligations

NVTA shall:

- I. Provide to City of Alexandria the funding authorized by NVTA for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in

Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.

2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO") , all payment requisitions submitted by _____ City of Alexandria _____ for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.
3. Route to NVTA's assigned Program Coordinator all _____ City of Alexandria _____'s payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from _____ City of Alexandria _____. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify _____ City of Alexandria _____ in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of _____ City of Alexandria _____ that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.

4. Route all City of Alexandria's supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of City of Alexandria's financial records for the Project and on -site inspections.
6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that City of Alexandria has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise City of Alexandria's designated representative in writing. City of Alexandria will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review City of Alexandria's response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that City of Alexandria has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from City of Alexandria of all funds previously remitted by NVTA (with interest earned at the rate earned by NVTA) which were misapplied or misused by City of Alexandria. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Make guidelines available to City of Alexandria to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon recipient's final payment to all contractors, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.
2. City of Alexandria may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by City of Alexandria to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, City of Alexandria shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.
3. NVTA may terminate this Agreement, for cause, resulting from City of Alexandria's material breach of this Agreement. If so terminated, City of Alexandria shall refund to NVTA all funds NVTA provided to City of Alexandria for the Project (including interest earned at the rate earned by NVTA). NVTA will provide City of Alexandria with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, City of Alexandria may

request that NVTA excuse _____ City of Alexandria _____ from refunding all funds NVTA provided to _____ City of Alexandria _____ for the Project based upon _____ City of Alexandria _____'s substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse _____ City of Alexandria _____ from refunding all or a portion of the funds NVTA provided to _____ City of Alexandria _____ for the Project. No such request to be excused from refunding will be allowed where _____ City of Alexandria _____ has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, _____ City of Alexandria _____ will release or return to NVTA all unexpended NVTA funds with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTA's Executive Director and _____ City of Alexandria _____'s Chief Executive Officer or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to _____ City of Alexandria _____'s governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTA's Financial Interest in Project Assets

_____ City of Alexandria _____ agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTA under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. NVTA shall retain a financial interest in the value of each of the of the Project Assets, whether any such Project Asset may have depreciated or appreciated, throughout its respective useful life proportionate to the amount of the cost of the Project Asset funded by NVTA under this

Agreement. In the event that City of Alexandria fails to use any of the Project Assets funded under this Agreement for the transportation purposes as authorized by this Agreement or applicable law throughout its respective useful life, City of Alexandria shall refund to NVTA with interest at the rate earned by NVTA the amount attributable to NVTA's proportionate financial interest in the value of said Project Asset. If City of Alexandria refuses or fails to refund said monies to NVTA, NVTA may recover its proportionate financial interest from City of Alexandria by pursuit of any remedies available to NVTA, including but not limited to NVTA's withholding of commensurate amounts from future distributions of NVTA funds to City of Alexandria.

F. Appropriations Requirements

1. Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.
2. The parties acknowledge that all funding provided by NVTA pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTA Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTA Fund are subject to appropriation by the General Assembly and (ii) NVTA's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTA Fund by the General Assembly.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTA, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to City of Alexandria, to the attention of Mark Jinks
301 King Street., Room 3500
Alexandria, VA 22314 (address)

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

City of Alexandria represents that it is not acting as a partner or agent of NVTa; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

City of Alexandria (Name of Recipient Entity)

By: _____


Date: 11-24-14


APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

Appendix A –Narrative Description of Project

Attach- Approved NVT A Project Description Sheet

NVTA Project Title: Potomac Yard Metrorail Station EIS

Recipient Entity: City of Alexandria

Recipient Entity/Project Manager Contact Information: Lee Farmer (703) 746-4146

NVTA Program Coordinator Contact information:

Project Scope

Only Complete if Different from the Approved NVTA Project Description Sheet

The City has completed a significant amount of work on the Potomac Yard Metrorail Station EIS. The Administrative Review Draft is currently under review by the City, WMATA, the Federal Transit Administration, and the National Park Service. The City expects to make a decision on the Locally Preferred Alternative (LPA) in the second quarter of 2015 with completion of the Final EIS and receipt of the Record of Decision (ROD) in the first quarter of 2016. The City and WMATA will begin developing the design-build package once the LPA has been selected. This project will fund finishing the Potomac Yard Metro EIS and developing a set of documents required to bid out this project as a design-build project. The City hopes to receive additional NVTA 70% funds to finish the design-build package, but will use other sources to keep the project moving, if needed.

Begin NVTA funding of the Potomac Yard EIS – February, 2015

Begin work on design-build package – Q3 2015

Complete Final EIS and receive ROD – Q1 2016

Award design-build contract – Q3 2016

Detailed Scope of Services

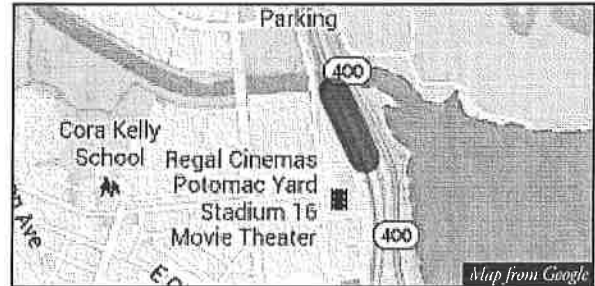
Only Complete if Different from the Approved NVTA Project Description Sheet



Project Description Form — 8G

Basic Project Information

1. **Submitting Agency:**
City of Alexandria
2. **Project Title:** Potomac Yard Metrorail Station EIS
3. **Project Type:**
☐ Roadway ☐ Multimodal ☒ Transit
4. **Project Description/Scope:** This project provides for additional studies, planning, and the development of a design-build package for a new Metrorail infill station at Potomac Yard. Currently, the station is in the Environmental Impact (EIS) phase and additional funding will be needed to finalize the EIS and enter into preliminary engineering.
5. **Route (if applicable)/Corridor:**
Corridor 8
6. **Total Project Cost:** \$2,000,000
7. **Total Funds Required:** \$250,000,000
8. **Phase/s of Project Covered by Funding:** Planning transitioning to Preliminary Engineering.



9. **Project Milestones (by phase, include all phases):**
 - Planning: FY 2014*
 - PE Start: FY 2014

*The EIS is currently underway. Alexandria's City Council will select a Locally Preferred Alternative this year, and preliminary engineering and the development of a design-build package will begin in FY2014.
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
 Yes, CLRP. Yes, TIP, ID#1978
12. **Leverages Sources:**
 - ☒ Local ☐ State ☐ Federal
 - ☒ Other (please explain)

This facility is expected to be funded by new local tax revenues, special tax district revenues, and developer contributions, and possibly some NVTA funds.

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

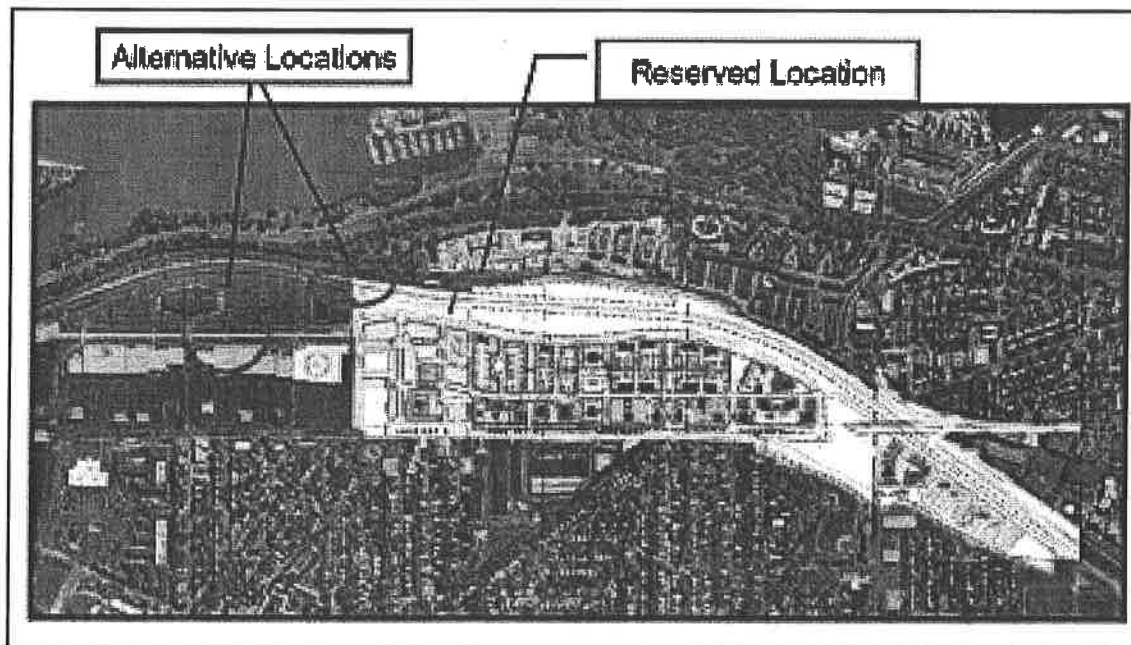
Tier II 6 out of 8 points

Tier III Congestion Reduction Relative to Cost:

Plan ☒ CLRP ☐ TA2040 only Rating ☒ High ☐ Med ☐ Low

Stated Benefits

1. **What regional benefit/s does this project offer?** This facility will provide access to the entire region to the existing and planned mixed-use activity center at Potomac Yard. The new station will allow for increased development at Potomac Yard, mitigating development of open space and increasing traffic congestion throughout the region.
2. **How does the project reduce congestion?** According to the most recent model run which was done for the station, 5,000 auto trips will be shifted to transit if this station is built.
3. **How does the project increase capacity?** (*Mass transit projects only*) The station is expected to have 10,000 boardings daily based upon current model runs.
4. **How does the project improve auto and pedestrian safety?** The facility will enable pedestrians to go to Potomac Yard destinations by not using a private automobile, decreasing congestion, and increasing safety for all.
5. **List internet address/link to any additional information or documentation in support of project benefits.** (*Optional*) The information is based upon model runs which have been done thus far to analyze the benefits of this investment.
6. **Project Picture/Illustratives**



APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Potomac Yard Metro EIS
 Recipient Entity: City of Alexandria
 Project Contact Information: Lee Farmer (703) 746-4146

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$1,000,000	\$1,000,000			\$ -	\$ -
Engineering						
Environmental Work	\$3,139,325	\$1,000,000		WMATA Credits	\$1,139,325	
				Flexed Urban Fund	\$1,000,000	
Right-of-Way Acquisition						
Construction	\$280,860,675			Net New Tax Rev	\$280,860,675	
Contract Administration				Special Taxes		
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$285,000,000	\$2,000,000	\$0	\$0	\$283,000,000	\$0

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2014		Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work					\$1,000,000					
Engineering										
Environmental Work			\$ 750,000		\$250,000					
Right-of-Way Acquisition										
Construction										
Contract Administration										
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other										
Total Estimated Cost	\$ -	\$ -	\$ 750,000	\$0	\$ 1,250,000	\$0	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 14 Mthly Cash Flow		FY 15 Mthly Cash Flow		FY 16 Qtrly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July					\$ 100,000					
August					\$ 100,000					
September					\$ 100,000					
October					\$ 250,000					
November					\$ 250,000					
December					\$ 250,000					
January			\$ 250,000		\$ 200,000					
February			\$ 100,000							
March			\$ 100,000							
April			\$ 100,000							
May			\$ 100,000							
June			\$ 100,000							
Total per Fiscal Year	\$ -	\$ -	\$ 750,000	\$ -	\$ 1,250,000	\$0	\$ -	\$0	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Northern Virginia 0

Signature 

Signature

Title **Mark Jinks, Deputy City Manager**

NVTA Executive Director

Date **11-24-14**

Title

Date

Print name of person signing

Print name of person signing

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

APPENDIX E –Authorization of designee(s)

If applicable, replace this page with recipient governing body's authorization for their respective designee(s) to execute this agreement on their behalf(s) as evinced by entity's clerk's minutes.

RESOLUTION NO. 2643

**AUTHORIZE THE EXECUTION OF A STANDARD PROJECT AGREEMENT BETWEEN
THE CITY AND THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FOR
THREE PROJECTS AND DESIGNATE THE CITY MANAGER TO EXECUTE THE
AGREEMENTS**

WHEREAS, in April, 2013 the General Assembly and Governor approved a new transportation funding bill (HB2313) with all taxes and fees imposed by the General Assembly; and

WHEREAS, 70% of HB2313 revenues will be provided in the Northern Virginia Transportation Authority (NVTA) for mass transit capital projects that increase capacity, and for regional highway projects included in TransAction 2040 that have been evaluated by the Virginia Department of Transportation (VDOT) for congestion relief, and

WHEREAS, the NVTA approved a list of 34 projects to be funded with FY 2014 HB2313 funds; and

WHEREAS, the NVTA approved a standard project agreement for the local administration of a project and for implementing jurisdictions and agencies to enter into a formal agreement with the Authority to receive the HB2313 70% funds on a reimbursement basis; and

WHEREAS, the Traffic Signal Upgrades and Traffic Signal Priority for \$660,000, the Shelters and Real-Time Transit Information for DASH/WMATA for \$450,000, and the Potomac Yard Environmental Impact Statement for \$2,000,000 were approved as part of the FY 2014 project list; and

WHEREAS, the City will need to budget and appropriate funds for these three projects to do environmental work, design, construction, and acquire equipment; and

WHEREAS, the City will be reimbursed for these costs through the provisions outlined in the NVTA standard funding agreement;

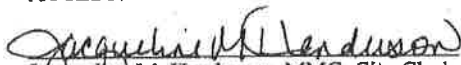
NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Alexandria does hereby authorize the execution of three Standard Project Agreements between the City of Alexandria and the Northern Virginia Transportation Authority for local administration of grants for, (1) Route 1 Transitway and Corridor B Transitway (Traffic Signal Upgrades and Traffic Signal Priority), (2) Bus Shelter and Benches (Shelters and Real-Time Transit Information for DASH/WMATA), and (3) Potomac Yard Metrorail Station Environmental Impact Statement (EIS) to be reimbursed with Fiscal Year 2014 70% HB2313 revenues; and

FURTHER BE IT RESOLVED that the City Manager be designated to execute these agreements.

Adopted: October 14, 2014


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 3, 2014

SUBJECT: Regional Funding Project 610-14-023-1-06 (Pedestrian Access to Transit)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 610-14-023-1-06.
2. **Suggested motion.** *I move approval of the proposed Standard Project 610-14-023-1-06 (Pedestrian Access to Transit), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY 2014 70% regional funds on July 24, 2013.
 - b. FY2014 PayGo funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by the City of Falls Church is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTAs Project Number 610-14-023-1-06

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
City of Falls Church, Virginia
(Recipient Entity)**

NVTA Project Number: 610-14-023-1-06

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this ____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and City of Falls Church, Virginia ("Recipient Entity").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 48.2 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Virginia Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTa Fund and/or from NVTa Bond Proceeds, is located within a locality embraced by NVTa's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTa;

WHEREAS, City of Falls Church, Virginia formally requested that NVTa provide funding to the Project by timely submitting an application for NVTa funding in response to NVTa's call for projects;

WHEREAS, NVTa has reviewed City of Falls Church, Virginia's application for funding and has approved City of Falls Church, Virginia's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by City of Falls Church, Virginia, NVTa has determined that the Project complies with all requirements of the NVTa Act related to the use of moneys identified in Virginia Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTa described in Appendix B have been duly authorized and directed by City of Falls Church, Virginia to finance the Project;

WHEREAS, NVTa agrees that City of Falls Church, Virginia will design and/or construct the Project or perform such other specific work for the Project and City of Falls Church, Virginia agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in the City of Falls Church, Virginia's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTa's governing body and City of Falls Church, Virginia's governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto as Appendix E;

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. Recipient Entity's Obligations

City of Falls Church, Virginia shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Ann. Sections 33.2-2510(A),(C)1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTAFunds specified on Appendix B to pay any Project cost if the NVTAFunds Act does not permit such Project cost to be paid with NVTAFunds.
5. Recognize that, if the Project contains "multiple phases" (as such "multiple phases" are defined for the Project on Appendix A), for which NVTAFunds will provide funding for such multiple phases (as set forth on Appendix B), NVTAFunds may not provide funding to City of Falls Church, Virginia to advance the Project to the next phase until the current phase is completed. In any circumstance where City of Falls Church, Virginia seeks to advance a Project to the next phase using NVTAFunds, City of Falls Church, Virginia shall submit a written request to NVTAFunds's Executive Director explaining the need for NVTAFunds's funding of an advanced phase. NVTAFunds's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTAFunds's current and projected cash flow position and make a recommendation to NVTAFunds whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit City of Falls Church, Virginia from providing its own funds to

advance a future phase of the Project and from requesting reimbursement from NVTa for having advance funded a future phase of the Project. However, City of Falls Church, Virginia further recognizes that NVTa's reimbursement to City of Falls Church, Virginia for having advance funded a Project phase will be dependent upon NVTa's cash flow position at the time such a request for reimbursement is submitted and to the extent that any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTa's Executive Director will periodically update NVTa's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. City of Falls Church, Virginia shall provide all information required by NVTa so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTa requests for payment consistent with Appendix B and the most recently approved NVTa cash flow estimates that include NVTa's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTa and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTa, City of Falls Church, Virginia can expect to receive payment within twenty (20) days upon receipt by NVTa. Approved payments may be made by means of electronic transfer of funds from NVTa to or for the account of City of Falls Church, Virginia.
8. Promptly notify NVTa's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTa detailed estimates of additional costs associated with those circumstances. City of Falls Church, Virginia understands that it will be within NVTa's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTa will do so only in accordance with NVTa's approved Project Selection Process and upon formal action and approval by NVTa. City of Falls Church, Virginia shall timely provide to NVTa a

complete and accurate update to Appendix B, if NVTa approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTa no later than 90 days after final payment has been made to the contractors.
10. Review and acknowledge the requirements of NVTa Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to City of Falls Church, Virginia 's Project: a) Prior to any NVTa funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTa member localities; b) any such funds released by NVTa for such project will be in addition to the funds that the NVTa member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTa until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTa.
11. Should City of Falls Church, Virginia be required to provide matching funds in order to proceed or complete the funding necessary for the Project, City of Falls Church, Virginia shall certify to NVTa that all such matching funds have been either authorized and/or appropriated by City of Falls Church, Virginia s governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations, unless superseded by the laws that govern City of Falls Church, Virginia and provide copies of any such financial records to NVTa, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations, unless superseded by the laws that govern City of Falls Church, Virginia; and provide to NVTa copies of all such drawings and plans free of charge, upon request.
14. Reimburse NVTa for all NVTa funds (with interest earned at the rate earned by NVTa) that City of Falls Church, Virginia misapplied or used in contravention of Sections 33.2-2500 *et. seq.* of the Virginia Code ("the NVTa Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.
15. Name NVTa and its Bond Trustee or require that all City of Falls Church, Virginia 's contractors name NVTa or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of City of Falls Church, Virginia for the Project and present NVTa with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTa that City of Falls Church, Virginia may use NVTa funds to pay outside legal counsel services (as opposed to utilizing the services of its own in-house counsel or NVTa's in-house legal counsel) in connection with the work performed under this Agreement City of Falls Church, Virginia so as to ensure that no conflict of interest may arise from any such representation.
17. Provide certification to NVTa, that upon final payment to all contractors for the Project, City of Falls Church, Virginia will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTa be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts, unless superseded by the laws that govern City of Falls Church, Virginia.

19. Acknowledge that if the Project is being funded in whole or in part by NVTB Bond Proceeds, comply with the tax covenants attached as Appendix D.
20. Acknowledge that if City of Falls Church, Virginia expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system that City of Falls Church, Virginia agrees to comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that City of Falls Church, Virginia is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
22. Recognize that if City of Falls Church, Virginia is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTB funds and/or NVTB Bond Proceeds that City of Falls Church, Virginia will need to comply with all federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTB will not be a party or signatory to that Agreement; nor will NVTB have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTB no later than 90 days after final payment to the contractors that City of Falls Church, Virginia adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTB's Obligations

NVTB shall:

- I. Provide to City of Falls Church, Virginia the funding authorized by NVTB for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in

Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTa.

2. Assign a Program Coordinator for the Project. NVTa's Program Coordinator will be responsible for monitoring the Project on behalf of NVTa so as to ensure compliance with this Agreement and all NVTa's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTa's Executive Director and its Chief Financial Officer ("CFO") , all payment requisitions submitted by City of Falls Church, Virginia for the Project. NVTa's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.
3. Route to NVTa's assigned Program Coordinator all City of Falls Church, Virginia 's payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTa for the Project. After submission to NVTa, NVTa's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTa's Program Coordinator will then make a recommendation to the NVTa's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from City of Falls Church, Virginia . If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTa's Program Coordinator will notify City of Falls Church, Virginia in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTa have been corrected. Under no circumstances will NVTa authorize payment for any work performed by or on behalf of City of Falls Church, Virginia that is not in conformity with the requirements of the NVTa Act, Chapter 766, or this Agreement.

4. Route all City of Falls Church, Virginia 's supplemental requests for funding from NVTa under Paragraphs A.5 and A.8 of this Agreement to NVTa's Executive Director. NVTa's Executive Director will initially review those requests and all supporting documentation with NVTa's CFO. After such initial review, NVTa's Executive Director will make a recommendation to NVTa's Finance Committee for its independent consideration and review. NVTa's Finance Committee will thereafter make a recommendation on any such request to NVTa for final determination by NVTa.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTa Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of City of Falls Church, Virginia 's financial records for the Project and on -site inspections.
6. Acknowledge that if, as a result of NVTa's review of any payment requisition or of any NVTa compliance review, NVTa staff determines that City of Falls Church, Virginia has misused or misapplied any NVTa funds in derogation of this Agreement or in contravention of the NVTa Act, Chapter 766 or applicable law, NVTa staff will promptly advise NVTa's Executive Director and will advise City of Falls Church, Virginia 's designated representative in writing. City of Falls Church, Virginia will thereafter have thirty (30) days to respond in writing to NVTa's initial findings. NVTa's staff will review City of Falls Church, Virginia 's response and make a recommendation to NVTa's Finance Committee. NVTa's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTa. Pending final resolution of the matter, NVTa will withhold further funding on the Project. If NVTa makes a final determination that City of Falls Church, Virginia has misused or misapplied funds in contravention of this Agreement, the NVTa Act, Chapter 766, or other applicable law, NVTa will cease further funding for the Project and will seek reimbursement from City of Falls Church, Virginia of all funds previously remitted by NVTa (with interest earned at the rate earned by NVTa) which were misapplied or misused by City of Falls Church, Virginia . Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Make guidelines available to City of Falls Church, Virginia to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon recipient's final payment to all contractors, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.
2. City of Falls Church, Virginia may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by City of Falls Church, Virginia to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, City of Falls Church, Virginia shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.
3. NVTA may terminate this Agreement, for cause, resulting from City of Falls Church, Virginia's material breach of this Agreement. If so terminated, City of Falls Church, Virginia shall refund to NVTA all funds NVTA provided to City of Falls Church, Virginia for the Project (including interest earned at the rate earned by NVTA). NVTA will provide City of Falls Church, Virginia with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, City of Falls Church, Virginia may

request that NVTa excuse City of Falls Church, Virginia from refunding all funds NVTa provided to City of Falls Church, Virginia for the Project based upon City of Falls Church, Virginia's substantial completion of the Project or severable portions thereof; and NVTa may, in its sole discretion, excuse City of Falls Church, Virginia from refunding all or a portion of the funds NVTa provided to City of Falls Church, Virginia for the Project. No such request to be excused from refunding will be allowed where City of Falls Church, Virginia has either misused or misapplied NVTa funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, City of Falls Church, Virginia will release or return to NVTa all unexpended NVTa funds with interest earned at the rate earned by NVTa no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTa's Executive Director and City of Falls Church, Virginia's Chief Executive Officer or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTa and to City of Falls Church, Virginia's governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTa's Financial Interest in Project Assets

City of Falls Church, Virginia agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTa under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. NVTa shall retain a financial interest in the value of each of the of the Project Assets, whether any such Project Asset may have depreciated or appreciated, throughout its respective useful life proportionate to the amount of the cost of the Project Asset funded by NVTa under this

Agreement. In the event that City of Falls Church, Virginia fails to use any of the Project Assets funded under this Agreement for the transportation purposes as authorized by this Agreement or applicable law throughout its respective useful life, City of Falls Church, Virginia shall refund to NVTA with interest at the rate earned by NVTA the amount attributable to NVTA's proportionate financial interest in the value of said Project Asset. If City of Falls Church, Virginia refuses or fails to refund said monies to NVTA, NVTA may recover its proportionate financial interest from City of Falls Church, Virginia by pursuit of any remedies available to NVTA, including but not limited to NVTA's withholding of commensurate amounts from future distributions of NVTA funds to City of Falls Church, Virginia.

F. Appropriations Requirements

1. Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.
2. The parties acknowledge that all funding provided by NVTA pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTA Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTA Fund are subject to appropriation by the General Assembly and (ii) NVTA's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTA Fund by the General Assembly.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTA, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to City of Falls Church, Virginia, to the attention of its Grants Manage
300 Park Ave, Suite 100W
Falls Church, VA 22046 (address)

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

City of Falls Church, Virginia represents that it is not acting as a partner or agent of NVTA; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

City of Falls Church, Virginia (Name of Recipient Entity)

By: Myatt Stuid

Date: 11/13/14

Appendix A –Narrative Description of Project

Attach- Approved NVT A Project Description Sheet

NVTA Project Title: South Washington Pedestrian Access to Transit

Recipient Entity: City of Falls Church

Recipient Entity/Project Manager Contact Information: James Mak jmak@fallschurchva.gov
703.248.5105

NVTA Program Coordinator Contact information:

Project Scope
Only Complete if Different from the Approved NVTA Project Description Sheet

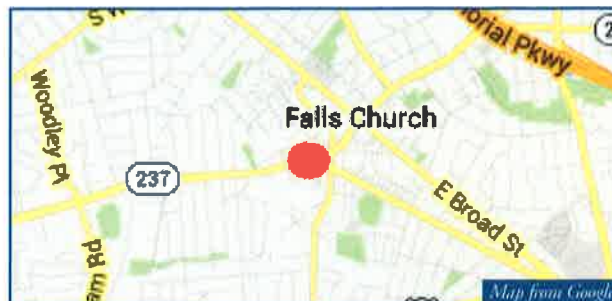
Detailed Scope of Services
Only Complete if Different from the Approved NVTA Project Description Sheet
Minor changes to the project schedule and phasing are expected from the originally submitted project sheet:
Phase 1A: Primary Pedestrian accessibility to the Intermodal Plaza – Tinner Hill to Annandale Preliminary Engineering: FY 2015, Construction Start FY 2015-16, Construction Complete: FY 2016-17
Phase 2: Additional Pedestrian Connections to Plaza – Tinner Hill to Annandale Preliminary Engineering: FY 2016-17 Construction: FY 2017-18



Project Description Form — 6C

Basic Project Information

1. **Submitting Agency:**
City of Falls Church
2. **Project Title:** Pedestrian Access to Transit
3. **Project Type:**
☐ Roadway ☐ Multimodal ☒ Transit
4. **Project Description/Scope:** This project will provide safer, more direct, and more attractive pedestrian connections to the Intermodal Plaza currently being designed for the intersection of South Washington Street and Hillwood Avenue in the City of Falls Church. Once completed, the plaza will serve as a focal point for bus transportation in the area and provide bicycle infrastructure, such as repair equipment. The plaza is located adjacent to several recent and ongoing redevelopment projects. Additional funds are required to complete the necessary pedestrian connections to the Intermodal plaza. These connections will increase ridership on transit lines that serve the Intermodal Plaza.
5. **Route (if applicable)/Corridor:**
Interstate 66 / Route 29 / Route 50 / Corridor 6
6. **Total Project Cost:** \$2,900,000
7. **Total Funds Required:** \$700,000



8. **Phase/s of Project Covered by Funding:** Design \$100,000, ROW \$30,000, Construction \$570,000
9. **Project Milestones (by phase, include all phases):**
 - Design Start: FY 2017
 - Design Complete: FY 2018
 - ROW Start: FY 2019
 - ROW Complete: FY 2019
 - Construction Start: FY 2020
 - Construction Complete: FY 2020
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
 Technical Report Page # 4 – 26. This project is part of the City of Falls Church intermodal transit plaza.
11. **In CLRP, TIP or Air Quality Neutral?**
Yes. Air Quality Neutral
12. **Leverages Sources:**
☐ Local ☒ State ☒ Federal
☐ Other (please explain)

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

Tier II 7 out of 8 points

Tier III Congestion Reduction Relative to Cost:

Plan ☐ CLRP ☒ TA2040 only **Rating** ☒ High ☐ Med ☐ Low

Stated Benefits

- 1. What regional benefit/s does this project offer?** The new plaza currently lacks key pedestrian connections along Route 29 to existing neighborhoods as well as recent mixed-use developments in the vicinity. These new pedestrian connections will provide better and safer routes throughout the local area, increasing pedestrian access to local activities. The new connections will also provide residents of Falls Church and Fairfax County better access to Metro Bus stops, which in turn will increase access to the East Falls Church Metro Station.
- 2. How does the project reduce congestion?** The intermodal plaza and associated pedestrian access improvements will expand transportation options for area residents, workers, and shoppers. Expanding travel options helps reduce congestion by enabling travelers to select modes other than automobile, thereby reducing congestion.
- 3. How does the project increase capacity? (*Mass transit projects only*)** In urban areas, most trips to and from transit are done on foot. The capacity of a transit system is therefore limited by how many people can walk to and from the stations. Making transit easier and faster to reach will increase the capacity of the transit system by making that transit accessible to more people. Increasing the pedestrian sheds or catchment areas of transit stations can be expected to have a significant impact as already nearly 20% of city residents use transit to get to and from work.
- 4. How does the project improve auto and pedestrian safety?** This project will improve pedestrian safety by shortening street-crossing distances, providing designated pedestrian signals, and marking additional crosswalks.
- 5. List internet address/link to any additional information or documentation in support of project benefits. (*Optional*)** N/A
- 6. Project Picture/Illustratives**



Figure 1: Existing Conditions



Figure 2: Proposed Intermodal Plaza

APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Access to Transit South Washington
 Recipient Entity: City of Falls Church
 Project Contact Information: Paul Stoddard, 703-248-5041

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$ 370,000.00		\$ -	SAFETEA-LU	\$ 370,000.00	\$ -
Engineering	\$ 514,606.00	\$ 50,000.00		SAFETEA-LU	\$ 464,606.00	
Environmental Work	\$ -					
Right-of-Way Acquisition	\$ 50,000.00	\$ 50,000.00				
Construction	\$ 1,580,000.00	\$ 550,000.00		SAFETEA-LU	\$ 1,030,000.00	
Contract Administration	\$ 80,000.00			SAFETEA-LU	\$ 80,000.00	
Testing Services	\$ -					
Inspection Services	\$ 100,587.00	\$ 40,000.00		SAFETEA-LU	\$ 60,587.00	
Capital Asset Acquisitions	\$ -					
Other	\$ 90,000.00	\$ 10,000.00		SAFETEA-LU	\$ 80,000.00	
Total Estimated Cost	\$ 2,785,193.00	\$ 700,000.00	\$ -	\$ -	\$ 2,085,193.00	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering	25,000.00		25,000.00							
Environmental Work										
Right-of-Way Acquisition	50,000.00									
Construction	300,000.00				250,000.00					
Contract Administration										
Testing Services										
Inspection Services	20,000.00				20,000.00					
Capital Asset Acquisitions										
Other	5,000.00				5,000.00					
Total Estimated Cost	\$ 400,000.00	\$ -	\$ 25,000.00	\$ -	\$ 275,000.00	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 15 Mthly Cash Flow		FY 16 Mthly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow		FY 19 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			\$ 5,000.00		\$ 250,000.00					
August										
September										
October			\$ 5,000.00		\$ 25,000.00					
November										
December	\$ 5,000.00									
January	\$ 10,000.00		\$ 5,000.00							
February	\$ 10,000.00									
March	\$ 75,000.00									
April	\$ 75,000.00		\$ 10,000.00							
May	\$ 75,000.00									
June	\$ 150,000.00									
Total per Fiscal Year	\$ 400,000.00	\$ -	\$ 25,000.00	\$ -	\$ 275,000.00	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official


Signature
 City Manager

Title
 11/13/14

Date
 WHATT SHIELDS

Print name of person signing

Northern Virginia Transportation Authority

Signature
 NVTA Executive Director

Title

Date

Print name of person signing

LEGISLATIVE UPDATE

Actions of the City Council for September 8, 2014

The following legislation was considered and acted upon by the City Council of the City of Falls Church. Copies of legislation are available from City Clerk Celeste Heath, cityclerk@fallschurchva.gov or 703-248-5014.

Legislation

- (1) (TO14-27) ORDINANCE TO AMEND CHAPTER 35 "STORMWATER," ARTICLE I "STORMWATER MANAGEMENT" OF THE FALLS CHURCH CITY CODE

- **Motion to adopt (TO14-27) PASSED on roll call vote, unanimously 7-0. (Ord. 1928)**

Consent Calendar

- (1) APPROVAL OF THE FY 2015 AND FY 2016 PERFORMANCE CONTRACT BETWEEN THE FAIRFAX-FALLS CHURCH COMMUNITY SERVICES BOARD AND THE COMMONWEALTH OF VIRGINIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES
- (2) AUTHORIZE THE EXPENDITURE OF UP TO \$275,000 ANNUALLY FOR THE PURCHASE OF UNLEADED FUEL PER AN EXISTING CONTRACT WITH JAMES RIVER SOLUTIONS, LLC AND AUTHORIZE THE CITY MANAGER TO ANNUALLY RENEW THE CONTRACT ON BEHALF OF THE CITY, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS BY CITY COUNCIL
- (3) AUTHORIZE THE CITY MANAGER TO EXECUTE, ON BEHALF OF THE CITY, PROJECT AGREEMENTS FOR NORTHERN VIRGINIA TRANSPORTATION AUTHORITY (NVTA) FUNDED PROJECT
- (4) (TR14-35) RESOLUTION APPOINTING CITY COUNCIL MEMBER KAREN OLIVER TO THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY (NVTA) PLANNING COORDINATION ADVISORY COMMITTEE (PCAC) FOR CALENDAR YEAR 2014 (Res. 2014-27)

- **MOTION TO APPROVE CONSENT ITEMS PASSED unanimously 7-0.**

Other Business – None.

Approval of Minutes –

(1) March 24, 2014

- Minutes were **APPROVED** unanimously on voice vote as revised.

Adjournment

Upon proper motion and unanimous voice vote, the meeting was ADJOURNED at 8:46 p.m.

Check List

	Legislation	Done
Agendas-Notices-Legislative Updates	Ord. 1928 Res. 2014-27	
Update Code Book	Ord. 1928	

The City of Falls Church is committed to the letter and spirit of the Americans with Disabilities Act. This document will be made available in alternate format upon request.
Call 703 248-5014 (TTY 711).

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Regional Funding Project 997-14-024-2-08 (Lorton Station Second Platform)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 997-14-024-2-08.
2. **Suggested motion.** *I move approval of the proposed Standard Project 997-14-024-2-08 (Lorton Station Second Platform), in accordance with NVTa's approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY2014 70% regional funds on July 24, 2013.
 - b. FY2014 Bond funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by Virginia Railway Express is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTa Project Number 997-14-024-2-08

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
NVTC/PRTC as joint owners and operators of VRE ("VRE")
(Recipient Entity)**

NVTA Project Number: 997-14-024-2-08

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this ____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and NVTC/PRTC as joint owners and operators of VRE ("VRE") ("Recipient Entity").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 48.2 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Virginia Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, _____ VRE _____ formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed _____ VRE _____'s application for funding and has approved _____ VRE _____'s administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by _____ VRE _____, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Virginia Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by _____ VRE _____ to finance the Project;

WHEREAS, NVTA agrees that _____ VRE _____ will design and/or construct the Project or perform such other specific work for the Project and _____ VRE _____ agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in the _____ VRE _____'s administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and _____ VRE _____'s governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto as Appendix E;.

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. Recipient Entity's Obligations

 VRE shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Ann. Sections 33.2-2510(A),(C)1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTAFunds specified on Appendix B to pay any Project cost if the NVTAFunds Act does not permit such Project cost to be paid with NVTAFunds.
5. Recognize that, if the Project contains "multiple phases" (as such "multiple phases" are defined for the Project on Appendix A), for which NVTAFunds will provide funding for such multiple phases (as set forth on Appendix B), NVTAFunds may not provide funding to VRE to advance the Project to the next phase until the current phase is completed. In any circumstance where VRE seeks to advance a Project to the next phase using NVTAFunds, VRE shall submit a written request to NVTAFunds's Executive Director explaining the need for NVTAFunds's funding of an advanced phase. NVTAFunds's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTAFunds's current and projected cash flow position and make a recommendation to NVTAFunds whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit VRE from providing its own funds to

advance a future phase of the Project and from requesting reimbursement from NVTa for having advance funded a future phase of the Project. However, _____ VRE _____ further recognizes that NVTa's reimbursement to _____ VRE _____ for having advance funded a Project phase will be dependent upon NVTa's cash flow position at the time such a request for reimbursement is submitted and to the extent that any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTa's Executive Director will periodically update NVTa's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. _____ VRE _____ shall provide all information required by NVTa so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTa requests for payment consistent with Appendix B and the most recently approved NVTa cash flow estimates that include NVTa's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTa and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTa, _____ VRE _____ can expect to receive payment within twenty (20) days upon receipt by NVTa. Approved payments may be made by means of electronic transfer of funds from NVTa to or for the account of _____ VRE _____.
8. Promptly notify NVTa's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTa detailed estimates of additional costs associated with those circumstances. _____ VRE _____ understands that it will be within NVTa's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTa will do so only in accordance with NVTa's approved Project Selection Process and upon formal action and approval by NVTa. _____ VRE _____ shall timely provide to NVTa a

complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTA no later than 90 days after final payment has been made to the contractors.
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to _____ VRE _____'s Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should _____ VRE _____ be required to provide matching funds in order to proceed or complete the funding necessary for the Project, _____ VRE _____ shall certify to NVTA that all such matching funds have been either authorized and/or appropriated by _____ VRE _____s governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations, unless superseded by the laws that govern _____ VRE _____ and provide copies of any such financial records to NVTA, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations, unless superseded by the laws that govern _____ VRE _____; and provide to NVTA copies of all such drawings and plans free of charge, upon request.
14. Reimburse NVTA for all NVTA funds (with interest earned at the rate earned by NVTA) that _____ VRE _____ misapplied or used in contravention of Sections 33.2-2500 *et. seq.* of the Virginia Code ("the NVTA Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.
15. Name NVTA and its Bond Trustee or require that all _____ VRE _____'s contractors name NVTA or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of _____ VRE _____ for the Project and present NVTA with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTA that _____ VRE _____ may use NVTA funds to pay outside legal counsel services (as opposed to utilizing the services of its own in-house counsel or NVTA's in-house legal counsel) in connection with the work performed under this Agreement _____ VRE _____ so as to ensure that no conflict of interest may arise from any such representation.
17. Provide certification to NVTA, that upon final payment to all contractors for the Project, _____ VRE _____ will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTA be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts, unless superseded by the laws that govern _____ VRE _____.

19. Acknowledge that if the Project is being funded in whole or in part by NVTAs Bond Proceeds, comply with the tax covenants attached as Appendix D.
20. Acknowledge that if _____ VRE _____ expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system that _____ VRE _____ agrees to comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that _____ VRE _____ is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
22. Recognize that if _____ VRE _____ is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTAs funds and/or NVTAs Bond Proceeds that _____ VRE _____ will need to comply with all federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTAs will not be a party or signatory to that Agreement; nor will NVTAs have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTAs no later than 90 days after final payment to the contractors that _____ VRE _____ adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTAs Obligations

NVTAs shall:

- I. Provide to _____ VRE _____ the funding authorized by NVTAs for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in

Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.

2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by _____ VRE _____ for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.
3. Route to NVTA's assigned Program Coordinator all _____ VRE _____'s payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from _____ VRE _____. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify _____ VRE _____ in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of _____ VRE _____ that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.

4. Route all _____ VRE _____'s supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of _____ VRE _____'s financial records for the Project and on -site inspections.
6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that _____ VRE _____ has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise _____ VRE _____'s designated representative in writing. _____ VRE _____ will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review _____ VRE _____'s response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that _____ VRE _____ has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from _____ VRE _____ of all funds previously remitted by NVTA (with interest earned at the rate earned by NVTA) which were misapplied or misused by _____ VRE _____. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.

7. Make guidelines available to _____ VRE _____ to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon recipient's final payment to all contractors, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.
2. _____ VRE _____ may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by _____ VRE _____ to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, _____ VRE _____ shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.
3. NVTA may terminate this Agreement, for cause, resulting from _____ VRE _____'s material breach of this Agreement. If so terminated, _____ VRE _____ shall refund to NVTA all funds NVTA provided to _____ VRE _____ for the Project (including interest earned at the rate earned by NVTA). NVTA will provide _____ VRE _____ with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, _____ VRE _____ may

request that NVTa excuse _____ VRE _____ from refunding all funds NVTa provided to _____ VRE _____ for the Project based upon _____ VRE _____'s substantial completion of the Project or severable portions thereof; and NVTa may, in its sole discretion, excuse _____ VRE _____ from refunding all or a portion of the funds NVTa provided to _____ VRE _____ for the Project. No such request to be excused from refunding will be allowed where _____ VRE _____ has either misused or misapplied NVTa funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, _____ VRE _____ will release or return to NVTa all unexpended NVTa funds with interest earned at the rate earned by NVTa no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTa's Executive Director and _____ VRE _____'s Chief Executive Officer or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTa and to _____ VRE _____'s governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTa's Financial Interest in Project Assets

_____ VRE _____ agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTa under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. NVTa shall retain a financial interest in the value of each of the of the Project Assets, whether any such Project Asset may have depreciated or appreciated, throughout its respective useful life proportionate to the amount of the cost of the Project Asset funded by NVTa under this

Agreement. In the event that _____ VRE _____ fails to use any of the Project Assets funded under this Agreement for the transportation purposes as authorized by this Agreement or applicable law throughout its respective useful life, _____ VRE _____ shall refund to NVT A with interest at the rate earned by NVT A the amount attributable to NVT A's proportionate financial interest in the value of said Project Asset. If _____ VRE _____ refuses or fails to refund said monies to NVT A, NVT A may recover its proportionate financial interest from _____ VRE _____ by pursuit of any remedies available to NVT A, including but not limited to NVT A's withholding of commensurate amounts from future distributions of NVT A funds to _____ VRE _____.

F. Appropriations Requirements

1. Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.
2. The parties acknowledge that all funding provided by NVT A pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVT A Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVT A Fund are subject to appropriation by the General Assembly and (ii) NVT A's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVT A Fund by the General Assembly.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVT A, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to _____ VRE _____, to the attention of Doug Allen, CEO
1500 King Street, Suite 202
Alexandria, VA 22314 (address)

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

_____ VRE _____ represents that it is not acting as a partner or agent of NVT; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

NVTC/PRTC as joint owners and operators of VRE (V) (Name of Recipient Entity)

By: 

Date: 10/31/2014

Appendix A –Narrative Description of Project

Attach- Approved NVTA Project Description Sheet

NVTA Project Title: VRE Lorton Station Second Platform

Recipient Entity: Virginia Railway Express

Recipient Entity/Project Manager Contact Information: Norine Walker

Email: nwalker@vre.org

Phone: 703-838-5443

NVTA Program Coordinator Contact information:

Project Scope
Only Complete if Different from the Approved NVTA Project Description Sheet

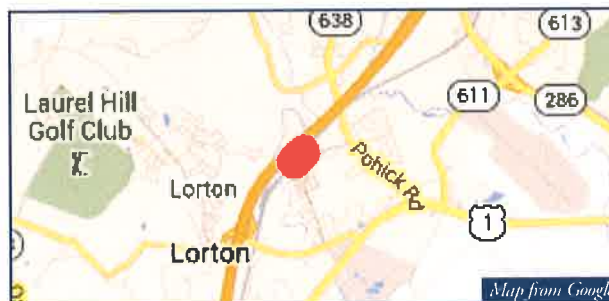
Detailed Scope of Services
Only Complete if Different from the Approved NVTA Project Description Sheet



Project Description Form — 8L

Basic Project Information

1. **Submitting Agency:**
Virginia Railway Express (VRE)
2. **Project Title:** VRE Lorton Station Second Platform
3. **Project Type:**
☐ Roadway ☐ Multimodal ☒ Transit
4. **Project Description/Scope:** This project includes final design and construction of a 650 foot second platform at the VRE Lorton Station in Fairfax County to accommodate trains up to 8 cars in length.
5. **Route (if applicable)/Corridor:**
I-95 / I-395 / US 1 / Corridor 8
6. **Total Project Cost:** \$9,240,000
7. **Total Funds Required:** \$7,900,000
8. **Phase/s of Project Covered by Funding:** Final design, construction



9. **Project Milestones (by phase, include all phases):**
 - NEPA and preliminary engineering: Complete
 - Final design/permitting*: FY 2014
 - Construction Start*: FY 2014
 - Construction Complete: FY 2015

*Final design, permitting and construction start within 12 months of receipt of funding.
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
 Yes, CLRP. Yes, TIP, ID # 2810
12. **Leverages Sources:**
☐ Local ☐ State ☐ Federal
☐ Other (please explain)

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

Tier II 6 out of 8 points

Tier III Congestion Reduction Relative to Cost:

Plan ☒ CLRP ☐ TA2040 only **Rating** ☒ High ☐ Med ☐ Low

Stated Benefits

- 1. What regional benefit/s does this project offer?** The Lorton VRE Station is a regional transit hub, serving not only VRE trains but also Fairfax Connector local and regional (Tysons Corner) destinations. The requested funding expedites the delivery of the project. The project will modify the VRE station to add a second platform that will enable it to service longer trains with higher passenger loads from either side of the railroad right-of-way (ROW). The Lorton second platform is part of the overall VRE plan to expand Fredericksburg Line station capacity to be able to serve as many stations as possible from either side of the railroad ROW which expands VRE operational flexibility and supports the maintenance of on-time performance (OTP). Second platforms are already in place on the Fredericksburg Line at Alexandria, Franconia-Springfield and Woodbridge. Maintaining high levels of OTP and service predictability are crucial to sustain and grow commuter rail ridership and retain VRE as a viable regional travel option.

The station serves the VRE Fredericksburg Line and is the destination for an estimated 306 VRE riders (612 trips) each day, including federal/military employees at Fort Belvoir and is the most frequent rider destination outside of the VRE Alexandria-Arlington-DC core stations. Of that total, VRE surveys indicate that 4% are from Prince William County, 45% are from Stafford County and 46% are from the Fredericksburg area and points south. In addition, the station is the origin location for approximately 4.4% of Fredericksburg Line riders or 225 persons (450 trips), the majority who reside in Fairfax County. The project will benefit riders from all VRE Fredericksburg Line member jurisdictions, including jurisdictions beyond the NVTa boundaries.
- 2. How does the project reduce congestion?** VRE helps reduce regional congestion by providing an alternative commuting mode to the single occupancy vehicle. Two VRE trains in an hour carry the equivalent capacity as one lane of traffic on I-95/I-395. By supporting expansion of VRE capacity in the region, the project expands the capacity of the I-95/I-395/US 1 travel corridor and contributes to the reduction of regional congestion.
- 3. How does the project increase capacity?** (*Mass transit projects only*) The project will increase platform/boarding capacity at the station. It also expands operational capacity for VRE and freight trains between the Lorton and the Woodbridge Station second platform as these stations are located between two universal interlocking rail crossovers as well as within the overall regional CSX rail corridor when combined with the dual platform capacity at Alexandria, Franconia-Springfield, Woodbridge and the planned second platform at the Rippon station.
- 4. How does the project improve auto and pedestrian safety?** Commuter Rail is one of the safest modes of travel. Automobile and pedestrian safety is improved in the region by directly moving commuters and their vehicles from freeway system (one of the most dangerous) and other regional roads to commuter rail (one of the safest ways to commute). At the station level, the second platform and associated grade-separated pedestrian bridge improve pedestrian safety by providing a safe pathway and landing for pedestrians to utilize both tracks.
- 5. List internet address/link to any additional information or documentation in support of project benefits.** (*Optional*) The VRE annual Master Agreement survey documents VRE ridership characteristics including the number of riders destined for each station and riders origin jurisdiction. Survey results are available from VRE
- 6. Project Picture/Illustratives** Renderings of the proposed Lorton second platform can be found on the VRE web site at http://vre.org/about/projects/cip/Lorton_station/Lorton_station_expansion.html

APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: VRE Lorton Station Second Platform
 Recipient Entity: Virginia Railway Express (VRE)
 Project Contact Information: Norine Walker
 Email: nwalker@vre.org
 Phone: 701-838-5443

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work	\$ 1,139,000.00	\$ -	\$ 1,000,000	State grant	\$ 139,000	\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction	\$ 11,000,000		\$ 6,900,000	CMAQ	\$ 4,100,000	
Contract Administration						
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other (VMS, Cameras, etc.)	\$ 418,000			CMAQ	\$ 418,000	
Total Estimated Cost	\$ 12,557,000	\$ -	\$ 7,900,000	\$ -	\$ 4,657,000	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019	
	OTHER	Financed	OTHER	Financed	OTHER	Financed	PayGo	Financed	PayGo	Financed
Design Work	\$ 139,000	\$ 249,000	\$ -	\$ 751,000	\$ -	\$ -	\$ -	\$ -		
Engineering										
Environmental Work										
Right-of-Way Acquisition										
Construction	-	-	-	-	910,000	6,900,000	3,190,000	-		
Contract Administration										
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other (VMS, Cameras, etc.)	-	-	-	-	-	-	418,000	-	-	-
Total Estimated Cost	139,000	249,000	-	751,000	910,000	6,900,000	3,608,000	-	-	-

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 15 Mthly Cash Flow		FY 16 Mthly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow		FY 19 Qtrly Cash Flow	
	OTHER	Financed	OTHER	Financed	OTHER	Financed	OTHER	Financed	OTHER	Financed
July	\$ -	\$ -	\$ -	\$ 83,000						
August	\$ -	\$ -	\$ -	\$ 83,000						
September	\$ -	\$ -	\$ -	\$ 83,000	\$ -	\$ -	\$ 2,640,000	\$ -		
October	\$ 139,000	\$ -	\$ -	\$ 83,000						
November	\$ -	\$ -	\$ -	\$ 83,000						
December	\$ -	\$ -	\$ -	\$ 83,000	\$ -	\$ 1,320,000	\$ 968,000	\$ -		
January	\$ -	\$ -	\$ -	\$ 83,000						
February	\$ -	\$ -	\$ -	\$ 83,000						
March	\$ -	\$ -	\$ -	\$ 87,000	\$ -	\$ 2,530,000	\$ -	\$ -		
April	\$ -	\$ 83,000	\$ -	\$ -						
May	\$ -	\$ 83,000	\$ -	\$ -						
June	\$ -	\$ 83,000	\$ -	\$ -	\$ 910,000	\$ 3,050,000	\$ -	\$ -		
Total per Fiscal Year	\$ 139,000	\$ 249,000	\$ -	\$ 751,000	\$ 910,000	\$ 6,900,000	\$ 3,608,000	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Doug Allen
 Signature

10/31/2014
 Title

Doug Allen
 Date
 Print name of person signing

Northern Virginia Transportation Authority

 Signature
 NVTA Executive Director

 Title

 Date
 Print name of person signing

VRE Lorton Station Second Platform - Appendix B - Back-up Information

PROJECT COSTS				
<i>Cost Categories</i>	<i>Amount</i>	<i>Funding Source</i>	<i>Amount</i>	<i>Comments</i>
Design Work		# 73009-60 (state/Fairfax match)	139,000	Preliminary eng. (complete)
Engineering	1,139,000	VA-95-X046/ #72510-74 & #72510-67	518,000	Construction
Construction	11,000,000	Other CMAQ funds	4,000,000	Construction and VMS/cameras
Contract Administration		NVTA	7,900,000	100% design and construction
Testing Services				
Inspection Services			12,557,000	
Other (VMS, cameras, etc)	418,000			
TOTAL	12,557,000			

ANNUAL CASH FLOW					
	FY 2015	FY 2016	FY 2017	FY 2018	TOTAL
Engineering	388,000	751,000	-	-	1,139,000
Construction	-	-	7,810,000	3,190,000	11,000,000
Other (VMS, Cameras, etc)	-	-	-	418,000	418,000
	388,000	751,000	7,810,000	3,608,000	12,557,000

COSTS			SOURCE OF FUNDS			
Engineering	Construct. & Other	Total	139,000 State/Ffx	4,518,000 CMAQ	7,900,000 NVTA	12,557,000 TOTAL
Jul-14						
Oct-14 (Costs to date)	139,000	139,000	139,000	-	-	139,000
Nov-14	-	-	-	-	-	-
Dec-14	-	-	-	-	-	-
Jan-15	-	-	-	-	-	-
Feb-15	-	-	-	-	-	-
Mar-15	-	-	-	-	-	-
Apr-15	83,000	83,000	-	-	83,000	83,000
May-15	83,000	83,000	-	-	83,000	83,000
Jun-15	83,000	83,000	-	-	83,000	83,000
Jul-15						
Aug-15	83,000	83,000	-	-	83,000	83,000
Sep-15	83,000	83,000	-	-	83,000	83,000
Oct-15	83,000	83,000	-	-	83,000	83,000
Nov-15	83,000	83,000	-	-	83,000	83,000
Dec-15	83,000	83,000	-	-	83,000	83,000
Jan-16	83,000	83,000	-	-	83,000	83,000
Feb-16	83,000	83,000	-	-	83,000	83,000
Mar-16	87,000	87,000	-	-	87,000	87,000
Apr-16	-	-	-	-	-	-
May-16	-	-	-	-	-	-
Jun-16	-	-	-	-	-	-
Jul-16						
Aug-16	-	-	-	-	-	-
Sep-16	-	-	-	-	-	-
Oct-16	-	-	-	-	-	-
Nov-16	-	550,000	-	-	550,000	550,000
Dec-16	-	770,000	-	-	770,000	770,000
Jan-17	-	770,000	-	-	770,000	770,000
Feb-17	-	770,000	-	-	770,000	770,000
Mar-17	-	990,000	-	-	990,000	990,000
Apr-17	-	1,320,000	-	-	1,320,000	1,320,000
May-17	-	1,320,000	-	-	1,320,000	1,320,000
Jun-17	-	1,320,000	-	910,000	410,000	1,320,000
Jul-17						
Aug-17	-	770,000	-	770,000	-	770,000
Sep-17	-	550,000	-	550,000	-	550,000
Oct-17	-	550,000	-	550,000	-	550,000
Nov-17	-	209,000	-	209,000	-	209,000
Dec-17	-	209,000	-	209,000	-	209,000
Sub-totals	1,139,000	11,418,000	139,000	4,518,000	7,900,000	12,557,000
Chk						

APPENDIX D

TAX COVENANTS

The Recipient Entity will not permit more than five percent of the total amount of NVTA Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons. Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this paragraph. In addition, a loan may arise from the direct lending of NVTA Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

The Recipient Entity agrees not to requisition or spend NVTA Bond Proceeds for any Project Cost not constituting a Capital Expenditure.

Except as may be described in Appendix B, the Recipient Entity neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Recipient Entity is receiving NVTA Bond Proceeds.

The Recipient Entity acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by NVTA to the contractors/vendors or (ii) the Recipient Entity remits payment to the contractors/vendors within five banking days after the date on which NVTA advances the amount of the requisition. NVTA may request the detailed information in order to compute the rebate liability to the U.S. Treasury on NVTA's bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

"Capital Expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

"Federal Government" means the government of the United States and its agencies or instrumentalities.

"Financed Property" means the property financed by the NVTA Bond Proceeds.

"General Public Use" means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not

engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

"Governmental Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"NVTB Bond Proceeds" means, as used herein, the sale proceeds of any NVTB bonds or other debt instrument and the investment earnings on such proceeds, collectively.

"Nongovernmental Person" mean any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

"Private Business Use" means a use of the NVTB Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of NVTB Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with the Recipient Entity. Examples of the types of special legal entitlements resulting in Private Business Use of Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including (i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and

(iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person.

"Service Contract" means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

"Trade or Business" has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.

**Virginia Railway Express
Operations Board**

**Resolution
8I-3-2014**

**Recommendation that Commissions Authorize
Execution of NVT A Project Agreements**


WHEREAS, the passage of House Bill (HB) 2313 requires the NVT A to fund highway projects that contribute to congestion relief and emergency evacuation or mass transit capital projects that increase capacity; and,


WHEREAS, NVT A approved an initial FY 2014 project list in July 2013 that included funding for VRE projects; and,

WHEREAS, NVT A has developed a Standard Project Agreement for Funding and Administration that will be executed for each approved project.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer of VRE to make any necessary corrections to project amounts or descriptions for the initial FY 2014 projects, and to execute the agreements for Gainesville-Haymarket expansion project development, Lorton station second platform project and the Alexandria station tunnel and platform improvements project on behalf of the Commissions.

Approved this 21st day of March 2014


Gary Skinner
Secretary


Paul Milde
Chairman



Resolution #2243

SUBJECT: Authorize the VRE CEO to Execute Northern Virginia Transportation Authority (NVTA) Project Agreements.

WHEREAS: The passage of House Bill (HB) 2313 requires the Northern Virginia Transportation Authority (NVTA) to fund highway projects that contribute to congestion relief and emergency evacuation or mass transit capital projects that increase capacity;

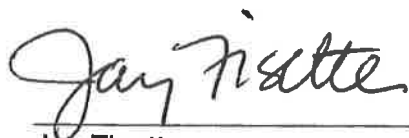
WHEREAS: NVTA approved an initial FY 2014 Project List in July 2013 that included funding for VRE projects;


WHEREAS: NVTA has developed a Standard Project Agreement for Funding and Administration that will be executed for each approved project; and

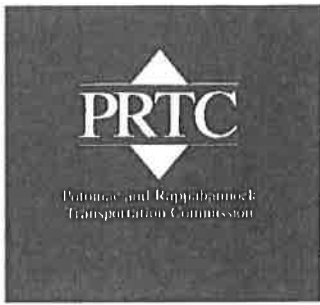
WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorize the VRE Chief Executive Officer to make any necessary corrections to project amounts or descriptions for the initial FY 2014 projects, and to execute the agreements for Gainesville-Haymarket expansion project development, Lorton station second platform project and the Alexandria station tunnel and platform improvements project on behalf of the Commissions.

Approved this 3rd day of April 2014.


Jay Fisette
Secretary-Treasurer


Paul C. Smedberg
Chairman



14700 Potomac Mills Road
Woodbridge, VA 22192

RESOLUTION

MOTION: LASCH

RESOLUTION NO. 14-04-06

SECOND: DURANY

**OFFICIAL COMMISSION MEETING
APRIL 3, 2014**

**RE: RECOMMENDATION THAT COMMISSIONS AUTHORIZE EXECUTION
OF NVT A PROJECT AGREEMENTS**

WHEREAS, the passage of House Bill (HB) 2313 requires the Northern Virginia Transportation Authority (NVT A) to fund highway projects that contribute to congestion relief and emergency evacuation or mass transit capital projects that increase capacity; and

WHEREAS, the NVT A approved an initial FY 2014 project list in July 2013 that included funding for VRE projects; and

WHEREAS, the NVT A has developed a Standard Project Agreement for Funding and Administration that will be executed for each approved project; and

WHEREAS, the VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the VRE Chief Executive Officer to make any necessary corrections to project amounts or descriptions for the initial FY 2014 projects, and to execute the agreements for Gainesville-Haymarket expansion project development, Lorton station second platform project and the Alexandria station tunnel and platform improvements project on behalf of the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission.

**POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION
OFFICIAL COMMISSION MEETING
RESOLUTION NO. 14-04-06
PAGE 2**

VOTES:

AYES:

**DURANY, JENKINS, JONES, KELLY, LASCH,
MAY, MILDE, MILLER, PITTARD, PRINCIPI,
THOMAS, WAY**

NAYS:

NONE

ABSTAIN:

NOHE

ABSENT DURING VOTE:

NONE

MEMBERS PRESENT:

**JENKINS, JONES, KELLY, MAY, MILDE,
MILLER, NOHE, PRINCIPI, THOMAS, WAY
ANDERSON, CADDIGAN, COVINGTON,
MITCHELL, PULLER, SKINNER, TRAMPE**

MEMBERS ABSENT:

ALTERNATES PRESENT:


DURANY, LASCH, PITTARD

ALTERNATES ABSENT:

**BARG, BOHMKE, HOWE, NADDONI, PAGE,
PARRISH, PATE, ROSS, SELLERS, STEWART,
WREN**

****CERTIFIED COPY****

APRIL 3, 2014



**ALFRED H. HARF
EXECUTIVE DIRECTOR**

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Regional Funding Project 995-14-025-3-03 (Route 28 Hot Spot Improvements – Loudoun Segment)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 995-14-025-3-03.
2. **Suggested motion.** *Contingent on the withdrawal of the July 24, 2014 approved Standard Project 107-14-009-3-03 (Route 28 Hot Spot Improvements – Loudoun Segment), I move approval of the proposed Standard Project 995-14-025-3-03 (Route 28 Hot Spot Improvements – Loudoun Segment), in accordance with NVTa's approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY2014 70% regional funds on July 24, 2013.
 - b. FY2014 Bond funding was also approved on July 24, 2013, the PayGo funding was approved January 23, 2014, and are available for the project.
 - c. The attached SPA presented by Virginia Department of Transportation is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTa Project Number 995-14-025-3-03

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
Virginia Department of Transportation**

NVTA Project Number: 995-14-025-3-03

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this _____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and VIRGINIA DEPARTMENT OF TRANSPORTATION ("VDOT").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 25 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Va. Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Va. Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, VDOT or another party acting on its behalf formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed Loudoun County's application for funding for the benefit of VDOT and has approved VDOT's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by VDOT, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Va. Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by The Commonwealth Transportation Board ("CTB") to finance the Project;

WHEREAS, NVTA agrees that VDOT will design and/or construct the Project or perform such other specific work for the Project and VDOT agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in VDOT's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and the VDOT Commissioner ("the Commissioner") have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E;

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

- I. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Sections 33.2-2510(A),(C) 1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTA funds specified on Appendix B to pay any Project cost if the NVTA Act does not permit such Project cost to be paid with NVTA funds.
5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which NVTA will provide funding for such multiple funding phases (as scheduled on Appendix B), NVTA may not accelerate funding to VDOT to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to NVTA's Executive Director explaining VDOT's reasons why NVTA should authorize acceleration to the next funding phase. NVTA's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTA's current and projected cash flow position and make a recommendation to NVTA whether to authorize VDOT's requested accelerated funding. Nothing herein, however, shall prohibit VDOT

from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, VDOT further recognizes that NVTA's reimbursement to VDOT for having advance funded a the Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. VDOT shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, VDOT can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of VDOT.
8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. VDOT understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. VDOT shall timely provide to NVTA a complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTa no later than 90 days after final Project payment has been made.
10. Review and acknowledge the requirements of NVTa Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to VDOT's Project: a) Prior to any NVTa funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTa member localities; b) any such funds released by NVTa for such project will be in addition to the funds that the NVTa member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTa until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTa.
11. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to the NVTa that such additional funds have been either authorized and/or appropriated by the CTB or the Virginia General Assembly as may be applicable or have been obtained through another independent source.
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations
13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
14. Reimburse NVTa for all NVTa funds and, to the extent permitted by law, with interest earned at the rate earned by NVTa that VDOT misapplied or used in contravention of Sections 33.2-2500 *et seq.*

of the Virginia Code, as amended, ("the NVTA Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.

15. Name NVTA and its Bond Trustee or require that all VDOT's contractors name NVTA and/or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of VDOT for the Project and present NVTA with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTA that VDOT may use NVTA funds to pay legal counsel (as opposed to utilizing the services of its own in-house counsel or NVTA's in-house legal counsel) in connection with the work performed under this Agreement VDOT so as to ensure that no conflict of interest may arise from any such representation.
17. Subject to and consistent with the requirements of Paragraph E of this Agreement, upon final payment to all contractors for the Project, VDOT will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTA be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions.
19. Acknowledge that if the Project is being funded in whole or in part by NVTA Bond Proceeds, the use of the proceeds complies with the tax covenants attached as Appendix D.
20. Acknowledge that it expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system and therefore VDOT will comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that VDOT is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.

22. Recognize that if VDOT is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTA funds and/or NVTA Bond Proceeds that VDOT will need to comply with all applicable federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTA will not be a party or signatory to that Agreement; nor will NVTA have any obligation to comply with the requirements of that Agreement.
 23. Provide a certification to NVTA no later than 90 days after final Project payment that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.
-

B. NVTA's Obligations

NVTA shall:

1. Provide to VDOT the funding authorized by NVTA for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.
2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.

3. Route to NVTA's assigned Program Coordinator all VDOT's payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's GFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.
4. Route all VDOT's supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of VDOT's financial records for the Project and on-site inspections.

6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that VDOT has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review VDOT's response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that VDOT has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from VDOT of all funds previously remitted by NVTA and, to the extent permitted by law, with interest earned at the rate earned by NVTA which were misapplied or misused by VDOT. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Make guidelines available to VDOT to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon VDOT's final Project payment, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by VDOT to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, VDOT shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.

3. NVTA may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to NVTA all funds NVTA provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by NVTA. NVTA will provide VDOT with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, VDOT may request that NVTA excuse VDOT from refunding all funds NVTA provided to VDOT for the Project based upon VDOT's substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds NVTA provided to VDOT for the Project. No such request to be excused from refunding will be allowed where VDOT has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, VDOT will release or return to NVTA all unexpended NVTA funds and, to the extent permitted by law, with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTAs Executive Director and The Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTAs Executive Director and to The Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTAs Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTAs Executive Director under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. If VDOT intends to sell, convey, or dispose any Project asset funded with NVTAs revenues or intends to use any Project asset for a purpose inconsistent with this Agreement, VDOT shall notify NVTAs Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, NVTAs Executive Director shall notify NVTAs Executive Director of VDOTs intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOTs proposed sale, conveyance, disposition, or use of any such Project asset(s) so as to ensure compliance with all applicable requirements of Chapter 766. All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to NVTAs Executive Director and the Commissioner for confirmation and ratification.

F. Appropriations Requirements

1. Nothing herein shall require or obligate NVTAs Executive Director to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body.

2. The parties acknowledge that all funding provided by NVTA pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTA Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTA Fund are subject to appropriation by the General Assembly and (ii) NVTA's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTA Fund by the General Assembly.

3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available for the purposes of this Agreement.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTA, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to: VDOT, to the attention of :
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

VDOT represents that it is not acting as a partner or agent of NVTa; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

Virginia Department of Transportation

By:  _____

Date: 12/4/14

Appendix A –Narrative Description of Project

Attach- Approved NVT A Project Description Sheet

NVT A Project Title: Route 28 Hot Spot Improvements (Loudoun Segment) (UPC 106651)

Recipient Entity: Virginia Department of Transportation

Recipient Entity/Project Manager Contact Information: Susan Shaw, PE 703-259-1995

NVT A Program Coordinator Contact information:

Project Scope
Only Complete if Different from the Approved NVT A Project Description Sheet

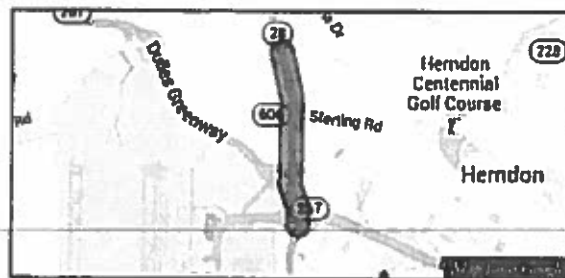
Detailed Scope of Services
Only Complete if Different from the Approved NVT A Project Description Sheet



Project Description Form — 3B

Basic Project Information

1. **Submitting Agency:**
Loudoun County
2. **Project Title:** Route 28 Hot Spot Improvements (Loudoun Segment)
3. **Project Type:**
☒ Roadway ☐ Multimodal ☐ Transit
4. **Project Description/Scope:** Route 28 Hot Spot Improvements – Loudoun Segment (Sterling Boulevard and the Dulles Toll Road) Route 28 Hot Spot Improvements – Loudoun Segment (Sterling Boulevard and the Dulles Toll Road) Route 28 is a major regional roadway connecting north and south areas and the Dulles Toll Road to the Dulles International Airport.
5. **Route (if applicable)/Corridor:**
Route 28 / Corridor 3
6. **Total Project Cost:** \$12,400,000
7. **Total Funds Required:** \$6,400,000 FY 2014; (\$6,000,000 in the 6 year plan)
8. **Phase/s of Project Covered by Funding:** Construction
9. **Project Milestones (by phase, include all phases):**
 - Design Complete: FY 2014
 - Construction Start: FY 2015 (portion funded with FY 2014 NVTAF funds)
 - Construction Complete: FY 2016



10. In TransAction 2040 plan?

☒ Yes ☐ No

11. In CLRP, TIP or Air Quality Neutral?

Yes. CLRP, ID # 1734

12. Leverages Sources:

☒ Local ☐ State ☐ Federal

☐ Other (please explain)

The landowners embraced by the Route 28 Tax District have been paying a tax premium since 1989 to improve Route 28. Their contribution has covered 75% of the cost to widen Route 28 from two to six lanes and to construct ten interchanges. The extra tax burden will remain in place through 2037. The final phase of the improvements is to widen Route 28 between Sterling Boulevard and Route 50 to eight lanes. In 2012 the Route 28 Commission authorized funding for the design of four "hot spot" areas that would relieve congestion.

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

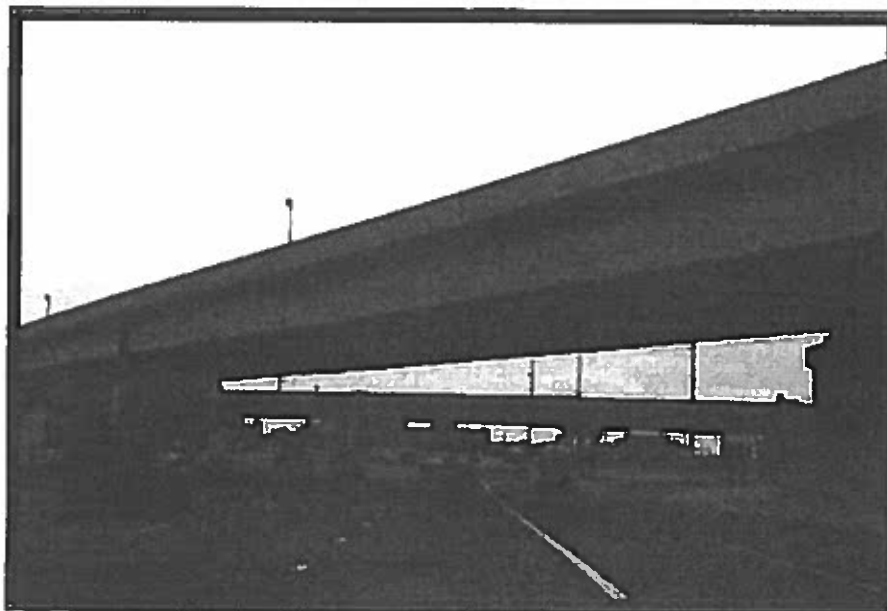
Tier III Congestion Reduction Relative to Cost:

Tier II 7 out of 8 points

Plan ☐ CLRP ☒ TA2040 only Rating ☒ High ☐ Med ☐ Low

Stated Benefits

1. **What regional benefit/s does this project offer?** This segment of Route 28 has been funded for design and is nearing 100% design completion by the Route 28 PPTA. If funded for construction, the work could begin after VDOT issues a notice to proceed to the Route 28 PPTA. Route 28 is a major regional roadway connecting north and south areas and the Dulles Toll Road to the Dulles International Airport.
2. **How does the project reduce congestion?** This is one of the major employment corridors in the county, including suburban office parks and providing access to the thousands of jobs at Dulles Airport. The primary congestion problems are in the vicinity of the Dulles Airport entrance. In this area, Route 28 and the Dulles Greenway are anticipated to be severely congested in 2030. More than 100,000 cars a day use the segment of Route 28 just north of the Dulles Toll Road. By 2012, transportation officials estimate that segment will carry 200,000 cars a day.
3. **How does the project increase capacity?** *(Mass transit projects only)* N/A
4. **How does the project improve auto and pedestrian safety?** Route 28 southbound is "stop and go" in the morning peak commuting hours. This often leads to increased crashes as cars speed up only to have to make abrupt stops as the traffic pattern constantly changes and traffic speeds vary with little advance warning.
5. **List internet address/link to any additional information or documentation in support of project benefits. (Optional)**
http://www.virginiadot.org/projects/northernvirginia/route_28_corridor_improvements_ppta_project.asp
6. **Project Picture/Illustratives**



A 4th Lane will provide added capacity and eliminate a lane drop in a critical section of Route 28

APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Route 28 Widening SB from Sterling Blvd to Dulles Toll Road
 Recipient Entity: VDOT - UPC 106651
 Project Contact Information: Susan Shaw

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work		\$ -	\$ -		\$ -	\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction	\$ 12,250,000	\$ 5,850,000	\$ 6,400,000			
Contract Administration	\$ 150,000	\$ 150,000				
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 12,400,000	\$ 6,000,000	\$ 6,400,000	\$ -	\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering										
Environmental Work										
Right-of-Way Acquisition										
Construction	\$ 2,025,000		\$ 3,825,000	\$ 6,400,000						
Contract Administration	\$ 20,000		\$ 130,000							
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other										
Total Estimated Cost	\$ 2,045,000	\$ -	\$ 3,955,000	\$ 6,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 15 Mthly Cash Flow		FY 16 Mthly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow		FY 19 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			\$ 1,240,000							
August			\$ 1,770,000							
September			\$ 945,000	\$ 850,000						
October				\$ 1,415,000						
November				\$ 1,125,000						
December				\$ 560,000						
January				\$ 280,000						
February				\$ 112,500						
March				\$ 277,500						
April				\$ 560,000						
May	\$ 985,000			\$ 810,000						
June	\$ 1,060,000			\$ 410,000						
Total per Fiscal Year	\$ 2,045,000		\$ 3,955,000	\$ 6,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Signature

Title

Date

Print name of person signing

Northern Virginia Transportation Authority

Signature

NVTA Executive Director

Title

Date

Print name of person signing

APPENDIX C

FORM OF REQUISITION

NVTA Project Number: _____

NVTA Project Title: _____

Draw Request Number: _____

Date: _____, 20____

Northern Virginia Transportation Authority
3040 Williams Drive
Suite 200
Fairfax, Virginia 22031

Attention _____, Program Coordinator:

This requisition, including required Detailed PayGo and/or Detailed NVTA Bond Proceeds Request Forms, is submitted in connection with the Standard Project Agreement for Funding and Administration dated _____, 20____ (the "Agreement") between the Northern Virginia Transportation Authority ("NVTA") and _____ (the "Recipient Entity"). The Recipient Entity hereby requests \$_____ of NVTA funds, to pay the costs of the Project set forth in the Attached Detailed PayGo and/or Detailed NVTA Bond Proceeds Request forms and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of the Recipient Entity's approved costs of the Project, (ii) the Recipient Entity is responsible for payment to vendors/contractors, (iii) the Recipient Entity is not in default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in Appendix D to the agreement, (iv) the representations and warranties made by the Recipient Entity in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of the Recipient Entity, no condition exists under the Agreement that would allow NVTA to withhold the requested advance.

RECIPIENT ENTITY

By: _____

Name: _____

Title: _____

Recommended For Payment

By: _____

Name: _____

Title: NVTA Program Coordinator

DETAILED NVTA BOND PROCEEDS REQUEST

Draw Request Number: _____
 NVTA Project Number: _____

Request Date: _____
 Project Title: _____

Cost Category	NVTA Approved Project Costs	NVTA Bond Proceeds Requests Previously Received	NVTA Bond Proceeds Requisition Amount this Period	Remaining NVTA Bond Proceeds Budget (Calculation)
Project Starting Balance	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$ -	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved NVTA Bond Proceed Project Cost per category.
2. Column C-Please list Total NVTA Bond Proceed Project Amounts per Category Previously Reimbursed by NVTA
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining Bonded Projects Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
2. Column C- Please list the invoice number as it appears on the Invoice
3. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
4. Column E- Please enter the dollar amount listed on the invoice.
5. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

DETAILED PAYGO REQUEST

Draw Request Number: _____ Request Date: _____
 NVT A Project Number: _____ Project Title: _____

Cost Category	NVT A Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$ -	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by NVT A
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
2. Column C- Please list the invoice number as it appears on the Invoice
3. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
4. Column E- Please enter the dollar amount listed on the invoice.
5. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

TAX COVENANTS

The Recipient Entity will not permit more than five percent of the total amount of NVTB Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons. Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this paragraph. In addition, a loan may arise from the direct lending of NVTB Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

The Recipient Entity agrees not to requisition or spend NVTB Bond Proceeds for any Project Cost not constituting a Capital Expenditure.

Except as may be described in Appendix B, the Recipient Entity neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Recipient Entity is receiving NVTB Bond Proceeds.

The Recipient Entity acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by NVTB to the contractors/vendors or (ii) the Recipient Entity remits payment to the contractors/vendors within five banking days after the date on which NVTB advances the amount of the requisition. NVTB may request the detailed information in order to compute the rebate liability to the U.S. Treasury on NVTB's bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

"Capital Expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

"Federal Government" means the government of the United States and its agencies or instrumentalities.

"Financed Property" means the property financed by the NVTB Bond Proceeds.

"General Public Use" means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not

engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

"Governmental Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"NVTB Bond Proceeds" means, as used herein, the sale proceeds of any NVTB bonds or other debt instrument and the investment earnings on such proceeds, collectively.

"Nongovernmental Person" mean any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

"Private Business Use" means a use of the NVTB Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of NVTB Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with the Recipient Entity. Examples of the types of special legal entitlements resulting in Private Business Use of Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including (i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and

(iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person.

"Service Contract" means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

"Trade or Business" has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940
Agenda item # 4

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

November 12, 2014

MOTION

Made By: Mr. Garczynski, Seconded By: Ms. Valentine

Action: Motion Carried, Unanimously

Title: Authorization for the Commissioner of Highways to enter into Standard Project Agreements between VDOT and the Northern Virginia Transportation Authority for NVTAFunded Projects

WHEREAS, the Virginia General Assembly, pursuant to Chapter 25 of Title 33.2 of the *Code of Virginia*, has established the Northern Virginia Transportation Authority (NVTAF), a political subdivision of the Commonwealth; and,

WHEREAS, the Virginia General Assembly, pursuant to §33.2-2509 of the *Code of Virginia*, has also established the Northern Virginia Transportation Authority Fund to fund transportation projects benefitting the counties, cities and towns embraced by the NVTAF; and,

WHEREAS, pursuant to § 33.2-2500, the NVTAF may enter into contracts or agreements with any federal, state, local or private entity to provide, or cause to be provided, transportation facilities to the area embraced by the NVTAF; and,

WHEREAS, §33.2-214 C of the *Code of Virginia* empowers the CTB to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes;

WHEREAS, VDOT and NVTAF have jointly prepared a standard project agreement template for the administration of those projects that are funded by NVTAF and are located wholly or in part on the state-maintained system of highways, identified as attachment A, outlining the general responsibilities of each party relating to the use of NVTAF funds and administration of the transportation project; and,

Resolution of the Commonwealth Transportation Board
Authorization for the Commissioner of Highways to Enter into Standard Project
Agreements between VDOT and the Northern Virginia Transportation Authority for
NVTAFunded Projects.
November 12, 2014
Page two of two

WHEREAS, given the similarities between administration of the NVTAFunded projects and locality funded projects administered by VDOT, and the need to ensure timely execution of the NVTAFunded project agreements, it is believed to be in the best interest of the Commonwealth to delegate to the Commissioner of Highways authority to enter into agreements as may be necessary with the NVTAFunded based on the standard project agreement template.

NOW, THEREFORE, BE IT RESOLVED, the Commonwealth Transportation Board hereby authorizes the Commissioner of Highways to enter into agreements with NVTAFunded as may be necessary to undertake the design, and construction of those transportation projects that are funded with NVTAFunded funds as are deemed necessary and are located wholly or in part on the state-maintained system of highways within the area encompassed by the Northern Virginia Transportation Authority, utilizing the template set forth in attachment A, with changes necessary to address project-specific details and to effectuate funding for such projects which shall be included in the Six-Year Plan.

####

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Regional Funding Project 995-14-026-1-03 (Route 28 Widening Dulles Toll Road to Route 50)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 995-14-026-1-03.
2. **Suggested motion.** *I move approval of the proposed Standard Project 995-14-026-1-03 (Route 28 Widening Dulles Toll Road to Route 50), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY2014 70% regional funds on July 24, 2013.
 - b. FY2014 PayGo funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by the Virginia Department of Transportation is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTAs Project Number 995-14-026-1-03

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
Virginia Department of Transportation**

NVTA Project Number: 995-14-026-1-03

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this ____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and VIRGINIA DEPARTMENT OF TRANSPORTATION ("VDOT").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 25 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Va. Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Va. Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, VDOT or another party acting on its behalf formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed Fairfax County's application for funding for the benefit of VDOT and has approved VDOT's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by VDOT, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Va. Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by The Commonwealth Transportation Board ("CTB") to finance the Project;

WHEREAS, NVTA agrees that VDOT will design and/or construct the Project or perform such other specific work for the Project and VDOT agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in VDOT's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and the VDOT Commissioner ("the Commissioner") have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E;.

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

1. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Sections 33.2-2510(A),(C) 1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTA funds specified on Appendix B to pay any Project cost if the NVTA Act does not permit such Project cost to be paid with NVTA funds.
5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which NVTA will provide funding for such multiple funding phases (as scheduled on Appendix B), NVTA may not accelerate funding to VDOT to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to NVTA's Executive Director explaining VDOT's reasons why NVTA should authorize acceleration to the next funding phase. NVTA's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTA's current and projected cash flow position and make a recommendation to NVTA whether to authorize VDOT's requested accelerated funding. Nothing herein, however, shall prohibit VDOT

from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, VDOT further recognizes that NVTA's reimbursement to VDOT for having advance funded a the Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which any such advanced funding is consistent with Appendix B.

-
6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. VDOT shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
 7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, VDOT can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of VDOT.
 8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. VDOT understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. VDOT shall timely provide to NVTA a complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTa no later than 90 days after final Project payment has been made.
10. Review and acknowledge the requirements of NVTa Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to VDOT's Project: a) Prior to any NVTa funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTa member localities; b) any such funds released by NVTa for such project will be in addition to the funds that the NVTa member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTa until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTa.
11. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to the NVTa that such additional funds have been either authorized and/or appropriated by the CTB or the Virginia General Assembly as may be applicable or have been obtained through another independent source.
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations
13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
14. Reimburse NVTa for all NVTa funds and, to the extent permitted by law, with interest earned at the rate earned by NVTa that VDOT misapplied or used in contravention of Sections 33.2-2500 *et seq.*

of the Virginia Code, as amended, ("the NVTA Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.

15. Name NVTA and its Bond Trustee or require that all VDOT's contractors name NVTA and/or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of VDOT for the Project and present NVTA with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTA that VDOT may use NVTA funds to pay legal counsel (as opposed to utilizing the services of its own in-house counsel or NVTA's in-house legal counsel) in connection with the work performed under this Agreement VDOT so as to ensure that no conflict of interest may arise from any such representation.
17. Subject to and consistent with the requirements of Paragraph E of this Agreement, upon final payment to all contractors for the Project, VDOT will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTA be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions.
19. Acknowledge that if the Project is being funded in whole or in part by NVTA Bond Proceeds, the use of the proceeds complies with the tax covenants attached as Appendix D.
20. Acknowledge that it expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system and therefore VDOT will comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that VDOT is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.

22. Recognize that if VDOT is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTA funds and/or NVTA Bond Proceeds that VDOT will need to comply with all applicable federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTA will not be a party or signatory to that Agreement; nor will NVTA have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTA no later than 90 days after final Project payment that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTA's Obligations

NVTA shall:

- I. Provide to VDOT the funding authorized by NVTA for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTA.
2. Assign a Program Coordinator for the Project. NVTA's Program Coordinator will be responsible for monitoring the Project on behalf of NVTA so as to ensure compliance with this Agreement and all NVTA's requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO"), all payment requisitions submitted by VDOT for the Project. NVTA's Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.

3. Route to NVTA's assigned Program Coordinator all VDOT's payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.
4. Route all VDOT's supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of VDOT's financial records for the Project and on-site inspections.

6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that VDOT has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review VDOT's response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that VDOT has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from VDOT of all funds previously remitted by NVTA and, to the extent permitted by law, with interest earned at the rate earned by NVTA which were misapplied or misused by VDOT. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Make guidelines available to VDOT to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon VDOT's final Project payment, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by VDOT to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, VDOT shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.

3. NVTA may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to NVTA all funds NVTA provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by NVTA. NVTA will provide VDOT with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, VDOT may request that NVTA excuse VDOT from refunding all funds NVTA provided to VDOT for the Project based upon VDOT's substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds NVTA provided to VDOT for the Project. No such request to be excused from refunding will be allowed where VDOT has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, VDOT will release or return to NVTA all unexpended NVTA funds and, to the extent permitted by law, with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTA's Executive Director and The Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to The Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTA's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTA under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. If VDOT intends to sell, convey, or dispose any Project asset funded with NVTA revenues or intends to use any Project asset for a purpose inconsistent with this Agreement, VDOT shall notify NVTA's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, NVTA's Executive Director shall notify NVTA of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Project asset(s) so as to ensure compliance with all applicable requirements of Chapter 766. All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to NVTA and the Commissioner for confirmation and ratification.

F. Appropriations Requirements

1. Nothing herein shall require or obligate NVTA to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body.

2. The parties acknowledge that all funding provided by NVTA pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTA Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTA Fund are subject to appropriation by the General Assembly and (ii) NVTA's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTA Fund by the General Assembly.

3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available for the purposes of this Agreement.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTA, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to: VDOT, to the attention of :
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

VDOT represents that it is not acting as a partner or agent of NVTa; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

Virginia Department of Transportation

By:  _____

Date: 12/4/14

Appendix A –Narrative Description of Project

Attach- Approved NVT A Project Description Sheet

NVT A Project Title: Route 28 Widening SB from Dulles Toll Road to Route 50 (UPC 106652)

Recipient Entity: Virginia Department of Transportation

Recipient Entity/Project Manager Contact Information: Susan Shaw, PE 703-259-1995

NVT A Program Coordinator Contact information:

Project Scope
Only Complete if Different from the Approved NVT A Project Description Sheet

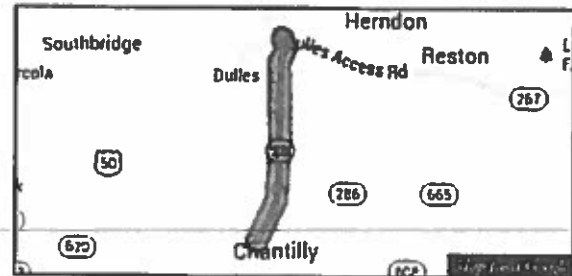
Detailed Scope of Services
Only Complete if Different from the Approved NVT A Project Description Sheet



Project Description Form — 3D

Basic Project Information

1. **Submitting Agency:**
Fairfax County
2. **Project Title:** Route 28 Widening SB from Dulles Toll Road to Route 50
3. **Project Type:**
☒ Roadway ☐ Multimodal ☐ Transit
4. **Project Description/Scope:** Widen Route 28 from 3 to 4 lanes Southbound from the Dulles Toll Road to Route 50.
5. **Route (if applicable)/Corridor:**
Route 28 / Corridor 3
6. **Total Project Cost:** \$22,200,000
7. **Total Funds Required:** \$20,000,000
8. **Phase/s of Project Covered by Funding:** Design/Build



9. **Project Milestones (by phase, include all phases):**
 - Environmental Documentation: Complete
 - Design Start: FY 2010
 - Design Complete: FY 2013
 - ROW Complete: FY 2014
 - Construction Start: Late spring 2014
 - Construction Complete: Late 2015
10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
Yes. CLRP, ID # 1734
12. **Leverages Sources:**
☒ Local ☐ State ☐ Federal
☐ Other (please explain)
Design was funded with \$ 2,200,000 in Route 28 Tax District funds.

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

Tier III Congestion Reduction Relative to Cost:

Tier II 7 out of 8 points

Plan ☒ CLRP ☐ TA2040 only

Rating ☒ High ☐ Med ☐ Low

Stated Benefits

1. **What regional benefit/s does this project offer?** This project provides additional capacity on a highly congested north-south corridor that provides travel within and between three counties in northern Virginia, as well as connections to the Dulles International Airport and major east-west highways such as I-66, Route 50, and the Dulles Toll Road/Greenway. Route 28 is a significant technology corridor in both Fairfax and Loudoun counties. The current Average Daily Traffic count of 111,000 vehicles puts this facility at a Level of Service (LOS) E, which is very congested for freeway conditions.
2. **How does the project reduce congestion?** The project provides an additional travel lane for vehicles on this heavily congested corridor. Expansion to 4 lanes southbound would improve the facility from LOS E to LOS D. This project will not preclude future consideration of High-Occupancy-Vehicle (HOV) travel.
3. **How does the project increase capacity?** (*Mass transit projects only*) N/A
4. **How does the project improve auto and pedestrian safety?** By adding an additional lane for capacity and reducing congestion, the project reduces the occurrence of vehicular conflicts. There are no pedestrian facilities on this limited access freeway.
5. **List internet address/link to any additional information or documentation in support of project benefits. (Optional)**

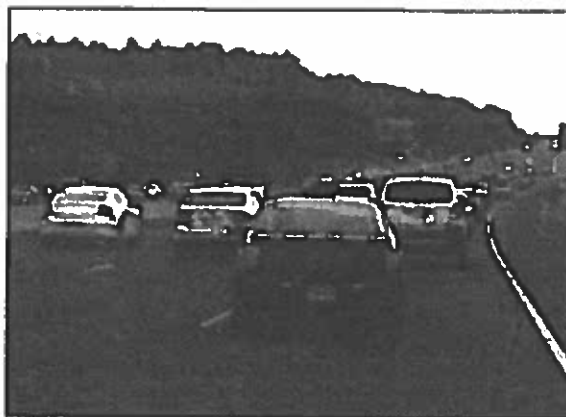
The project is in conformance with Transportation element of the Fairfax County Comprehensive Plan, and is consistent with the Loudoun County Transportation Plan.

Fairfax County Comp Plan: <http://www.fairfaxcounty.gov/dpz/comprehensiveplan/>

6. Project Picture/Illustratives



Route 28 Southbound Approaching Route 50



Route 28 Southbound Air & Space Museum Parkway

APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Route 28 Widening SB from Dulles Toll Road to Route 50
 Recipient Entity: VDOT - UPC 106652
 Project Contact Information: Susan Shaw

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work		\$ -	\$ -			\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction	\$ 19,795,000	\$ 19,795,000				
Contract Administration	\$ 205,000	\$ 205,000				
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 20,000,000	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering										
Environmental Work										
Right-of-Way Acquisition										
Construction	\$ 2,130,000		\$ 12,490,000		\$ 5,175,000					
Contract Administration	\$ 20,000		\$ 145,000		\$ 40,000					
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other										
Total Estimated Cost	\$ 2,150,000	\$ -	\$ 12,635,000	\$ -	\$ 5,215,000	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 15 Mthly Cash Flow		FY 16 Mthly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow		FY 19 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			\$ 1,795,000		\$ 1,120,000					
August			\$ 1,695,000		\$ 1,120,000					
September			\$ 1,695,000		\$ 890,000					
October			\$ 1,695,000		\$ 805,000					
November			\$ 1,125,000		\$ 805,000					
December			\$ 860,000		\$ 475,000					
January			\$ 280,000							
February			\$ 112,500							
March			\$ 277,500							
April			\$ 860,000							
May	\$ 1,035,000		\$ 1,120,000							
June	\$ 1,115,000		\$ 1,120,000							
Total per Fiscal Year	\$ 2,150,000	\$ -	\$ 12,635,000	\$ -	\$ 5,215,000	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Signature

Title

Date

Print name of person signing

Northern Virginia Transportation Authority

Signature

NVTA Executive Director

Title

Date

Print name of person signing

APPENDIX C

FORM OF REQUISITION

NVTA Project Number: _____
NVTA Project Title: _____
Draw Request Number: _____

Date: _____, 20____

Northern Virginia Transportation Authority
3040 Williams Drive
Suite 200
Fairfax, Virginia 22031

Attention _____, Program Coordinator:

This requisition, including required Detailed PayGo and/or Detailed NVTA Bond Proceeds Request Forms, is submitted in connection with the Standard Project Agreement for Funding and Administration dated _____, 20____ (the "Agreement") between the Northern Virginia Transportation Authority ("NVTA") and _____ (the "Recipient Entity"). The Recipient Entity hereby requests \$ _____ of NVTA funds, to pay the costs of the Project set forth in the Attached Detailed PayGo and/or Detailed NVTA Bond Proceeds Request forms and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of the Recipient Entity's approved costs of the Project, (ii) the Recipient Entity is responsible for payment to vendors/contractors, (iii) the Recipient Entity is not in default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in Appendix D to the agreement, (iv) the representations and warranties made by the Recipient Entity in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of the Recipient Entity, no condition exists under the Agreement that would allow NVTA to withhold the requested advance.

RECIPIENT ENTITY

By: _____
Name: _____
Title: _____

Recommended For Payment

By: _____
Name: _____
Title: NVTA Program Coordinator

DETAILED NVTA BOND PROCEEDS REQUEST

Draw Request Number: _____
 NVTA Project Number: _____

Request Date: _____
 Project Title: _____

Cost Category	NVTA Approved Project Costs	NVTA Bond Proceeds Requests Previously Received	NVTA Bond Proceeds Requisition Amount this Period	Remaining NVTA Bond Proceeds Budget (Calculation)
Project Starting Balance	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$ -	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved NVTA Bond Proceed Project Cost per category.
2. Column C-Please list Total NVTA Bond Proceed Project Amounts per Category Previously Reimbursed by NVTA
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining Bonded Projects Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
2. Column C- Please list the invoice number as it appears on the Invoice
3. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
4. Column E- Please enter the dollar amount listed on the invoice.
5. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

DETAILED PAYGO REQUEST

Draw Request Number: _____

Request Date: _____

NVTA Project Number: _____

Project Title: _____

Cost Category	NVTA Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$ -	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by NVTA
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
2. Column C- Please list the invoice number as it appears on the Invoice
3. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
4. Column E- Please enter the dollar amount listed on the invoice.
5. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

TAX COVENANTS

The Recipient Entity will not permit more than five percent of the total amount of NVTB Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons. Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this paragraph. In addition, a loan may arise from the direct lending of NVTB Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

The Recipient Entity agrees not to requisition or spend NVTB Bond Proceeds for any Project Cost not constituting a Capital Expenditure.

Except as may be described in Appendix B, the Recipient Entity neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Recipient Entity is receiving NVTB Bond Proceeds.

The Recipient Entity acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by NVTB to the contractors/vendors or (ii) the Recipient Entity remits payment to the contractors/vendors within five banking days after the date on which NVTB advances the amount of the requisition. NVTB may request the detailed information in order to compute the rebate liability to the U.S. Treasury on NVTB's bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

"Capital Expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

"Federal Government" means the government of the United States and its agencies or instrumentalities.

"Financed Property" means the property financed by the NVTB Bond Proceeds.

"General Public Use" means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not

engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

"Governmental Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"NVTB Bond Proceeds" means, as used herein, the sale proceeds of any NVTB bonds or other debt instrument and the investment earnings on such proceeds, collectively.

"Nongovernmental Person" mean any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

"Private Business Use" means a use of the NVTB Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of NVTB Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with the Recipient Entity. Examples of the types of special legal entitlements resulting in Private Business Use of Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including (i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and

(iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person.

"Service Contract" means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

"Trade or Business" has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940
Agenda item # 4

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

November 12, 2014

MOTION

Made By: Mr. Garczynski, Seconded By: Ms. Valentine

Action: Motion Carried, Unanimously

Title: Authorization for the Commissioner of Highways to enter into Standard Project Agreements between VDOT and the Northern Virginia Transportation Authority for NVTAFunded Projects

WHEREAS, the Virginia General Assembly, pursuant to Chapter 25 of Title 33.2 of the *Code of Virginia*, has established the Northern Virginia Transportation Authority (NVTAF), a political subdivision of the Commonwealth; and,

WHEREAS, the Virginia General Assembly, pursuant to §33.2-2509 of the *Code of Virginia*, has also established the Northern Virginia Transportation Authority Fund to fund transportation projects benefitting the counties, cities and towns embraced by the NVTAF; and,

WHEREAS, pursuant to § 33.2-2500, the NVTAF may enter into contracts or agreements with any federal, state, local or private entity to provide, or cause to be provided, transportation facilities to the area embraced by the NVTAF; and,

WHEREAS, §33.2-214 C of the *Code of Virginia* empowers the CTB to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes;

WHEREAS, VDOT and NVTAF have jointly prepared a standard project agreement template for the administration of those projects that are funded by NVTAF and are located wholly or in part on the state-maintained system of highways, identified as attachment A, outlining the general responsibilities of each party relating to the use of NVTAF funds and administration of the transportation project; and,

Resolution of the Commonwealth Transportation Board
Authorization for the Commissioner of Highways to Enter into Standard Project
Agreements between VDOT and the Northern Virginia Transportation Authority for
NVTa Funded Projects.
November 12, 2014
Page two of two

WHEREAS, given the similarities between administration of the NVTa funded projects and locality funded projects administered by VDOT, and the need to ensure timely execution of the NVTa-funded project agreements, it is believed to be in the best interest of the Commonwealth to delegate to the Commissioner of Highways authority to enter into agreements as may be necessary with the NVTa based on the standard project agreement template.

NOW, THEREFORE, BE IT RESOLVED, the Commonwealth Transportation Board hereby authorizes the Commissioner of Highways to enter into agreements with NVTa as may be necessary to undertake the design, and construction of those transportation projects that are funded with NVTa funds as are deemed necessary and are located wholly or in part on the state-maintained system of highways within the area encompassed by the Northern Virginia Transportation Authority, utilizing the template set forth in attachment A, with changes necessary to address project-specific details and to effectuate funding for such projects which shall be included in the Six-Year Plan.

####

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Regional Funding Project 995-14-027-1-03 (Route 28 Widening McLearen Road to Dulles Toll Road)

1. **Recommendation.** Approval of attached Standard Project Agreement (SPA) 995-14-027-1-03.
2. **Suggested motion.** *I move approval of the proposed Standard Project 995-14-027-1-03 (Route 28 Widening McLearen Road to Dulles Toll Road), in accordance with NVTAs approved Project Description Sheets for each project to be funded as appended to the Standard Project Agreements; and that the Executive Director sign it on behalf of the Authority.*
3. **Background.**
 - a. The Authority previously approved this project for funding using FY2014 70% regional funds on July 24, 2013.
 - b. FY2014 PayGo funding was also approved on July 24, 2013 and is available for the project.
 - c. The attached SPA presented by the Virginia Department of Transportation is consistent with the project previously approved by the Authority.
 - d. The attached SPA has been reviewed by the Council of Counsels, noting that there were no legal issues.

Attachment: SPA for NVTAs Project Number 995-14-027-1-03

Coordination: Council of Counsels

**Standard Project Agreement for Funding and Administration
between
Northern Virginia Transportation Authority
and
Virginia Department of Transportation**

NVTA Project Number: 995-14-027-1-03

This Standard Project Agreement for Funding and Administration ("this Agreement") is made and executed in duplicate on this _____ day of _____, 20__, as between the Northern Virginia Transportation Authority ("NVTA") and VIRGINIA DEPARTMENT OF TRANSPORTATION ("VDOT").

WITNESSETH

WHEREAS, NVTA is a political subdivision of the Commonwealth of Virginia created by the Northern Virginia Transportation Authority Act ("the NVTA Act"), Chapter 25 of Title 33.2 of the Code of Virginia, as amended;

WHEREAS, Section 33.2-2500(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilities and services to the area embraced by NVTA;

WHEREAS, Section 33.2-2509 of the Code of Virginia authorizes NVTA to use funds from a fund established pursuant to that Code section (the "NVTA Fund") in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Va. Code Section 33.2-2510;

WHEREAS, the NVTA Fund provides for the deposit therein of certain dedicated revenues and other funds appropriated by the Virginia General Assembly;

WHEREAS, Section 33.2-2510 of the Code of Virginia authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA debt issuances ("NVTA Bond Proceeds") to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendix A to this Agreement ("the Project") satisfies the requirements of Va. Code Section 33.2-2510;

WHEREAS, the Project is to be financed, as described in Appendix B, in whole or in part, by funds from the NVTA Fund and/or from NVTA Bond Proceeds, is located within a locality embraced by NVTA's geographical borders, or is located in an adjacent locality, but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, VDOT or another party acting on its behalf formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has reviewed Fairfax County's application for funding for the benefit of VDOT and has approved VDOT's administration and performance of the Project's described scope of work;

WHEREAS, based on the information provided by VDOT, NVTA has determined that the Project complies with all requirements of the NVTA Act related to the use of moneys identified in Va. Code Sections 33.2-2510(A)(C)1 and all other applicable legal requirements;

WHEREAS, the funds to be provided by NVTA described in Appendix B have been duly authorized and directed by The Commonwealth Transportation Board ("CTB") to finance the Project;

WHEREAS, NVTA agrees that VDOT will design and/or construct the Project or perform such other specific work for the Project and VDOT agrees that it will perform such work on the terms and conditions set forth in this Agreement and the Appendices appended thereto;

WHEREAS, both parties have concurred in VDOT's administration, performance, and completion of the Project on the terms and conditions set forth in this Agreement and its Appendices and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and the VDOT Commissioner ("the Commissioner") have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes or such other official authorizing documents which are appended hereto as Appendix E;

NOW THEREFORE, in consideration of the promises made mutual covenants, and agreements contained herein, the parties hereto agree as follows:

A. VDOT's Obligations

VDOT shall:

- I. Complete or perform all said work as described in Appendix A, advancing such work diligently and ensuring that all work is completed in accordance with all applicable federal, state, and local laws and regulations, and all terms and conditions of this Agreement.
2. Ensure that all work performed or to be performed under this Agreement is in accordance with the Project Description Sheets attached to Appendix A and complies with Va. Code Sections 33.2-2510(A),(C) 1.
3. Perform or have performed, and remit all payment requisitions and other requests for funding for design and engineering, including all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisitions for the Project, as is required by this Agreement and that may be necessary for completion of the Project.
4. Not use the NVTA funds specified on Appendix B to pay any Project cost if the NVTA Act does not permit such Project cost to be paid with NVTA funds.
5. Recognize that, if the Project contains "multiple funding phases" (as such "multiple funding phases" are set out for the Project on Appendix A), for which NVTA will provide funding for such multiple funding phases (as scheduled on Appendix B), NVTA may not accelerate funding to VDOT to advance the funding schedule for the Project. In any circumstance where VDOT seeks to advance the funding schedule for the Project, VDOT shall submit a written request to NVTA's Executive Director explaining VDOT's reasons why NVTA should authorize acceleration to the next funding phase. NVTA's Executive Director will thereafter review the circumstances underlying the request in conjunction with Appendix B and NVTA's current and projected cash flow position and make a recommendation to NVTA whether to authorize VDOT's requested accelerated funding. Nothing herein, however, shall prohibit VDOT

from providing its own funds to advance a future funding phase of the Project and from requesting reimbursement from NVTA for having advance funded a future phase of the Project. However, VDOT further recognizes that NVTA's reimbursement to VDOT for having advance funded a the Project phase will be dependent upon NVTA's cash flow position at the time such a request for reimbursement is submitted and may be dependent upon the extent to which- any such advanced funding is consistent with Appendix B.

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates with the objective toward keeping those estimates accurate throughout the life of the Project. VDOT shall provide all information required by NVTA so as to ensure and facilitate accurate cash flow estimates and accurate updates to those cash flow estimates throughout the life of the Project as described in Appendix B.
7. Provide to NVTA requests for payment consistent with Appendix B and the most recently approved NVTA cash flow estimates that include NVTA's standard payment requisition(s), containing detailed summaries of actual project costs incurred with supporting documentation as determined by NVTA and that certify all such costs were incurred in the performance of work for the Project as authorized by this Agreement. Each payment requisition shall be in substantially the same form as set forth in Appendix C of this Agreement. If approved by NVTA, VDOT can expect to receive payment within twenty (20) days upon receipt by NVTA. Approved payments may be made by means of electronic transfer of funds from NVTA to or for the account of VDOT.
8. Promptly notify NVTA's Executive Director of any additional project costs resulting from unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances. VDOT understands that it will be within NVTA's sole discretion whether to provide any additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. VDOT shall timely provide to NVTA a complete and accurate update to Appendix B, if NVTA approves funding of any additional Project costs for the Project under this Paragraph.

9. Release or return any unexpended funds to NVTA no later than 90 days after final Project payment has been made.
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to VDOT's Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should VDOT be required to provide additional funds in order to proceed or complete the funding necessary for the Project, VDOT shall certify to the NVTA that such additional funds have been either authorized and/or appropriated by the CTB or the Virginia General Assembly as may be applicable or have been obtained through another independent source.
12. Maintain complete and accurate financial records relative to the Project for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations
13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations.
14. Reimburse NVTA for all NVTA funds and, to the extent permitted by law, with interest earned at the rate earned by NVTA that VDOT misapplied or used in contravention of Sections 33.2-2500 *et seq.*

of the Virginia Code, as amended, ("the NVTA Act") Chapter 766 of the 2013 Virginia Acts of Assembly ("Chapter 766"), or any term or condition of this Agreement.

15. Name NVTA and its Bond Trustee or require that all VDOT's contractors name NVTA and/or its Bond Trustee as an additional insured on any insurance policy issued for the work to be performed by or on behalf of VDOT for the Project and present NVTA with satisfactory evidence thereof before any work on the Project commences or continues.
16. Give notice to NVTA that VDOT may use NVTA funds to pay legal counsel (as opposed to utilizing the services of its own in-house counsel or NVTA's in-house legal counsel) in connection with the work performed under this Agreement VDOT so as to ensure that no conflict of interest may arise from any such representation.
17. Subject to and consistent with the requirements of Paragraph E of this Agreement, upon final payment to all contractors for the Project, VDOT will use the Project for its intended purposes for the duration of the Project's useful life. Under no circumstances will NVTA be considered responsible or obligated to operate and/or maintain the Project after its completion.
18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions.
19. Acknowledge that if the Project is being funded in whole or in part by NVTA Bond Proceeds, the use of the proceeds complies with the tax covenants attached as Appendix D.
20. Acknowledge that it expects and/or intends that the Project is to be submitted for acceptance by the Commonwealth into its system and therefore VDOT will comply with the Virginia Department of Transportation's ("VDOT's") "Standards, Requirements and Guidance."
21. Recognize that VDOT is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the Project, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.

22. Recognize that if VDOT is funding the Project, in whole or in part, with federal and/or state funds, in addition to NVTAs funds and/or NVTAs Bond Proceeds that VDOT will need to comply with all applicable federal and Commonwealth funding requirements, including but not limited to, the completion and execution of VDOT's Standard Project Administration Agreement and acknowledges that NVTAs will not be a party or signatory to that Agreement; nor will NVTAs have any obligation to comply with the requirements of that Agreement.
23. Provide a certification to NVTAs no later than 90 days after final Project payment that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.

B. NVTAs Obligations

NVTAs shall:

1. Provide to VDOT the funding authorized by NVTAs for design work, engineering, including all environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or capital asset acquisition(s) on a reimbursement basis as set forth in this Agreement and as specified in the Project Budget and Cash Flow contained in Appendix B to this Agreement or the most updated amendment thereto, as approved by NVTAs.
2. Assign a Program Coordinator for the Project. NVTAs Program Coordinator will be responsible for monitoring the Project on behalf of NVTAs so as to ensure compliance with this Agreement and all NVTAs requirements and with overseeing, managing, reviewing, and processing, in consultation with NVTAs Executive Director and its Chief Financial Officer ("CFO") , all payment requisitions submitted by VDOT for the Project. NVTAs Program Coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth on Appendix A or to the Project Budget and Cash Flow as set forth on Appendix B.

3. Route to NVTA's assigned Program Coordinator all VDOT's payment requisitions, containing detailed summaries of actual Project costs incurred which are in substantially the same form as shown on Appendix C submitted to NVTA for the Project. After submission to NVTA, NVTA's Program Coordinator will conduct an initial review of all payment requisitions and supporting documentation for the Project in order to determine the submission's legal and documentary sufficiency. NVTA's Program Coordinator will then make a recommendation to the NVTA's CFO and Executive Director whether to authorize payment, refuse payment, or seek additional information from VDOT. If the payment requisition is sufficient as submitted, payment will be made within twenty (20) days from receipt. If the payment requisition is deemed insufficient, within twenty (20) days from receipt, NVTA's Program Coordinator will notify VDOT in writing and set forth the reasons why the payment requisition was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payment for any work performed by or on behalf of VDOT that is not in conformity with the requirements of the NVTA Act, Chapter 766, or this Agreement.
4. Route all VDOT's supplemental requests for funding from NVTA under Paragraphs A.5 and A.8 of this Agreement to NVTA's Executive Director. NVTA's Executive Director will initially review those requests and all supporting documentation with NVTA's CFO. After such initial review, NVTA's Executive Director will make a recommendation to NVTA's Finance Committee for its independent consideration and review. NVTA's Finance Committee will thereafter make a recommendation on any such request to NVTA for final determination by NVTA.
5. Conduct periodic compliance reviews scheduled in advance for the Project so as to determine whether the work being performed remains within the scope of this Agreement, the NVTA Act, Chapter 766, and other applicable law. Such compliance reviews may entail review of VDOT's financial records for the Project and on-site inspections.

6. Acknowledge that if, as a result of NVTA's review of any payment requisition or of any NVTA compliance review, NVTA staff determines that VDOT has misused or misapplied any NVTA funds in derogation of this Agreement or in contravention of the NVTA Act, Chapter 766 or applicable law, NVTA staff will promptly advise NVTA's Executive Director and will advise VDOT's designated representative in writing. VDOT will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review VDOT's response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that VDOT has misused or misapplied funds in contravention of this Agreement, the NVTA Act, Chapter 766, or other applicable law, NVTA will cease further funding for the Project and will seek reimbursement from VDOT of all funds previously remitted by NVTA and, to the extent permitted by law, with interest earned at the rate earned by NVTA which were misapplied or misused by VDOT. Nothing herein shall, however, be construed as denying, restricting or limiting the pursuit of either party's legal rights or available legal remedies.
7. Make guidelines available to VDOT to assist the parties in carrying out the terms of this Agreement in accordance with applicable law.
8. Upon VDOT's final Project payment, retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and as may be required by other applicable records retention laws and regulations.
9. Be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project and the amounts of any NVTA funds to be provided in excess of the amounts specified in Appendix B.

C. Term

1. This Agreement shall be effective upon adoption and execution by both parties.

2. VDOT may terminate this Agreement, for cause, in the event of a material breach by NVTA of this Agreement. If so terminated, NVTA shall pay for all Project costs incurred through the date of termination and all reasonable costs incurred by VDOT to terminate all Project related contracts. The Virginia General Assembly's failure to appropriate funds to NVTA as described in paragraph F of this Agreement or repeal of the legislation establishing the NVTA fund created pursuant to Chapter 766 shall not be considered material breaches of this Agreement by NVTA. Before initiating any proceedings to terminate under this Paragraph, VDOT shall give NVTA sixty (60) days written notice of any claimed material breach of this Agreement; thereby allowing NVTA an opportunity to investigate and cure any such alleged breach.

3. NVTA may terminate this Agreement, for cause, resulting from VDOT's material breach of this Agreement. If so terminated, VDOT shall refund to NVTA all funds NVTA provided to VDOT for the Project and, to the extent permitted by law, with interest earned at the rate earned by NVTA. NVTA will provide VDOT with sixty (60) days written notice that NVTA is exercising its rights to terminate this Agreement and the reasons for termination. Prior to termination, VDOT may request that NVTA excuse VDOT from refunding all funds NVTA provided to VDOT for the Project based upon VDOT's substantial completion of the Project or severable portions thereof; and NVTA may, in its sole discretion, excuse VDOT from refunding all or a portion of the funds NVTA provided to VDOT for the Project. No such request to be excused from refunding will be allowed where VDOT has either misused or misapplied NVTA funds in contravention of applicable law.

4. Upon termination and payment of all eligible expenses as set forth in Paragraph C.3 above, VDOT will release or return to NVTA all unexpended NVTA funds and, to the extent permitted by law, with interest earned at the rate earned by NVTA no later than sixty (60) days after the date of termination.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of a third party or judicial intervention. NVTA's Executive Director and The Commissioner shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to The Commissioner for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. NVTA's Interest in Project Assets

VDOT agrees to use the real property and appurtenances and fixtures thereto, capital assets, equipment and all other transportation facilities that are part of the Project and funded by NVTA under this Agreement ("Project Assets") for the designated transportation purposes of the Project under this Agreement and in accordance with applicable law throughout the useful life of each Project Asset. If VDOT intends to sell, convey, or dispose any Project asset funded with NVTA revenues or intends to use any Project asset for a purpose inconsistent with this Agreement, VDOT shall notify NVTA's Executive Director in writing of any such intent before further action is taken by VDOT in furtherance thereof. Upon receiving notification from VDOT, NVTA's Executive Director shall notify NVTA of VDOT's intended action(s). The parties shall, thereafter, meet and confer to discuss what measures need to be taken regarding VDOT's proposed sale, conveyance, disposition, or use of any such Project asset(s) so as to ensure compliance with all applicable requirements of Chapter 766. All recommendations and/or proposed remedial actions developed by the parties' designated representatives during the meet and confer process shall be formally presented to NVTA and the Commissioner for confirmation and ratification.

F. Appropriations Requirements

1. Nothing herein shall require or obligate NVTA to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by its governing body.

2. The parties acknowledge that all funding provided by NVTa pursuant to Chapter 766 is subject to appropriation by the Virginia General Assembly. The parties further acknowledge that: (i) the moneys allocated to the NVTa Fund pursuant to Va. Code Ann. Sections 58.1-638, 58.1-802.2, and 58.1-1742 and any other moneys that the General Assembly appropriates for deposit into the NVTa Fund are subject to appropriation by the General Assembly and (ii) NVTa's obligations under this Agreement are subject to such moneys being appropriated for deposit in the NVTa Fund by the General Assembly.

3. The parties agree that VDOT's obligations under this Agreement are subject to funds being appropriated by the General Assembly and allocated by the Commonwealth Transportation Board and otherwise legally available for the purposes of this Agreement.

G. Notices

All notices under this Agreement to either party shall be in writing and forwarded to the other party by U.S. mail, care of the following authorized representatives:

- 1) to: NVTa, to the attention of its Executive Director;
3040 Williams Drive, Suite 200
Fairfax, VA 22031
- 2) to: VDOT, to the attention of :
Commissioner, Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

H. Assignment

This Agreement shall not be assigned by either party unless express written consent is given by the other party.

I. Modification or Amendment

This Agreement may be modified, in writing, upon mutual agreement of both parties.

J. No Personal Liability or Creation of Third Party Rights

This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

K. No Agency

VDOT represents that it is not acting as a partner or agent of NVTA; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

L. Sovereign Immunity

This Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

M. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are expressly made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

N. Mutual Preparation and Fair Meaning

The parties acknowledge that this Agreement has been prepared on behalf of all parties thereto and shall be construed in accordance with its fair meaning and not strictly construed for or against either party.

O. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

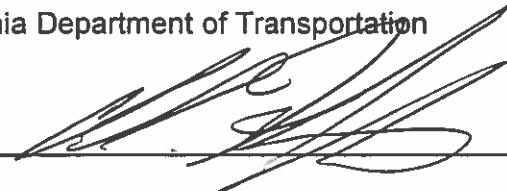
IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

Northern Virginia Transportation Authority

By: _____

Date: _____

Virginia Department of Transportation

By:  _____

Date: 12/4/14

Appendix A –Narrative Description of Project

Attach- Approved NVT A Project Description Sheet

NVTA Project Title: Route 28 Widening NB from McLearen Road to Dulles Toll Road (UPC 106655)

Recipient Entity: Virginia Department of Transportation

Recipient Entity/Project Manager Contact Information: Susan Shaw, PE 703-259-1995

NVTA Program Coordinator Contact information:

Project Scope

Only Complete if Different from the Approved NVTA Project Description Sheet

Detailed Scope of Services

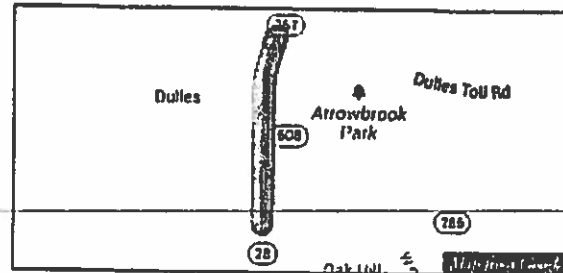
Only Complete if Different from the Approved NVTA Project Description Sheet



Project Description Form — 3C

Basic Project Information

1. **Submitting Agency:**
Fairfax County
2. **Project Title:** Route 28 Widening NB from McLearen Road to Dulles Toll Road
3. **Project Type:**
☒ Roadway ☐ Multimodal ☐ Transit
4. **Project Description/Scope:** Widen Route 28 from 3 to 4 lanes Northbound from McLearen Road to the Dulles Toll Road.
5. **Route (if applicable)/Corridor:**
Route 28 / Corridor 3
6. **Total Project Cost:** \$13,300,000
7. **Total Funds Required:** \$11,100,000
8. **Phase/s of Project Covered by Funding:** Design/Build
9. **Project Milestones (by phase, include all phases):**
 - Environmental Documentation: Complete
 - Design Start: FY 2010
 - Design Complete: FY 2013
 - ROW Complete: FY 2014
 - Construction Start: Spring 2014
 - Construction Complete: Winter 2015



10. **In TransAction 2040 plan?**
☒ Yes ☐ No
11. **In CLRP, TIP or Air Quality Neutral?**
Yes. CLRP ID # 1734
12. **Leverages Sources:**
☒ Local ☐ State ☐ Federal
☐ Other (please explain)
Design was funded with \$ 2,200,000 in Route 28 Tax District funds.

PROJECT ANALYSIS

Tier I ☒ Pass ☐ Fail

Tier III Congestion Reduction Relative to Cost:

Tier II 7 out of 8 points

Plan ☒ CLRP ☐ TA2040 only

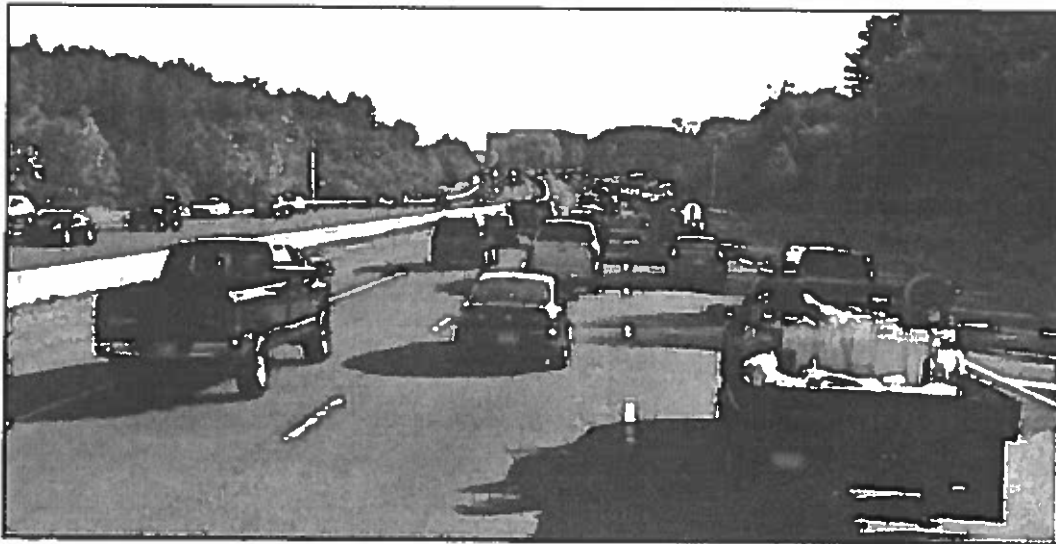
Rating ☒ High ☐ Med ☐ Low

Stated Benefits

1. **What regional benefit/s does this project offer?** This project provides additional capacity on a highly congested north-south corridor that provides travel within and between three counties in Virginia, as well as connections to the Dulles International Airport and major east-west highways such as I-66, Route 50, and the Dulles Toll Road/Greenway. Route 28 is a significant technology corridor in both Fairfax and Loudoun counties. The current Average Daily Traffic count of 111,000 vehicles puts this facility at a Level of Service (LOS) E, which is very congested for freeway conditions.
2. **How does the project reduce congestion?** The project provides an additional travel lane for vehicles on this heavily congested corridor. Expansion to 4 lanes northbound would improve the facility from LOS E to LOS D. This project will not preclude future consideration of High-Occupancy-Vehicle (HOV) travel.
3. **How does the project increase capacity?** (*Mass transit projects only*) N/A
4. **How does the project improve auto and pedestrian safety?** By adding an additional lane for capacity and reducing congestion, the project reduces the occurrence of vehicular conflicts. There are no pedestrian facilities on this limited access freeway.
5. **List internet address/link to any additional information or documentation in support of project benefits.** (*Optional*)
The project is in conformance with Transportation element of the Fairfax County Comprehensive Plan, and is consistent with the Loudoun County Transportation Plan.

Fairfax County Comp Plan: <http://www.fairfaxcounty.gov/dpz/comprehensiveplan/>

6. Project Picture/Illustratives



Route 28 Northbound

APPENDIX B-PROJECT BUDGET & CASH FLOW

PROJECT IDENTIFICATION AND PROPOSED FUNDING

NVTA Project Title: Route 28 Widening NB from McLearen Road to Dulles Toll Road
 Recipient Entity: VDOT - UPC 106655
 Project Contact Information: Susan Shaw

PROJECT COSTS & FUNDING SOURCE

Project Cost Category	Total Project Costs	NVTA PayGo Funds	NVTA Financed Funds	Description Other Sources of Funds	Amount Other Sources of Funds	Recipient Entity Funds
Design Work						\$ -
Engineering						
Environmental Work						
Right-of-Way Acquisition						
Construction	\$ 10,955,000	\$ 10,955,000				
Contract Administration	\$ 145,000	\$ 145,000				
Testing Services						
Inspection Services						
Capital Asset Acquisitions						
Other						
Total Estimated Cost	\$ 11,100,000	\$ 11,100,000	\$ -	\$ -	\$ -	\$ -

FISCAL YEAR ANNUAL PROJECT CASH FLOW

Project Phase	Total Fiscal Year 2015		Total Fiscal Year 2016		Total Fiscal Year 2017		Total Fiscal Year 2018		Total Fiscal Year 2019	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
Design Work										
Engineering										
Environmental Work										
Right-of-Way Acquisition										
Construction	\$ 2,025,000		\$ 8,930,000							
Contract Administration	\$ 20,000		\$ 125,000							
Testing Services										
Inspection Services										
Capital Asset Acquisitions										
Other										
Total Estimated Cost	\$ 2,045,000	\$ -	\$ 9,055,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

FISCAL YEAR ESTIMATED PROJECT CASH FLOW

	FY 15 Mthly Cash Flow		FY 16 Mthly Cash Flow		FY 17 Qtrly Cash Flow		FY 18 Qtrly Cash Flow		FY 19 Qtrly Cash Flow	
	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed	PayGo	Financed
July			\$ 1,190,000							
August			\$ 1,670,000							
September			\$ 1,395,000							
October			\$ 1,115,000							
November			\$ 835,000							
December			\$ 560,000							
January			\$ 280,000							
February			\$ 112,500							
March			\$ 277,500							
April			\$ 560,000							
May	\$ 985,000		\$ 810,000							
June	\$ 1,060,000		\$ 250,000							
Total per Fiscal Year	\$ 2,045,000	\$ -	\$ 9,055,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Please Note: If additional years are needed, please submit a separate form with additional columns

This attachment is certified and made an official attachment to the Standard Project Agreement document by the parties of this agreement.

Recipient Entity Official

Signature

Title

Date

Print name of person signing

Northern Virginia Transportation Authority

Signature

NVTA Executive Director

Title

Date

Print name of person signing

APPENDIX C

FORM OF REQUISITION

NVTA Project Number: _____

NVTA Project Title: _____

Draw Request Number: _____

Date: _____, 20____

Northern Virginia Transportation Authority
3040 Williams Drive
Suite 200
Fairfax, Virginia 22031

Attention _____, Program Coordinator:

This requisition, including required Detailed PayGo and/or Detailed NVTA Bond Proceeds Request Forms, is submitted in connection with the Standard Project Agreement for Funding and Administration dated _____, 20____ (the "Agreement") between the Northern Virginia Transportation Authority ("NVTA") and _____ (the "Recipient Entity"). The Recipient Entity hereby requests \$_____ of NVTA funds, to pay the costs of the Project set forth in the Attached Detailed PayGo and/or Detailed NVTA Bond Proceeds Request forms and in accordance with the Agreement. Also included are copies of each invoice relating to the items for which this requisition is requested.

The undersigned certifies (i) the amounts included within this requisition will be applied solely and exclusively for the payment or the reimbursement of the Recipient Entity's approved costs of the Project, (ii) the Recipient Entity is responsible for payment to vendors/contractors, (iii) the Recipient Entity is not in default with respect to any of its obligations under the Agreement, including without limitation (but only if applicable) the tax covenants set forth in Appendix D to the agreement, (iv) the representations and warranties made by the Recipient Entity in the Agreement are true and correct as of the date of this Requisition and (v) to the knowledge of the Recipient Entity, no condition exists under the Agreement that would allow NVTA to withhold the requested advance.

RECIPIENT ENTITY

By: _____

Name: _____

Title: _____

Recommended For Payment

By: _____

Name: _____

Title: NVTA Program Coordinator

DETAILED NVTA BOND PROCEEDS REQUEST

Draw Request Number: _____
 NVTA Project Number: _____

Request Date: _____
 Project Title: _____

Cost Category	NVTA Approved Project Costs	NVTA Bond Proceeds Requests Previously Received	NVTA Bond Proceeds Requisition Amount this Period	Remaining NVTA Bond Proceeds Budget (Calculation)
Project Starting Balance	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$ -	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved NVTA Bond Proceed Project Cost per category.
2. Column C-Please list Total NVTA Bond Proceed Project Amounts per Category Previously Reimbursed by NVTA
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining Bonded Projects Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
2. Column C- Please list the invoice number as it appears on the Invoice
3. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
4. Column E- Please enter the dollar amount listed on the invoice.
5. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

DETAILED PAYGO REQUEST

Draw Request Number: _____
 NVTA Project Number: _____

Request Date: _____
 Project Title: _____

Cost Category	NVTA Approved Project Costs	Total PayGo Requests Previously Received	PayGo Requisition Amount this Period	Remaining PAYGO Project Budget (Calculation)
Project Starting Balance	\$ -			\$ -
Design Work	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	\$ -
Environmental Work	-	-	-	\$ -
Right-of-Way Acquisition	-	-	-	\$ -
Construction	-	-	-	\$ -
Contract Administration	-	-	-	\$ -
Testing Services	-	-	-	\$ -
Inspection Services	-	-	-	\$ -
Capital Asset Acquisitions	-	-	-	\$ -
Other (please explain)	-	-	-	\$ -
TOTALS	\$ -	\$ -	\$ -	\$ -

LISTING OF ATTACHED INVOICES

Vendor/Contractor Name	Item Number	Invoice Number	Cost Category	Amount
	1			\$ -
	2			-
	3			-
	4			-
	5			-
	6			-
	7			-
	8			-
	9			-
	10			-
	11			-
	12			-
Requisition Amount				\$ -

Instructions

1. Column B-Please list approved PayGo Project Cost per category.
2. Column C-Please list Total PayGo Amounts per Category Previously Reimbursed by NVTA
3. Column D- Please list invoice amounts summarized by Category from the Listing of Attached Invoices
4. Column E - Is a calculation of the Remaining PAYGO Budget per Category

Instructions-Listing of Attached Invoices: (please list each invoice separately)

1. Column A- Please list the name as it appears on the Invoice
2. Column B- Please manually number the invoices attached with the corresponding Item number in this schedule.
2. Column C- Please list the invoice number as it appears on the Invoice
3. Column D- Please list the appropriate Cost Category based on the Project Category breakout above
4. Column E- Please enter the dollar amount listed on the invoice.
5. The calculated Requisition Amount should equal the total in Column D in the Schedule above.

APPENDIX D

TAX COVENANTS

The Recipient Entity will not permit more than five percent of the total amount of NVTB Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons. Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this paragraph. In addition, a loan may arise from the direct lending of NVTB Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

The Recipient Entity agrees not to requisition or spend NVTB Bond Proceeds for any Project Cost not constituting a Capital Expenditure.

Except as may be described in Appendix B, the Recipient Entity neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Recipient Entity is receiving NVTB Bond Proceeds.

The Recipient Entity acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by NVTB to the contractors/vendors or (ii) the Recipient Entity remits payment to the contractors/vendors within five banking days after the date on which NVTB advances the amount of the requisition. NVTB may request the detailed information in order to compute the rebate liability to the U.S. Treasury on NVTB's bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

"Capital Expenditure" means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

"Federal Government" means the government of the United States and its agencies or instrumentalities.

"Financed Property" means the property financed by the NVTB Bond Proceeds.

"General Public Use" means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not

engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

"Governmental Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"NVTB Bond Proceeds" means, as used herein, the sale proceeds of any NVTB bonds or other debt instrument and the investment earnings on such proceeds, collectively.

"Nongovernmental Person" means any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

"Private Business Use" means a use of the NVTB Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of NVTB Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with the Recipient Entity. Examples of the types of special legal entitlements resulting in Private Business Use of Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including (i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and

(iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person.

"Service Contract" means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

"Trade or Business" has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940
Agenda item # 4

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

November 12, 2014

MOTION

Made By: Mr. Garczynski, Seconded By: Ms. Valentine

Action: Motion Carried, Unanimously

Title: Authorization for the Commissioner of Highways to enter into Standard Project Agreements between VDOT and the Northern Virginia Transportation Authority for NVTAFunded Projects

WHEREAS, the Virginia General Assembly, pursuant to Chapter 25 of Title 33.2 of the *Code of Virginia*, has established the Northern Virginia Transportation Authority (NVTAF), a political subdivision of the Commonwealth; and,

WHEREAS, the Virginia General Assembly, pursuant to §33.2-2509 of the *Code of Virginia*, has also established the Northern Virginia Transportation Authority Fund to fund transportation projects benefitting the counties, cities and towns embraced by the NVTAF; and,

WHEREAS, pursuant to § 33.2-2500, the NVTAF may enter into contracts or agreements with any federal, state, local or private entity to provide, or cause to be provided, transportation facilities to the area embraced by the NVTAF; and,

WHEREAS, §33.2-214 C of the *Code of Virginia* empowers the CTB to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes;

WHEREAS, VDOT and NVTAF have jointly prepared a standard project agreement template for the administration of those projects that are funded by NVTAF and are located wholly or in part on the state-maintained system of highways, identified as attachment A, outlining the general responsibilities of each party relating to the use of NVTAF funds and administration of the transportation project; and,

Resolution of the Commonwealth Transportation Board
Authorization for the Commissioner of Highways to Enter into Standard Project
Agreements between VDOT and the Northern Virginia Transportation Authority for
NVTAFunded Projects.
November 12, 2014
Page two of two

WHEREAS, given the similarities between administration of the NVTAFunded projects and locality funded projects administered by VDOT, and the need to ensure timely execution of the NVTAFunded project agreements, it is believed to be in the best interest of the Commonwealth to delegate to the Commissioner of Highways authority to enter into agreements as may be necessary with the NVTAFunded based on the standard project agreement template.

NOW, THEREFORE, BE IT RESOLVED, the Commonwealth Transportation Board hereby authorizes the Commissioner of Highways to enter into agreements with NVTAFunded as may be necessary to undertake the design, and construction of those transportation projects that are funded with NVTAFunded funds as are deemed necessary and are located wholly or in part on the state-maintained system of highways within the area encompassed by the Northern Virginia Transportation Authority, utilizing the template set forth in attachment A, with changes necessary to address project-specific details and to effectuate funding for such projects which shall be included in the Six-Year Plan.

####

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Scott York, Chair Finance Committee

DATE: December 8, 2014

SUBJECT: Establish Organizational and Financial Policies

- 1. Recommendation.** Approval of Organizational and Financial Policies as approved and recommended by the NVTAF Finance Committee.
- 2. Suggested motion.** *I move approval of the NVTAF Organizational and Financial Policies.*
- 3. Background.** Best practices and the annual audit call for organizational and financial policies even in small organizations. The Authority staff have worked to develop organizational and financial policies. The documented policies will serve to foster transparency, understanding and consistency in Authority business practices. The Council of Counsels has reviewed the proposed policies. Attached policies include but are not limited to:
 - a. Code of Ethics
 - b. Conflict of Interest
 - c. Fraud
 - d. Debt Policy (previously approved)
 - e. Financial Management Policy
 - f. Audit Policy
 - g. Procurement Policy (minor change from last adoption)
 - h. Employee Travel and Reimbursement
 - i. Budget Policy
 - j. Investment Policy
 - k. Operating Cash Management
 - l. Distribution of 30% Funds
 - m. Regional Revenue Funds (70%)
 - n. Continuing Disclosure and Post Issuance
- 4. Next Steps.** This is envisioned as a set of living documents. Updates will occur as the Authority grows and matures as an organization.

Attachment: NVTB Organizational and Financial Policies

Coordination: Finance Committee
Council of Counsels
Bond Counsel (Bond Related Policies)
Financial Advisor (Bond Related Policies)
PBMares – Authority's Independent Auditor



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

ORGANIZATIONAL AND FINANCIAL POLICIES

DRAFT 12.4.14

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policies

Organizational Policies

- | | |
|--|-----------------------|
| 1. Code of Ethics | <i>Draft 11.14.14</i> |
| 2. Conflict of Interest | <i>Draft 11.14.14</i> |
| 3. Whistle Blower Protection | <i>Draft 11.14.14</i> |
| 4. Fraud | <i>Draft 11.14.14</i> |
| 5. Freedom of Information Act Requests | <i>Draft 11.14.14</i> |
| 6. Records Retention | <i>Draft 11.14.14</i> |
| 7. Confidential Commonwealth and Local Tax Information | <i>Draft 11.14.14</i> |
| 8. Regional Benefit Over Time Report Preparation | <i>In development</i> |

Financial Policies

- | | |
|--|----------------------------|
| 9. Debt Management | Approved December 12, 2013 |
| 10. Financial Management (Financial Operations) | <i>Draft 11.14.14</i> |
| a. Audit | <i>Draft 11.14.14</i> |
| b. Procurement (Replacing Resolution of December 12, 2013) | <i>Draft 11.14.14</i> |
| c. Investment | <i>Draft 11.14.14</i> |
| d. Employee Travel and Reimbursement | <i>Draft 11.14.14</i> |
| e. Budget | <i>Draft 11.14.14</i> |
| f. Operating Cash Management | <i>Draft 11.14.14</i> |
| g. Capital Asset Accounting | <i>Draft 11.14.14</i> |
| h. Purchase Card | <i>Draft 11.14.14</i> |
| 11. Distribution of 30% Funds | <i>Draft 11.14.14</i> |
| 12. Regional Funds 70% Funds | <i>Draft 11.14.14</i> |
| 13. Continuing Disclosure & Post Issuance | <i>Draft 12.3.14</i> |
| 14. Computer and Electronic Systems Use | <i>Draft 11.14.14</i> |
| 15. Post Issuance and Tax Compliance Policy and Procedure | <i>Draft 12.3.14</i> |

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 1 -- Code of Ethics

- I. Purpose.** The purpose of this policy is to define a foundation of behavior for the Northern Virginia Transportation Authority (NVTa) employees/staff. This official guidance establishes an ethical framework for the actions of executive management, staff members, and jurisdiction staff working on behalf of the NVTa.
- II. General.** The code is intended to inspire a superior level of conduct, sensitivity and sound judgment for employees and to complement, not replace all professional codes of ethics. Employees should be aware of and abide by their respective professional values and requirements. Employees must perform their designated function in a manner that reflects the highest standards of ethical behavior. Employees are obligated to respect, honor and uphold the Constitution, laws and legal regulations, policies and procedures of the United States, and the Commonwealth of Virginia.
- III. Values.** The code of ethics is supported by six core principles that form the ethical foundation of the organization: Honesty, Public Service, Respect, Responsibility, Stewardship and Trust.
- A. Honesty.** Be truthful in all endeavors; be honest and forthright with each other and the general public.
- B. Public Service.** Ensure all actions taken and decisions made are in the best interest of the general public.
- C. Respect.** Treat all individuals with dignity; be fair and impartial; affirm the value of diversity in the workplace and at the NVTa; appreciate the uniqueness of each individual; create a work environment that enables all individuals to perform to the best of their abilities.
- D. Responsibility.** Take responsibility for actions; conduct all workplace actions with impartiality and fairness; report concerns in the workplace, including violations of laws, policies and procedures; seek clarification when in doubt; ensure that all decisions are unbiased.
- E. Stewardship.** Exercise financial discipline with assets and resources; make accurate, clear and timely disclosures; maintain accurate and complete records; demonstrate commitment to protecting entrusted resources.
- F. Trust.** Build regard for one another through teamwork and open communication; develop confidence with the public by fulfilling commitments and delivering on promises.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 2 -- Conflict of Interest

- I. Purpose.** The purpose of this policy is to ensure that the Northern Virginia Transportation Authority (NVTa) employees participate in the Authority's business in a manner free from any conflicts of interest or the appearance of a conflict of interest.
- II. General.** All staff shall comply with the State and Local Government Conflict of Interests Act and this policy. Consistent with the intent of the *Code of Virginia* §2.2-3114 and 2.2-3115, staff in positions that may influence financial decisions of the Authority shall file a "Statement of Economic Interests" by December 15th and June 15th of each year as required by law with the Clerk to NVTa and the Virginia Conflict of Interest and Ethics Advisory Council. The NVTa recognizes elected officials are required to biannually file their Statement of Economic Interests through their locality.
- III. Procedures.**
- A. Recusal.** In the event that a staff member is conflicted (consistent with the parameters provided in his/her "Statement of Economic Interests") or would have the appearance of potentially being conflicted, the staff member shall recuse him/herself from any discussion or deliberation of the relevant item. The record of the relevant meeting shall reflect such recusal.
- B. Process.** In December and June of each year, the Executive Director shall remind relevant staff of the biannual requirement. Statements will be provided to the Executive Director by December 15th and June 15th of each year. The Executive Director will inform the chair of the Authority that he/she has completed and filed his/her statement. Statements shall be filed with the State and a copy will be retained in an appropriate file by the Executive Director.
- C. Designated Staff.** Staff members with responsibility for financial advice, transactions or project selection shall be required to file a statement as specified by the Executive Director. As a minimum, this will include the Executive Director, Chief Financial Officer, Assistant Finance Officer and Project Coordinators.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 3 – Whistle Blower Protection Policy

- I. Purpose.** The purpose of this policy is to provide the Northern Virginia Transportation Authority (NVTa), executive management, employees, staff from member jurisdictions and the public, who participate in the NVTa’s business, a means of raising concerns – without retribution -- in the event they believe any person(s) associated with the NVTa has been, or is engaged in, illegal or unethical behavior relevant to the NVTa’s operation or is in violation of written NVTa policy.
- II. General.** The Northern Virginia Transportation Authority shall adhere to all federal, state and local laws, and regulations that apply to the NVTa and to the NVTa policies. In support of this overarching principle, this policy has been established to encourage person(s) to feel confident in raising concerns, to ensure person(s) raising a concern(s) receive a response for their concerns, and that if they raise concerns there will be no retaliation (for having raised the concern).
- For employees and jurisdiction staff an “open door” policy exists. They are encouraged to share their questions, concerns, suggestions or complaints with the Executive Director. In the event where there are circumstances that this may be inappropriate, staff should contact the Chief Financial Officer (CFO) or NVTa Counsel.
- III. Specific Provisions.**
- A. General protection.** Everyone’s support is necessary in achieving compliance with relevant laws, regulations, and policies. In the interest of ensuring such compliance, a person(s) raising a concern is protected from retaliation if they bring an alleged unlawful activity or practice that is relevant to the parties of interest of the NVTa to the attention of the Executive Director and provides the NVTa with a reasonable opportunity to investigate and correct the alleged unlawful or inappropriate activity or behavior.
- B. Complaint.** If any person(s) associated with the NVTa reasonably believes in good faith that some policy, practice, or activity of the NVTa is in violation of law or written NVTa policy, a written complaint must be filed by that person with the Executive Director, or, the CFO. A complaint involving the Authority Chairman shall be filed with the Finance Committee Chairman. Anonymous complaints are acceptable, however may hinder any investigation. The Executive Director shall inform the Authority Chairman of any complaint and keep the Chairman informed of any investigation and its outcome. Depending on the nature, seriousness, and sensitivity of the complaint, the Authority Chairman shall inform the Authority members (in closed session). The Authority shall establish the appropriate investigatory steps to be taken.
- C. Examples.** Some examples of unlawful activity, policy, or practice include but are not limited to:

1. Theft, either petty or serious
2. A criminal offense (Federal or Commonwealth of Virginia)
3. Breach of statutory regulations, including health and safety
4. Breach of NVTA policy
5. Dishonesty
6. Any attempts to cover-up or conceal any of the above

D. Investigation. Once a complaint has been received, the complainant will be informed by the Executive Director, or responsible person, as noted in Section III.b, within ten (10) business days of how the investigation will proceed and if it will result in an internal inquiry or a more formal investigation. Upon conclusion of any investigation, the complainant shall be informed of its results (with appropriate sensitivity to any confidential information). All complaints shall remain confidential (other than in cases where appropriate investigatory agencies may need to be involved).

IV. Non-retaliation. The NVTA shall not retaliate against a person(s) who in good faith has made a protest or raised a complaint against some practice of the NVTA or of another individual or entity with whom the NVTA has a business relationship on the basis of a reasonable belief that the practice is in violation of law or NVTA written policy and complainant follows the procedures outlined in this policy.

V. Informed Staff. The Executive Director shall ensure the NVTA and jurisdiction staff are aware of this policy.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 4 -- Fraud and Related Improprieties

- I. General.** The Northern Virginia Transportation Authority (NVTA) is committed to preventing fraud and similar improprieties in the workplace and in work related matters. Staff are expected to be sensitive to any improprieties that might occur within their areas of responsibility and bring to the attention of the Executive Director any concerns they might have of suspected fraud or other improprieties.
- II. Definition.** Fraud is any use of falsehood or deception with regard to theft or intentional, reckless, or negligent misuse, destruction, falsification, alteration, concealment, misappropriation, waste or abuse of NVTA funds, property, or time in order to secure direct or indirect financial or material gain, personal advantage, or other benefit, or for other reasons. Fraud includes other acts of omission or commission similar in nature to the foregoing. Specific examples of fraud include, but are not limited to:
- Falsification or alteration of official NVTA records or data.
 - Malicious damage or deliberate destruction of NVTA property, data or records.
 - Theft, misappropriation, or unauthorized removal or misuse of NVTA funds, records, or property.
 - Seeking or accepting anything of material value from vendors or persons seeking to do business or currently providing services/materials to the NVTA (e.g., favors, kickbacks or bribes).
 - Neglecting or subverting job responsibilities in exchange for an actual, expected, or promised reward.
 - Violations of State and Local Conflict of Interests Act. Violations of the Virginia Public Procurement Act.
- III. Reporting Fraud or Potential Fraud.**
- A. NVTA Employee, Vendor or Contractor.** Any NVTA staff with reason to believe that another employee, vendor or contractor of a company or external entity doing business with the NVTA is engaged in fraudulent conduct will promptly report such information or concern to the Executive Director.
- B. Executive Director.** Any NVTA staff with reason to believe that the Executive Director is engaged in fraudulent conduct will promptly report such information or concern to the Authority Chairman.
- IV. Investigative Procedures.¹**

¹ In the unique circumstance of the Executive Director being suspected of fraud, the Authority Chairman will modify these procedures with such modification as are appropriate.

- A. Immediate Action.** Upon being informed of suspected fraud, the Executive Director will make a determination whether the alleged incident or activity appears fraudulent. In doing so, he/she will consult with the NVTa Counsel. If the incident or activity appears to be fraudulent, the Executive Director will:
- Take appropriate steps to limit additional damage or loss to the NVTa by securing records, equipment, etc.,
 - Advise the Authority Chairman of the alleged fraud or impropriety,
 - As appropriate, obtain legal advice from the NVTa Counsel,
 - As appropriate, contact the local police department, reporting the suspected fraud and obtaining additional advice on how best to resolve the issue and ensure appropriate prosecution.
- B. Investigative Responsibility.** The Executive Director, in consultation (as appropriate) with local police and the NVTa Counsel, will determine the appropriate approach to any investigation. A senior NVTa employee may be directed to conduct an investigation or, in some cases, the investigative responsibility may rest with the local police department. No individual employee will attempt on his/her own to investigate the suspected fraud unless so directed by the Executive Director.
- C. Confidentiality.** Employees shall not discuss or disclose the facts, suspicions, or allegations with anyone involving fraudulent (or alleged fraudulent) conduct except as provided for in this policy or unless specifically directed to do so by those responsible for the investigation. Allegations will be treated with the highest degree of confidentiality and sensitivity.
- D. Personal Workspace.** It is important that respect be maintained for personal workspaces. However, at times, searches of workspaces may be necessary to thoroughly investigate an allegation or incident. Those responsible for the investigation have the authority to examine, copy and/or remove all or any portion of the contents of computers, files, desks, cabinets, lockers and storage facilities without the prior knowledge or consent of any individual who may use or have custody of such premises or own any such items. Employees have no right or expectation of privacy in any computer, desk, file cabinet, locker or other storage facility used to conduct NVTa business, or located on any premises owned, leased, or controlled by the NVTa. Review of records, the confidentiality of which is protected under state or federal law, will be coordinated with the Executive Director (and with counsel).
- E. Recovery of Losses.** Every effort will be made to effect recovery of NVTa losses from the responsible person(s) where such effort is in the best interest of the NVTa.
- F. Report.** Once an investigation is concluded, the findings will be documented and recommendations for appropriate action will be made by the investigating person.

G. Public Information. All contact with the media and decisions on release of any information will be made by the Executive Director in coordination with the Authority Chairman.

V. Retaliation. It is a violation of this policy to retaliate against or penalize any individual for reporting a violation of this policy or for cooperating, giving testimony, or participating in an investigation concerning a violation of this policy. Appropriate disciplinary action will be taken against those found retaliating against the employee.

VI. Failure to Report or Cooperate. Failure to report information indicating a violation of this policy, and refusal to respond to questions or failure to cooperate in an investigation of violations of this policy violate the administrative regulations and are subject to disciplinary action.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 5 – Freedom of Information Act Requests

- I. Purpose.** The purpose of this policy is to affirm the intent of the Northern Virginia Transportation Authority (NVTa) to adhere to the Virginia Freedom of Information Act (FOIA) which guarantees citizens of the Commonwealth and representatives of the media access to public records held by public bodies, public officials and public employees.
- II. Policy.** The Authority will seek adhere to the Virginia Freedom of Information Act and the Public Records Act in the conduct of meetings, retention of public records, and responsiveness to requests for records under FOIA.
- III. Specific Provisions of Policy.**
 - A.** All FOIA requests for information must be routed or presented to the Executive Director.
 - B.** All requests will be responded to within five working days of receipt. ‘Day one’ is considered the day after the request is received.
 - C.** FOIA permits the charging of reasonable costs, not to exceed actual costs, of responding to requests. The Executive Director with assistance from the Chief Financial Officer will determine if there is a cost to be charged for the record request.
 - D.** The Executive Director may at his/her option consult with the NVTa Counsel with regard to FOIA matters and before or during the process of responding to any FOIA requests.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 6 – Records Retention Policy¹

- I. **Purpose.** The purpose of this policy is to ensure that the Northern Virginia Transportation Authority (NVTa) is compliant with federal and state requirements for records retention.
- II. **General.** The Virginia Public Records Act (*Code of Virginia* §42.1-76 et seq.) defines public records: "Public record" or "record" means recorded information that documents a transaction or activity by or with any public officer, agency or employee of an agency. Regardless of physical form or characteristic, the recorded information is a public record if it is produced, collected, received or retained in pursuance of law or in connection with the transaction of public business. The medium upon which such information is recorded has no bearing on the determination of whether the recording is a public record.

Federal and state requirements, as well as good business practice, dictate that the NVTa have a disciplined and organized approach to records retention. Although the Sarbanes-Oxley legislation was largely aimed at private sector businesses, many of its requirements are seen as also appropriate for the public sector.
- III. **Specific Requirements of Policy.** NVTa documents shall be maintained for the periods indicated in the schedule adopted by the Library of Virginia in accordance with the Public Records Act.
- IV. **Electronic Records.** Electronic records will be handled as if they were paper documents. Any electronic files classified into one of the Library of Virginia categories will be maintained according to that guideline. If there is sufficient reason to keep an email message, the message should be printed in paper copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.
- V. **Safekeeping.** The Executive Director shall designate a staff member with responsibility for compliance with this policy. NVTa documents shall be maintained in a safe, and secure, and accessible manner. Electronic files will be backed up nightly.
- VI. **Destruction of Documents.** Financial and employee related documents will be destroyed by shredding. Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.
- VII. **Compliance.** All NVTa employees shall comply with the details of this policy. Failure to comply may result in civil and/or criminal sanctions. The Executive Director will periodically review these procedures with legal counsel and/or outside certified public accountants to ensure that NVTa remains in compliance with new or revised regulations.

¹ Adapted from Virginia Public Records Act. 42.1-82

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 7 – Confidential Commonwealth and Local Tax Information

- I. **Purpose.** The purpose of this policy is to affirm the intent of the Northern Virginia Transportation Authority (NVTa) to adhere to the *Code of Virginia* §58.1-3 Secrecy of Information; penalties.
- II. **Policy.** The Authority will adhere to the *Code of Virginia* §58.1-3, Secrecy of Information; penalties in the conduct of meetings, publication of information, communication with outside parties, recording and retention of public records and responsiveness to requests for records.
- III. **Specific Provisions of Policy.**
 - A. Except in accordance with a proper judicial order or as otherwise provided by law, Authority employees shall not divulge any information acquired by them in the performance of duties with respect to the transactions, property, including personal property, income or business of any person, firm or corporation.
 - B. The publication of statistics so classified as to prevent the identification of particular reports or returns items identified to a single taxpayer is permitted.
 - C. Authority employees will ensure that all confidential information provided to them in the course of their work is physically secured and properly disposed of when no longer needed.
 - D. Any employee with any questions on the implementation of this policy should consult with the Chief Financial Officer before allowing any information to be used or released outside of the Authority.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 9 -- Debt Management Policy

This debt management policy is adopted to implement the debt program of the Northern Virginia Transportation Authority (the "Authority" or "NVTa") as authorized by the *Code of Virginia* §33.2-2512. The purpose of the Authority's Debt Management Program will be to support the construction program of the Authority while achieving the lowest cost of capital. In order to accomplish this goal, it will be necessary to adopt policies and procedures that ensure the highest credit quality, assure access to capital markets and preserve financial flexibility.

The Authority's goal is to achieve a minimum rating in the double-A category on its senior lien debt obligations. Therefore, the Authority shall implement policies and procedures for managing debt including overarching financial policies for maintaining a high quality debt program and detailed guidelines for debt issuance. The policy will guide decisions on all debt issued by the Authority and also assist the Authority in realizing debt service savings and efficiencies. Specifically, the policies will support the following objectives:

- Achieve and maintain a double-A category rating from one or more of the nationally recognized municipal bond credit rating firms for all senior lien revenue debt;
- Guide the Authority and its managers in policy and debt issuance decisions;
- Maintain appropriate capital assets for present and future needs;
- Promote sound financial management;
- Ensure legal use of the Authority's debt issuance authority;
- Promote cooperation and coordination with other stakeholders in the financing and delivery of transportation services and infrastructure; and
- Evaluate debt issuance options

I. Application of Revenues

A. NVTa Act – Section 33.2-2509 of the NVTa Act authorizes the use of revenues of the Northern Virginia Transportation Authority (including regional tax and fee revenues transferred from the NVTa Fund established under Section 33.2-2509) as follows:

1. Solely for transportation purposes benefitting those counties and cities embraced by the Authority.
2. Thirty percent (the "30 Percent Share") shall be distributed to the localities on a pro rata basis subject to reduction under the "maintenance of effort" provisions of Section 33.2-2510.B.1.
3. The remaining seventy percent will be distributed as follows:
 - a. First to pay debt service on bonds issued by the Authority and secured by a pledge of such moneys;
 - b. For "pay-as-you-go" projects;
 - c. Each project financed by such moneys or bonds secured thereby must meet the following criteria:

Approved by Northern Virginia Transportation Authority December 12, 2013.

- i. Must be (x) in regional transportation plan in accordance with Section 33.2-2510) ("TransAction 2040") and be rated in accordance with Section 33.2-257 or (y) a mass transit capital project that increases capacity;¹
- ii. Must reflect the Authority's priority for selecting projects that are expected to provide the greatest congestion reduction relative to the cost of the project;
- iii. Must be located (x) only in localities embraced by the Authority or (y) in adjacent localities but only to the extent that such extension is an insubstantial part of the project and is essential to the viability of the project within the localities embraced by the Authority ; and
- iv. Must result in each locality's total long-term benefit being approximately equal to the proportion of the total of the fees and taxes received by the Authority that are generated by or attributable to the locality.

B. Master Indenture of Trust – The Master Indenture of Trust approved on July 24, 2013, further specifies that all amounts transferred from the NVTAFund are deposited to a Revenue Fund and are distributed as follows:

- 1. First, the 30 Percent Share is deposited in the Member Locality Distribution Fund;
 - a. And then from such Fund to the Operating Fund in an amount sufficient to fund the next 30 days of operations;
 - b. And then from such Fund to each locality its pro rata portion of the remaining 30 Percent Share (subject to reduction as described above);
- 2. Then the remaining amounts (the "Regional NVTAFunds") must be distributed in the following order of priority:
 - a. To fund all senior debt service requirements;
 - b. To fund all debt service reserve requirements (if due);
 - c. To fund subordinate debt service requirements (if due); and
 - d. To fund all rebate fund requirements (if due).
- 3. Once all debt service requirements are met, the remaining Regional NVTAFunds are deposited to the NVTAGeneral Fund available for any other lawful purpose of the Authority, including the construction of "pay-as-you-go" projects.

II. Debt Management Planning

A. Debt Affordability Criteria (Debt Capacity)

- 1. Debt Capacity – For planning purposes, Debt Capacity for the issuance of new debt shall be calculated as a function of the projected Regional NVTAFunds, as defined in the Master Indenture of Trust.
 - a. It should be stressed that in accordance with the terms of the Master Indenture of Trust and the order of precedence defined in the Code of Virginia, debt service payments shall have precedence over all other obligations of the Authority.
 - b. Debt Capacity shall be projected forward a sufficient time to support the cash flow requirements of the Authority's adopted long range capital plan together with funds identified for pay-as-you-go construction.

¹ For "regional funds" received in FY 2014, the rating requirement does not apply.

2. Debt service coverage requirements:
 - a. NVTA strives to set policy targets for debt service coverage at the minimum levels necessary, in light of relevant criteria and methodologies of the credit rating agencies and recommendations of NVTA's Financial Advisor, to achieve a minimum of a AA category rating on senior lien debt.
 - b. For senior lien debt: The ratio of annual Regional NVTA Funds to annual senior lien debt service will be a minimum of 2.0 times. A proforma calculation for this ratio is included as Exhibit 1 to this policy.
 - c. For subordinate lien debt: The ratio of annual Regional NVTA Funds minus annual debt service on senior lien debt to annual subordinate lien debt service will be a minimum of 1.30 times. A proforma calculation for this ratio is included as Exhibit 1 to this policy.
3. Treatment of Local Revenues:
 - a. Required Transfers – Authority revenues earmarked for transfer to the member localities, the 30 percent share will not be included in the debt capacity calculation or calculation of coverage requirements.
4. "Pay go" and reserve set asides – Any portion of Regional NVTA Funds not utilized for debt service due to coverage requirements will be set aside for pay-as-you-go capital financing and additional reserves as required by this policy over a reasonable period of time as determined by the Authority.
5. Reserve and liquidity levels
 - a. Debt Service Reserve Fund – Consistent with the provisions of the Master Indenture of Trust, each bond issue may include a Debt Service Reserve Fund ("DSRF") funded from bond proceeds, Regional NVTA Funds or the NVTA General Fund as determined by the Authority at the time of issuance. In considering the need for this structural feature, NVTA may consider whether it is economically advantageous to have a DSRF and the potential impact on the existing credit ratings on the Authority's outstanding bonds, among other factors.
 - b. Working Capital Reserve – The Authority will maintain a Working Capital Reserve account in its General Fund equal to at least six months of the budgeted, annual Regional NVTA Funds. Such funds may be used within a fiscal year to manage any mismatches in the actual receipt of revenue and the disbursement of funds for project construction to project implementing entities. If tapped, the Executive Director of the NVTA will develop and submit to the Authority Board a plan to restore the Working Capital Reserve to its minimum level over a period not to exceed 18 months. The NVTA will revisit the level of this reserve no later than June 30, 2015 to reflect its actual cash flow patterns and experience and periodically as needed.

B. Bond Structure

1. Term of Bonds. NVTA shall strive to match the financing period with the economic life of the asset being developed in general conformance with the following guidelines:
 - a. Short term debt (less than ten years) normally should be used for projects with an economic life of 0 to 15 years, but may be used at any time to restructure the

Authority's outstanding debt portfolio to reduce the average life of the Authority's bonds.

- b. Terms of the bonds for major construction projects shall not exceed 30 years which is less than the 40 year maximum term of debt permitted under Section 15.2-4519.B.1.
- c. The Authority will attempt to achieve an average bond life for all aggregate outstanding debt of less than 20 years in order to ensure that significant debt capacity is available to meet the future needs of the Authority.
2. Capitalized Interest. The Authority intends to pay interest on all debt obligations when due from current revenues unless the capitalization of interest shall be deemed necessary and prudent or the best interest of the Authority for any project specific financing. If used, the capitalized interest period and amount shall not exceed that which is necessary to complete the construction period.
3. Debt Service Repayment Structure. It is the preference of the Authority to promote rapid repayment of debt principal in order to (i) achieve the objective of average bond life of less than 20 years, (ii) to maintain or improve the credit rating, and (iii) to execute the capital program in the most cost effective manner. The Authority may choose to structure debt repayment so as to wrap around existing obligations or to achieve other financial planning goals.
4. Call Provisions. Optional redemption provisions on NVTa debt, if any, shall be determined based upon the market conditions at the time of issuance with advice from the Financial Advisor. The Authority will select the call provision most likely to result in the lowest cost of funds while providing reasonable opportunity and flexibility for future refinancing to achieve future debt service savings.

C. Types of Debt

1. Revenue Bonds. NVTa expects to issue revenue bonds, either on a senior lien or subordinate basis, as its primary form of debt. The debt capacity of the Authority to issue revenue bonds shall be governed by this Debt Management Policy.
2. Lease Purchase Agreements. Lease purchase debt for which the asset is pledged, in addition to Authority revenues, as security for the debt payment may not be issued unless the Board adopts specific policies in this regard.
3. Variable Rate Debt (short or long term). The Authority may issue variable rate debt to achieve a lower cost of capital, improve cash flow efficiencies or manage interest rate risk and in no case shall variable rate debt exceed ten percent of the total debt of the NVTa. Any commercial paper program that is used as an interim financing tool shall not be included in the calculation of the ten percent (10%) maximum variable rate debt limit. The NVTa will revisit this threshold periodically to reflect market conditions, credit rating agency criteria, and NVTa's liquidity and cash flow experience. Any changes to the threshold must be approved by the Board.
4. Commercial Paper/Interim Financing. The Authority may establish a commercial paper program or other forms of interim construction financing such as bond anticipation notes if economically advantageous to manage the Authority's cash flow, improve efficiency or reduce negative arbitrage. The Authority may create its own program or use a pool legally available to it within the Commonwealth.

5. Federal or State or other Conduit Pool Loan Programs. The Authority may use pooled loan programs supported by available Regional NVTAs if cost effective (e.g., sales through the Virginia Resources Authority). Such debt may be senior or subordinate lien as negotiated with the issuing authority with such coverage and other requirements as determined by the issuing agency and consistent with the Master Indenture of Trust.
6. Unrated Debt. The Authority may issue unrated debt if deemed in its best interests.
7. Derivative Structures. The Authority shall not make use of derivative structures (swaps, hedges, etc.) for at least five years after adoption of this policy. Such structures shall not be used thereafter unless the Board shall adopt specific policies in this regard.

D. Refinancing Outstanding Debt

1. Minimum Savings Threshold. The Authority establishes a minimum present value savings threshold of three percent (3%) of the refunded bond principal amount. The present value savings will be net of all costs related to the refinancing.
2. Restructuring. The Authority may restructure debt when it is in the best financial interest of the Authority to do so. Such refundings will be limited to restructuring to meet anticipated revenue expectations, achieve costs savings, mitigate irregular debt service payments, release reserve funds, consolidate multiple series of outstanding debt, or remove unduly restrictive bond covenants.
3. Term of Refunding Issues. The Authority will normally refinance bonds within the original term of the existing debt. However, after careful evaluation, the Authority may consider maturity extension when necessary to achieve a desired outcome, provided that such extension is permissible under the Master Indenture of Trust.

E. Use of Credit Enhancement

1. Bond Insurance. Bond insurance may be obtained to achieve a higher credit rating than NVTAs' uninsured debt when cost effective.
2. Letters of Credit. Letters of Credit may be obtained when cost effective.

F. Additional Bonds

1. NVTAs anticipate new money bond sales in a frequency adequate to meet its cash flow needs.
2. Additional bond issuance shall not exceed any of the limits prescribed in the Debt Affordability section of these policies in any fiscal year.
3. Subsequent bond sales will be on parity with prior issuances of senior or subordinate lien bonds, as appropriate.
4. Additional bond issuances should be planned to remain within capacity/affordability limits based on careful forecasts of revenues reasonably anticipated to be received over the course of the following six years.

G. Capital Financial Plan

1. Beginning in FY 2015, NVTAs shall adopt a multi-year capital plan. The capital plan will be developed in accordance with all applicable statutory requirements. The Authority shall make every effort to coordinate the timing of the adoption of its

- capital plan to benefit the capital planning processes of the Authority's member jurisdictions and of impacted state and regional authorities.
2. The Authority will review and update the long-term comprehensive transportation plan for the region at least every five years.

III. Debt Management Administration

A. Selection of Advisors and Other Providers

1. Financial Advisor. The Authority will use the services of a Financial Advisor to assist in the implementation and execution of bond policies, sales and other financial analyses as necessary. The Financial Advisor will be selected through a competitive process in accordance with the Code of Virginia and other procedures that the Authority may establish under such terms and compensation as the Authority may determine. A selection advisory committee shall include the Chief Financial Officer and other members appointed by the Executive Director, including at least three knowledgeable staff members from member jurisdictions, which will include the top three revenue contributing jurisdictions and a rotation of up to two of the remaining contributing jurisdictions. The Executive Director shall make every effort to ensure that each member jurisdiction is given the opportunity to participate in the selection process.
2. Bond Counsel. The Authority will use the services of Bond Counsel to assist in the implementation and execution of bond policies, sales and other legal analyses as necessary. The Bond Counsel will be selected through a competitive process in accordance with the Code of Virginia and other procedures that the Authority may establish under such terms and compensation as the Authority may determine.
3. Other Services. The Authority may obtain the services of other advisors as necessary to implement its debt program under such terms and conditions as may be determined by the Authority. Such services may include, but are not limited to, trustee and fiscal agent services, specialized financial analytical services, special tax or disclosure counsel, rebate and arbitrage compliance services, audit services and other services that may be necessary.
4. Other Jurisdiction Contracts. The Authority may use any contract for consultant services issued by a member jurisdiction or agency of the Commonwealth provided that the terms and conditions of the contract permit its use by other jurisdictions or governmental entities of the Commonwealth and the contract was competitively bid or issued through a request for proposal.

B. Methods of Issuance

1. Competitive Sales. NVT A shall issue debt on a competitive basis whenever practical.
2. Negotiated Sales. NVT A may issue bonds via negotiated sale based on an evaluation of current market conditions and the economic advantages to NVT A, especially for the first few series of bond issues until the Authority has gained sufficient market acceptance and recognition as a regular issuer.

3. Private Placements. NVTa is permitted to use private placement financings based on an evaluation of current market conditions and the economic advantages to NVTa.

C. Underwriter Selection (if negotiated sale)

1. NVTa will always use a formal, competitive, open selection process to choose an underwriter.
2. NVTa's Financial Advisor may not participate in any sale as an underwriter (senior manager, co-manager, or part of a syndicate) while under contract to the Authority or as otherwise prohibited by applicable MSRB Rules.
3. NVTa will determine the selection process for appointing any co-managing underwriters.
4. NVTa may competitively select a pool of underwriters who may be used to underwrite bond sales over a multi-year period. The period in which an underwriter can be used may exceed more than one financing and more than one year; the period of use will be established at the time of the initial underwriter selection.
5. Underwriter selection shall be conducted in accordance with applicable procurement statutes and procedures established by the Authority. A selection advisory committee shall include the Chief Financial Officer and other members appointed by the Executive Director, including at least three knowledgeable staff members from member jurisdictions, which will include the top three revenue contributing jurisdictions and a rotation of up to two of the remaining contributing jurisdictions. The Executive Director shall make every effort to ensure that each member jurisdiction is given the opportunity to participate in the selection process.

D. Public Notices and Hearings

1. Notices of public hearing shall be published and public hearings held prior to Board approval of any debt issuance if required by and in conformance with federal law, where applicable, and the Virginia Code.
2. NVTa shall post any such notices of public hearing to be published on its website and in a paper or papers of general circulation within the jurisdictions embraced by the NVTa. Regardless of whether such publication is required by federal or Virginia law; provided that the failure to effect any such local publication shall not invalidate any Board action unless the local publication is required by laws.

IV. Provisions Pertaining to the 30 Percent Share: NVTa Role as a Conduit Issuer

- A. NVTa may act as a conduit issuer for any member locality utilizing a separate Trust Indenture specifically for the member's issuance of debt secured by their 30 Percent Share. Member localities may agree to a Master Indenture with allowance for Supplemental Indentures specifically for the conduct of its initial and subsequent issues.
- B. Debt Service for any NVTa conduit debt issued for individual member localities may be paid directly to the member locality's trustee for an issue secured by the member locality's 30 Percent Share of NVTa revenues. Localities may pledge other revenues as

needed. The aggregate of all revenues pledged must meet a minimum coverage ratio of 1.00 times.

- C. Localities may agree to a joint issue for projects that benefit more than one locality, however, such joint ventures shall at a minimum clearly establish jurisdictional shares and responsibility for debt service payments.
- D. Any debt issued by NVTa directly for the benefit of an individual member locality must not have any impact on the NVTa's credit rating, debt capacity/affordability or marketing of other NVTa debt.
- E. Conduit debt issued by NVTa on behalf of a locality shall not have any negative fiscal or operational impact on NVTa or on any of the other member localities. The NVTa and its other member localities shall be protected in the event of default or non-appropriation by the obligated member.
- F. All costs of issuance will be borne entirely by the member locality in a manner of its choosing, which may include capitalization of such costs. NVTa may charge a fee for its services in addition to normal costs of issuance.

V. Provision Pertaining to the 30 Percent Share: Operating Reserve

- A. Operating Reserve – The Authority will maintain an operating reserve account in the Member Locality Distribution Fund sufficient to fund to at least twenty percent (20%) of operating expenses. This operating reserve may be used, at the discretion of NVTa's Executive Director, to cover unanticipated increases in the Authority's operating budget. If used, the Executive Director will present a plan to the NVTa Board for refilling the reserve during the next ensuing fiscal year budget process. The Authority will invoice each member locality for their proportionate contribution necessary to refill the reserve to three months of operating expenses.

VI. Investment Policies

- A. The Authority will establish separate, written investment policies consistent with applicable sections of Virginia Code and that provide for maintenance of sufficient cash on hand to meet daily operating, capital and debt service requirements in conformance with the expected schedule and actual receipt of revenues from all sources.

VII. Debt Management Monitoring & Responsible Parties

- A. Post Issuance Compliance Procedures. The Authority will establish appropriate accounting and reporting procedures to ensure the timely payment of debt service, the satisfaction of all debt service coverage requirements and financial covenants and compliance with applicable federal tax and securities laws. Prior to issuance of any tax-exempt debt, the NVTa will develop separate, written Post Issuance Compliance procedures.

- B.** Arbitrage rebate compliance. The Authority will sell the minimum amount necessary to meet construction requirements consistent with Federal arbitrage restrictions and comply with all necessary reporting requirements. The Authority will attempt to size its sale amounts so as to qualify for the two year spend down exception test.
- C.** Secondary market disclosure (Rule 15c2-12 compliance). Continuing Disclosure shall at a minimum include the year-end financial audit in addition to other documents designated by the Authority. The Authority shall ensure that any local jurisdiction constituting a “material obligor” with respect to any of the Authority’s debt within the meaning of Rule 15c2-12 agrees to provide the continuing disclosure required under the Rule.
- D.** NVTAs Executive Director or his designee will be responsible for the implementation of this Debt Management Policy with the advice and input from NVTAs legal counsel and Financial Advisor.
- E.** NVTAs Executive Director and Chief Financial Officer will review and update this Debt Management Policy at least every five years.

Exhibit 1: Proforma Debt Service Coverage Calculation Methodology

Figures shown below are for illustrative purposes only.

- Annual Regional NVTAs Funds = **(A)** = \$210,000,000
- Debt Service on Senior Lien Debt = **(B)** = \$7,000,000
- Debt Service on Subordinate Lien Debt = **(C)** = \$1,000,000
- Debt Service Coverage Requirement for Senior Lien Debt = **(A / B)** = \$210,000,000 / \$7,000,000 = 30.0x
- Debt Service Coverage Requirement for Subordinate Lien Debt = **(A-B) / C** = (\$210,000,000 - \$7,000,000) / \$1,000,000 = 203.0x

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 10 – Financial Management (Financial Operations)

- I. Purpose.** The purpose of this policy is to provide the general policy guidance for the financial management of the Northern Virginia Transportation Authority (NVTa). The objectives of these policies include:
- Establishing a framework for strong internal controls and adequate design of internal controls over all significant accounts and processes.
 - Ensuring proper management approval and review of financial transactions.
 - Achieving operational efficiencies through standardization of accounting and reporting practices.
- II. General.** The NVTa will organize and maintain its financial operations in a manner consistent with federal, state, and local laws and regulations as well as with proper business practices (e.g., Governmental Accounting Standards Board - GASB).
- III. General Guidelines**
- A. Financial planning and budgeting shall be consistent with the following guidelines:**
1. Consistency with Authority policies, strategic plan, project plans and expressed priorities.
 2. Clarity with respect to any assumptions used in budget development.
 3. Manage cash flow of tax revenues appropriated by the Commonwealth of Virginia for the purpose of regional transportation projects to reduce traffic congestion and improve air quality.
 4. Allocating funds consistent with HB 2313.
 5. The issuance of bonds will be in all respects for the benefit of the inhabitants of the nine member jurisdictions; the issuance of bonds are to further the purposes of the NVTa and the NVTa Act.
 6. The NVTa operational budget is paid by the member jurisdictions and will contain: sufficient level of detail to enable a reasonably accurate projection of revenue and expenses; visibility of revenue and expenses (to include labor costs).
 7. Planning and budgeting process that provides for Authority approval of annual budget plan at least two months prior to the start of a new fiscal year.
 8. A detailed mid-year (fiscal year) budget review will be held by the Finance Committee, with recommended adjustments made to the Authority as needed.
 9. Use of the prescribed accounting methods based on GASB guidance.

B. Maintenance of financial condition and ongoing monitoring will be consistent with the following guidelines:

1. The financial condition of the Authority shall be reviewed, as a minimum, by the Finance Committee and the NVTa on a quarterly basis.
2. Annually the Finance Committee and the Authority will review the annual audited Financial Statements.
3. Expenditures shall be consistent with the approved budget. The Executive Director may make minor operating budget adjustments (\$10,000 or less) between program areas at his/her discretion; however, major adjustments (>\$10,000) shall have the advance recommendation of the Finance Committee to the Authority or Authority approval.
4. As required in the NVTa Debt Policy number 9, the Authority will maintain a Working Capital Reserve (WCR) account equal to six months of the budgeted, annual, Regional NVTa Funds (70% Funds). Such funds may be used within a fiscal year to manage any mismatches in the actual receipt of revenue and the disbursement of funds for project construction to project implementing entities. The Executive Director will submit to the Authority a plan to restore the WCR to its minimum level over a period not to exceed 18 months.
5. As required in the NVTa Debt Policy number 9, the Authority will maintain an operating reserve sufficient to fund at least twenty percent (20%) of NVTa operating expenses. This reserve may be used at the discretion of the Executive Director to cover unanticipated expenditure increases in the budget. If used, the Executive Director will present a plan to the Authority for refilling the reserve during the next fiscal year budget process.

C. Financial records shall be maintained consistent with following guidelines:

1. Financial records will be retained in accordance with the NVTa Records Retention Policy number 6.
2. The Chart of Accounts shall be used and structured in a manner that is supportive of the NVTa operations in conformance with Generally Accepted Accounting Principles (GAAP) and an appropriate basis of accounting.
3. The Authority will maintain four (4) unique funds as the basis for the NVTa's accounting and reporting structure.
 - a. General Fund will be used to maintain and report the NVTa's operational budget. This Fund will include the annual contribution from the member jurisdictions as well as other general costs.
 - b. Special Revenue Fund for the thirty percent (30%) distribution will contain the 30% portion of the three NVTa tax revenues received. This fund will include the distributions to each of the member jurisdictions.
 - c. Special Revenue Fund for Regional Funds (70%) will include the 70% portion of the three NVTa tax revenues received. Project disbursements will be tracked in this fund by jurisdiction and/or agency.

- d. Debt Service Fund will contain all transactions related to the issuance of NVTB Bonds, line of credit, and repayment of those debts.

D. Bank and other financial accounts shall be organized and maintained consistent with following guidelines:

1. The Chief Financial Officer (CFO), upon approval and with signature authority of the Executive Director, opens and closes all bank and other financial accounts (e.g., checking, safe keeping, investment) in accordance with the Virginia Security for Public Deposits Act.
2. In accordance with the NVTB Procurement Policy number 10.b, the CFO and Executive Director have signature authority on all accounts. The CFO is authorized to sign checks up to \$15,000. Checks over \$15,000 must be countersigned by the Executive Director. In all cases, expenditures must be consistent with the approved budget or a separate approval by the Authority.
3. In accordance with the NVTB Procurement Policy number 10.b, specific prior approval of the Authority is needed for any expenditure that exceeds \$30,000.
4. In all cases, appropriate documentation will be maintained consistent with state records management requirements.
5. Bank and other corporate financial information (e.g., rules and regulations, account numbers) shall be retained, maintained, and updated as directed by the CFO.
6. No petty cash or other 'Cash on Hand' will be permitted.

E. Capital assets shall be accounted for along the following general guidelines and in accordance with the Capital Asset Accounting Policy number 10.g:

1. Depreciation account shall be maintained for office & technological equipment and furnishings valued above \$5,000 at the time of purchase or acquisition. Such assets shall be depreciated over their useful life, typically four (4) years for computer hardware and peripherals, five years (5) for office equipment and seven (7) years for office furnishings.
2. Disposal of the NVTB's assets acquired by sale, loan, or gift requires documented written approval by the CFO.
3. The Clerk of the Authority shall conduct an annual inventory of the NVTB assets including – computer hardware/peripherals, office equipment and furnishings for the annual audit. The clerk will initiate and maintain a tagging system and inventory for capital items.

F. The accounts of the Authority shall be audited consistent with the following guidance and in accordance with the Audit Policy number 10.a:

1. Accounts shall be audited annually by a certified public accountant qualified to audit municipal entities and authorities in Virginia.
2. As a minimum, the audit contract shall be re-bid at least every five (5) years. If the contract is renewed with the prior firm, the firm must designate a different audit manager.
3. The Finance Committee will review the audit and make appropriate recommendations to the Executive Director and the Authority.

G. Travel costs and expenses shall be consistent with the NVTa Financial Policies including Procurement Policy number 10.b. and Administrative Policy number 10.d.

H. Credit (Purchase) card(s) may be used only for business-related expenses consistent with the Financial Management –Purchase Card Policy number 10.h.

1. All accounts shall be held in the name of the NVTa and not based on personal credit. Any unauthorized charges will be the responsibility of the employee making the charge. The employee may be subject to disciplinary action including dismissal. Employee personal charges must be reimbursed immediately or the charge will be deducted from the employee's next pay check.

IV. Responsibilities.

A. Authority. The Authority is responsible for providing broad financial guidance and oversight, to include approval of budget parameters, annual program plans consistent with HB 2313 and the annual budget.

B. Finance Committee. As stated in the Authority Bylaws, the Finance Committee shall be responsible for advising the Authority on all financial matters and overseeing financial activities undertaken by the NVTa professional staff, including:

1. Reviewing, commenting on, and recommending the annual budget presented by the Executive Director.
2. Reviewing, commenting on, and recommending any budget amendments presented by the Executive Director.
3. Overseeing the NVTa's financial policies (e.g., bond, investment, procurement) and making appropriate recommendations.
4. Monitoring contracts for incidental services, including incidental financial services, and recommending task orders.

5. Monitoring the NVTA's expenditures for compliance with policies and guidance of the NVTA.
6. Reviewing annual revenue estimates.
7. Approving the selection of an audit firm and audit work plan supporting the annual preparation of financial statements including meeting with the auditor before the audit begins and when it has concluded. This meeting can be in person or via a conference call.
8. Assisting with other financial activities as may be directed by the NVTA.

C. Chief Financial Officer Reporting to Executive Director.

1. Manages the Authority's finances on a day-to-day basis.
2. Executes the Authority-approved budget.
3. Develops financial mechanisms/procedures to ensure financial accountability and transparency.
4. Ensures that there are written procedures (financial operation policies) for the fiscal operation of the Authority.
5. Provides monthly financial management reports to the Executive Director, Finance Committee and Authority.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 10.a. - Financial Management; Audit Policy

I. Purpose. This audit policy is adopted to implement the auditing program of the Northern Virginia Transportation Authority (NVTa) as required by the *Code of Virginia* §30-140 and the NVTa Bylaws Article VIII, Section B-Audits. The purpose of the NVTa's Audit Policy is to delineate the areas of responsibility and to minimize the risk of non-compliance with accounting and reporting standards required by the Commonwealth of Virginia's Auditor of Public Accounts.

II. Requirements.

- A. Audit Requirements.** The *Code of Virginia* §30-140, requires that all authorities, boards and commissions having financial transactions in excess of \$25,000 shall file an audit report within 90 days after the close of the fiscal year with the Auditor of Public Accounts.
- B. NVTa Bylaws Article VIII.** Section B, more specifically requires an audit by an independent certified public accountant, be conducted at least annually. Such audits will, at a minimum, obtain an opinion as to the accuracy of the annual financial statements. Additional audit activity may be obtained by the Finance Committee as it deems prudent.
- C. Public Notice.** The *Code of Virginia* §30-140, requires the NVTa to publish a summary statement of financial condition in a newspaper of general circulation based on its locality. The minimum statement should include total assets, liabilities, and fund balances; total revenues, expenditures, and other sources or uses; and the resulting net change in fund balances.
- D. Auditing Standards.** The audit must be conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The auditor must follow Government Auditing Standards regardless of whether the NVTa received federal financial assistance.
- E. Financial Reporting Requirements.** The Auditor of Public Accounts requires the NVTa's financial statements be prepared in accordance with the provisions of the Governmental Accounting Standards Board (GASB).

III. Responsibilities.

- A. The Authority.** The NVTa governing board is ultimately responsible for the Authority's financial management and financial reporting requirements. The Authority provides guidance to the Finance Committee and the Executive Director as necessary to ensure compliance and resolve financial issues.

B. Finance Committee (In its role serving as NVTAs Audit Committee). The Finance Committee serves as the audit committee for the NVTAs governing body due to its unique position as the ultimate monitor of the financial reporting process and internal controls. The Finance Committee (audit committee) provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns.

1. The Finance Committee manages the appointment, compensation, retention, and oversight of the independent auditing firm, the auditor's work and the corresponding independent audit report with management report (if applicable). The Finance Committee will meet with auditor before the audit begins and when it is concluded.
2. The Finance Committee will advise the Authority on the results of the audit. In concurrence with the Authority, the Finance Committee works with the independent auditing firm and senior management to resolve any issues.

C. Chief Financial Officer through the Executive Director - Within the guidance provided by the Finance Committee, the Chief Financial Officer (CFO) will solicit bids and award a contract for an independent auditing firm. The CFO is responsible for the maintenance and security of accurate financial records including the preparation of records for audit. The CFO provides oversight of the NVTAs staff in support of the Finance Committee's requests and needs.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 10.b. - Procurement

- I. **Purpose.** The purpose of the adoption of a procurement policy is to establish the Northern Virginia Transportation Authority (NVTa) limits and procedures relating to the purchasing of materials, supplies, equipment, and professional services.
- II. **General.** The NVTa is governed by the Virginia Public Procurement Act (VPPA). Using the Act as a guideline, the NVTa has developed its procurement policy. The procurement policy is developed to provide for the fair and equitable treatment of all persons involved in public purchasing by the NVTa, to maximize the purchasing value of public funds in procurement and to provide safeguards for maintaining a procurement system of quality and integrity.
- III. **Accountability.** The Executive Director and/or the Chief Financial Officer shall assume lead responsibility for initiating financial and procurement actions for the Authority consistent with applicable authorization by the Authority, the availability of budgeted funds for the purpose, and the VPPA and all applicable laws.
- IV. **Small Purchases.** The small purchase threshold for the NVTa is as term “small purchases” is defined by the VPPA. Procurements made pursuant to the small purchase procedures do not require public bid openings or newspaper advertising of competitively negotiated procurements.

The following procedures apply to all goods, non-professional, and professional services, with distinctions based on the type of purchase to conform to the VPPA.

- A. **Single Quotation:** Where the NVTa’s cost of goods or services is \$5,000 or less, purchases may be made upon receipt of a minimum of one (1) written or telephone quotation. If more than one quote is received, the award shall be made to the lowest responsive and responsible bidder.
- B. **Unsealed Bidding:** Goods or services over \$5,000 and up to the maximum allowable limit defined by the VPPA as a small purchase may be procured through unsealed bidding. The eVA Quick Quote process is the preferred method for securing competition; however, a solicitation for unsealed bidding may be used. The solicitation shall be open for at least three (3) business days.
- C. **Unsealed Proposals:** Goods or services over \$5,000 and up to the maximum allowable limit defined by the VPPA as a small purchase may be procured through an unsealed proposal process. A written determination for the use of competitive negotiation is not required for unsealed proposals. The solicitation for unsealed proposals should include a cover sheet, a general description of what is being sought,

the evaluation criteria and weights to be used in evaluation, contract terms and conditions, including unique capabilities or qualifications that will be required. All responses must be received at the designated location by the date and time stated in the solicitation. In lieu of an evaluation committee, the end user may solely evaluate and rank offers. Upon completion of the evaluation, negotiations shall be conducted with the offerors selected.

- V. **Formal Procurements.** All procurements anticipated to cost more than the maximum allowable limit defined by the VPPA as a small purchase shall be conducted in accordance with the competitive sealed bidding and competitive negotiation requirements of the VPPA. Prior approval of the Authority is required.
- VI. **Sole Source Purchases.** Upon determination in writing that there is only one practical source available for that which is to be procure, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation in accordance with the *Code of Virginia* §2.2-4303.E. All sole source purchases will be reported to the Finance Committee at the next meeting.
- VII. **Emergency Purchases.** In case of emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such procurement shall be made with such competition as is practicable under the circumstances, in accordance with the *Code of Virginia* §2.2-4303.F. All emergency purchases will be reported to the Finance Committee at the next meeting.

Estimated Cost	General Procedures
\$5,000 or Less	Goods or services purchases require a minimum of one (1) written or telephone quotation. Lowest bidder required for more than one (1)
\$5,000.01 to \$30,000 Unsealed Bidding	Goods or services purchases may be procured through the eVA Quick Quote process. Solicitation shall be open for three (3) business days. Must include total cost over the life of the contract. Approval of Chief Financial Officer and Executive Director required.
\$5,000.01 - \$30,000 Unsealed Proposals	Requires at least three (3) electronic or written quotes. Solicitation should include general description of purchase, evaluation criteria and weights used in the evaluation, contract terms and conditions. Must include total cost over the life of the contract. Approval of Chief Financial Officer and Executive Director required.

\$30,000.01 - \$50,000 Unsealed Proposals	Prior approval of the Authority is required; at least four (4) written quotations must be received. Solicitation should include general description of purchase, evaluation criteria and weights used in the evaluation, contract terms and conditions.
\$30,000.01 and Over – For Professional Services Only	Requires a Formal Request for Proposals established by the VPPA prerequisites. Firms are short listed based on evaluation criteria then an interview is conducted. Firms are then ranked based on criteria. Negotiations can begin with the firm ranked number 1.
\$50,000.01 and Over	Requires a Formal Invitation for Bid or Request for Proposals be issued in compliance with VPPA The request will be advertised in a local newspaper and/or published on the NVTAs website. All bids and RFPs must remain “on the street” for a minimum of ten (10) days as required by law.

The above table is provided as a recap. It will be updated for changes in the VPPA.

VIII. Cooperative Procurement. The NVTAs may purchase from another public body’s contract even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies, in accordance with the restrictions cited in the *Code of Virginia* §2.2-4304. The NVTAs may participate in the NOVA Consortium, Washington Metropolitan Council of Governments or similar organizations.

IX. Payment for Purchases of Goods and Services.

- A. Purchases consistent with above guidelines and within approved budget parameters may be approved by the Executive Director or CFO.
 - 1. The CFO is authorized to sign checks up to \$15,000. Checks over \$15,000 must be countersigned by the Executive Director. In all cases, expenditures shall be consistent with approved budget or a separate approval by the Authority.
 - 2. Specific prior approval of the Authority is needed for any expenditure that exceeds \$30,000.
 - 3. In all cases, appropriate documentation will be established and maintained consistent with state records management requirements.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Northern Virginia Transportation Authority

Investment Policy

DRAFT

Adopted xxxxxx, 2014

This Investment Policy has been established by the Northern Virginia Transportation Authority (Authority) to ensure effective management of the day-to-day investment activity, and is designed to increase non-tax revenues by investing funds when not needed for current obligations. The objective is to obtain, while protecting principal, the highest possible yield on available financial assets, consistent with constraints imposed by safety objectives, cash flow considerations and the laws of the Commonwealth of Virginia that govern the placement of public funds. The general custody of all funds requires the investment of those funds within the confines of the Code of Virginia and a comprehensive Investment Policy developed and maintained by the Authority.

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Investment Policy

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INVESTMENT POLICY

PURPOSE AND SCOPE

The purpose of this statement of investment policy is to establish guidelines for the safeguarding and efficient management of Authority funds and for the purchase, sale and custody of investment instruments. The goal is to minimize risk and to ensure the availability of cash to meet Authority expenditures, while generating revenue from the use of funds, which might otherwise remain idle.

Unless otherwise noted, all citations in this policy refer to the Code of Virginia (1950), as amended.

OBJECTIVES

The primary objectives of the Authority's investment activities, in priority order, are: safety, liquidity, and yield (SLY).

Safety of principal is the foremost objective in the investment of public funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements, which might be reasonably anticipated.

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles. This objective shall take into account constraints as to acceptable risk, the characteristics of the Authority's cash flows and the funding expectations of approved projects.

ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) is charged with collecting, safeguarding and disbursing Authority funds. The CFO serves as the investment officer for the Authority with authority for investment decisions to include managing the day-to-day operations of the portfolio, placing purchase orders and sell orders with dealers and financial institutions, procuring banking and financial services and preparing reports as required.

The CFO shall invest all available cash (with the exception of 30% funds) into a common investment portfolio. The CFO is required to file a statement of economic interest annually with the Authority Administrative Assistant/Clerk by no later than January 15 (§2.2-3116). The CFO may require any employee of the Authority entrusted with the investment of Authority funds to file a similar statement. In no event shall any employee involved in the investment process also be involved in personal business activity that could conflict with proper execution of the investment program.

The CFO shall continue to monitor the statutes and regulations and modify investment procedures accordingly to ensure compliance.

The CFO as well as staff assigned to investment and accounting functions; shall individually and as a group stay current on new regulations and market trends in investments, technology enhancements and new banking as well as financial services. Individual readings, research, subscriptions to news services, attending training and informational symposiums on these topics is encouraged and supported.

ROLE OF THE INVESTMENT MONITOR

The Investment Monitor is designated by the CFO to review the balances and activity in the Authority's investment portfolio. The Investment Monitor shall be thoroughly familiar with this Investment Policy and the Code of Virginia regarding allowable investments. The Investment Monitor will not be actively involved in investment activity other than to monitor transactions for compliance with this policy and the Code of Virginia. The Investment Monitor shall have read-only access to the portfolio tracking system with which to confirm all investment balances, purchases, maturities, sales and trades.

ROLE OF THE FINANCE COMMITTEE

The Finance Committee is established in the Authority to review the CFO's actions regarding the disposition of Authority funds. The Finance Committee meets at regular intervals with the CFO to review the Statement of Accountability. The makeup of the Finance Committee is specified in the Bylaws.

ETHICS AND CONFLICT OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Authority.

INTERNAL CONTROLS

The CFO is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met, to the extent possible with staff resources.

- Prevention of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping using a delivery versus payment basis
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian.

EXTERNAL PORTFOLIO MANAGEMENT

In order to better manage yield in changing interest rate environments, the CFO may decide to contract for external portfolio management. This portion of the investment portfolio may be invested for periods greater than two (2) years but not more than five (5) years. Since these funds have been set aside they are not currently required to meet the near term liquidity needs of the Authority. These funds may not exceed 25% of the net balance of the Authority's 70% Regional Fund pooled cash and investments. The external portfolio manager must comply with all the requirements of the Code of Virginia with respect to the investment of local funds.

COMMUNITY BANK PROGRAM

In order to enable community based financial institutions to compete against regional and national institutions for Authority funds the CFO may set aside a portion of Authority funds upon which only local community based institutions may bid. In order to qualify for the Community Bank Program, an institution must be headquartered locally or maintain a significant portion of its branches within the Authority membership jurisdictional boundaries. Any banks which show significant community reinvestment activities beyond the minimums required in the Community Reinvestment Act will receive consideration. Newly chartered banks, meeting the above criterion, will qualify after being closely reviewed for solvency, stability and quality as well as experience of executive management.

The aggregate investments held for any qualifying institution is not to exceed five (5) percent of the institution's total assets as reported on their most recent audited financial statements or Quarterly Call Report. The CFO may require such bids to include a premium over the market rate to compensate for the increased administrative costs and reduction of liquidity which this program may entail. Such premiums shall be determined by the CFO periodically based on prevailing market conditions.

The investments under the Community Bank Program are subject to the same restrictions and the same collateralization requirements as all other investments. The CFO reserves the right to reject bids that are not suitable or otherwise not in the best interest of the Authority.

INVESTMENT OF BOND PROCEEDS

The Tax Reform Act of 1986 restricts the interest which may be earned on the unexpended proceeds of tax-exempt bonds issued after 1986. The average yield of investments purchased with bond proceeds may not exceed the yield on the bonds. Any excess earnings are considered arbitrage earnings and must be remitted to the U.S. Treasury. In order to avoid the difficulties associated with arbitrage, all unexpended bond proceeds shall be invested separately in the State Non-Arbitrage Pool, or its equivalent.

Notwithstanding the general policy that the CFO shall refrain from specific fund investments, interest earned on these investments shall be allocated to the funds for which the bonds were issued.

ARBITRAGE MANAGEMENT PROGRAM

The arbitrage management program seeks to promptly reimburse pooled cash for expenses related to bond projects and to manage the Authority relationship with the State Non-Arbitrage Program (SNAP). Through the prompt replenishment of eligible capital expenses the Arbitrage Management Program seeks to maximize the Authority's liquidity and investment earnings. The main points of the program are:

1. Make cash draws from the appropriate SNAP account based on the Authority general ledger activity.
2. Establish and manage arbitrage rebate accounts to cover projected IRS rebate liability.
3. Provide the most accurate information to the Arbitrage Rebate Calculation Agent based on the Authority general ledger activity.
4. Return any erroneously drawn funds to the appropriate SNAP account within five (5) months, if the underlying expense is retracted by a member jurisdiction.
5. Rely on the appropriate member jurisdictions to maintain the detailed documents to support their transactions related to expenses eligible for cash draws.

PAYMENT OF BANKING SERVICE AND INVESTMENT FEES

The CFO determines whether paying for banking, financial services and financial products directly or through compensating balances is in the best interest of the Authority. The method of payment chosen will, for the most part, be based on the current rate of return on the portfolio versus the compensating balance rate offered by individual institutions.

Payment methods may change on a month to month and institution by institution basis depending upon which arrangement produces the best overall return, cost constraint and operational efficiency. Investment proceeds and/or compensating balance arrangements can be used for banking and financial services only within the fund which holds the balance. Examples would be investment fees stay within the 70% Regional Revenue funds. Operational banking fees remain within the Operating Fund.

AUTHORIZED DEPOSITORY AND FEE SERVICE BANKS

The CFO shall maintain a list of financial institutions authorized to provide depository and/or investment services. In order to ensure orderly and fair competition, the CFO will routinely bid new fee services on an individual basis, when such service is not functionally linked to an existing banking process. Priority will be given to making certain that opportunities are presented to participants in a fair and orderly process.

1. Banks must be “qualified public depositories” as defined in the *Code of Virginia* §2.2-4401 Security for Public Deposits Act.
2. All commercial banks wishing to be authorized to provide services must report a minimum of 4% or greater in the Tier 1 (Core) capital rating in their Quarterly Call Report filed with the FDIC. If any bank were to report a rating of less than 4% the deposit and fee relationship will be considered in jeopardy and the CFO will take appropriate and prudent action.
3. The CFO will conduct a bi-annual review of the condition of each authorized financial institution. The CFO will undertake interim reviews as conditions dictate.

AUTHORIZED INVESTMENT BROKER/DEALERS

The CFO shall maintain a list of financial institutions authorized to provide depository (Certificates of Deposit, Negotiated Order of Withdrawal and Money Market accounts) and/or investment broker services.

In order to ensure orderly and fair competition, the CFO shall limit the number of broker/dealers on the authorized list. For the broker/dealers on the list, priority will be given to making certain that opportunities are presented to participants in a fair and orderly process.

Further, authorized financial institutions will:

1. Maintain compliance with FINRA Net Capital Requirements for Brokers or Dealers - SEA Rule 15c3-1.
2. Any broker must maintain an active registration in good standing with FINRA.
3. Achieve a successful review, by the Authority, of individual broker records as posted by FINRA.
4. All Broker/Dealers are required to sign an acknowledgement as to receiving, understanding and agreeing to abide by this investment policy prior to the start of any activity. Broker/Dealers which repeatedly propose non-allowable or noncompetitive investments will be removed from the approved list.

5. Broker/Dealers will be automatically removed from the authorized list if no instruments have been purchased from their firm for 16 consecutive months.

BENCHMARKS

The portfolio performance benchmarks will be both the Fed Funds Rate and the Treasury 90 Day T-Bill rate. Comparisons to the Virginia State Non-Arbitrage Program (SNAP) and the Virginia Local Government Investment Pool (LGIP) will be maintained as they are both highly liquid investment pools operated in compliance with the Code of Virginia.

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PURCHASE OF INVESTMENTS

GENERAL

Generally, investment offers must be considered in a competitive environment. Investments in excess of five (5) million dollars must be selected on a competitive basis. Offers must be solicited/received from a minimum of two dealers or financial institutions. The CFO may use discretion in selecting the bidders, taking into consideration an institution's reputation, past success rate, timeliness in providing bids and any other factors which the CFO believes have bearing.

In general, the highest yielding instrument offered with an appropriate maturity to match with projected liquidity needs will be the investment selected. The CFO may reject an investment, even if it yields the highest rate, if he feels it carries an element of risk which may not be reflected in the published credit rating or if it is not in the Authority's interest to hold such an investment in its portfolio.

Banks and broker/dealers shall be instructed to mail trade confirmations or similar documentation to the Authority Administrative Assistant/Clerk. The Administrative Assistant will show all trade confirmations to the Executive Director, keep a copy on file and provide the originals to the Authority Assistant Finance Officer for entry into the accounting system.

In accord with primary objectives, in priority order of safety, liquidity, and yield (SLY), investments shall be made with the judgment and care which persons of discretion, prudence and intelligence exercise in the management of their own affairs, not for speculation, but for the protection of principal. Consideration for the safety of capital shall be paramount over the probable income to be derived. Individuals responsible for investing Authority funds shall in no way benefit personally as a result of investment decisions.

INVESTMENT POLICIES AND STANDARDS

There are certain standards of "adequacy" and "appropriateness" set by the Authority, in addition to the creditworthiness of an institution, against which offers shall be measured when purchasing investments. For example, diversification reduces overall portfolio risks while attaining market average rates of return. The policies and standards which regulate specific investments and the composition of the investment portfolio shall include, but not be limited to, the following:

1. No investment shall be purchased if the yield is less than that of the most recently auctioned issue of the United States Treasury of a similar term.
 - a. No investment shall be purchased if two of three or more enhanced ratings from nationally recognized ratings firms are not at or above the minimum required in the Code of Virginia. Due to the use of credit qualifiers by the rating agencies to signify rating reviews in the financial market turmoil starting in calendar year 2009, negative rating qualifications (such as AA- or A1-) will not exclude the instrument.
 - b. The status of any credit enhancement firm will be examined when considering the purchase of an instrument. The CFO will keep a list of unacceptable credit enhancement firms. Any instrument with a credit enhancement by a firm on this list will be considered based on its underlying credit rating not the enhanced rating.
2. At no time, shall more than thirty-five percent of the portfolio be invested in commercial paper.

3. No more than five (5) percent of the portfolio shall be invested in the commercial paper of a single entity.
4. The CFO will determine/reaffirm on a weekly basis the target balance for the portion of the portfolio invested with maturities greater than 24 months.
5. At no time shall the remaining maturity of an investment exceed 60 months, unless such investment has a PUT option as described in the Diversity & Maturity Section.
6. The CFO shall endeavor to maintain an appropriate diversification in the portfolio. The CFO will diversify instruments and institutions in order to reduce overall portfolio risk while attaining market rates of return.
7. The CFO shall use the average of the three-month Treasury bill auctions for a quarter as a benchmark for the return on the investment portfolio.
8. All investments with the sole exception of bank depository instruments, will be purchased on a delivery versus payment basis through a trust and custody agent under contract with the Authority.

The Finance Committee may add, delete or modify standards of investment at its discretion in response to changing economic, national or international conditions. Such additions, deletions or modifications shall be reported to the Authority at the next meeting of that body.

All institutions solicited for offers shall be advised of the allowable investments and any restrictions upon investments. Only investments which meet the criteria enumerated above may be considered. The CFO may consider barring institutions from consideration should they repeatedly offer disallowed investments.

ALLOWABLE INVESTMENTS

The Authority must limit investments to those allowed by the Code of Virginia. The Authority, however, may restrict investments beyond the limits imposed by the Code if such restrictions serve the purpose of further safeguarding Authority funds or are in the best interests of the Authority.

The allowable types of investments under the Code of Virginia for non-sinking funds are as follows:

1. Stocks, bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia, and other evidences of indebtedness unconditionally guaranteed as to payment of principal and interest by the Commonwealth of Virginia.
2. Bonds, notes and other obligations of the United States, and securities unconditionally guaranteed as to the payment of principal and interest by the United States, or any agency thereof. The evidences of indebtedness enumerated by this subdivision may be held directly, or in the form of repurchase agreements collateralized by such debt securities, or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to such evidences of indebtedness, or repurchase agreements collateralized by such debt securities, or securities of other such investment companies or investment trusts whose portfolios are so restricted.
3. Stocks, bonds, notes and other evidences of indebtedness of any state of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided, that within the twenty fiscal years next preceding the

making of such investment, such state has not been in default for more than ninety days in the payment of any part of principal or interest of any debt authorized by the legislature of such state to be contracted.

4. Stocks, bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body in the Commonwealth upon which there is no default; provided, that if the principal and interest be payable from revenues or tolls and the project has not been completed, or if completed, has not established an operating record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, the standards of judgment and care required in Article 2 (§ 26-45.3 et seq.) of Chapter 3 of Title 26, without reference to this section, shall apply.

In any case in which an authority, having an established record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, issues additional evidences of indebtedness for the purposes of acquiring or constructing additional facilities of the same general character that it is then operating, such additional evidences of indebtedness shall be governed by the provisions of this section without limitation.

5. Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided, that (i) within the twenty fiscal years next preceding the making of such investment, such city, county, town or district has not been in default for more than ninety days in the payment of any part of principal or interest of any stock, bond, note or other evidence of indebtedness issued by it; (ii) such city, county, town or district shall have been in continuous existence for at least twenty years; (iii) such city, county, town or district has a population, as shown by the federal census next preceding the making of such investment, of not less than 25,000 inhabitants; (iv) the stocks, bonds, notes or other evidences of indebtedness in which such investment is made are the direct legal obligations of the city, county, town or district issuing the same; (v) the city, county, town or district has power to levy taxes on the taxable real property therein for the payment of such obligations without limitation of rate or amount; and (vi) the net indebtedness of such city, county, town or district (including the issue in which such investment is made), after deducting the amount of its bonds issued for self-sustaining public utilities, does not exceed ten (10) percent of the value of the taxable property in such city, county, town or district, to be ascertained by the valuation of such property therein for the assessment of taxes next preceding the making of such investment.
6. Savings accounts or time deposits in any bank or savings and loan association within the Commonwealth of Virginia, providing such bank or savings and loan association is a "qualified public depository". Such savings accounts or time deposits must meet the collateralization requirements as set forth in the Virginia Security for Public Deposits Act and the regulations of the State Treasury Board. The collateral must be a security or securities allowable as a direct investment with a market value of not less than fifty percent of the deposit amount where the depository is a commercial bank and not less than one hundred percent of the deposit amount where the depository is a savings and loan or savings bank. This collateral must be pledged to the Treasury Board and held by the Board in its designated trust depository or another depository

approved by the Board (§58.1-3149 and §2.2-4400).

7. Repurchase agreements which are collateralized with securities that are approved for direct investment. The Treasurer may require that physical possession of the collateral be taken (§2.2-4507). Physical possession must be taken when the term of the repurchase agreement exceeds ten (10) days. The Treasurer shall execute a master repurchase agreement with the bank or broker/dealer, which is the counterparty to the repurchase transaction prior to entering into any repurchase transaction.
8. Banker's acceptances from "prime quality" institutions. Prime quality shall be as determined by one or more nationally recognized rating agencies (§2.2-4504).
9. "Prime quality" commercial paper (§2.2-4502). "Prime quality" shall be as rated by at least two (2) of the following: Moody's Investors Service, Inc., within its NCO/Moody's rating of P1, by Standard & Poor's, Inc., within its rating of A-1, by Fitch Investor's Services, Inc., within its rating of F-1, by Duff and Phelps, Inc., within its rating of D-1, or by their corporate successors (§2.2-4502.3).
10. "High quality" corporate notes (§2.2-4510). High quality shall be defined as a rating of at least AA by Standard and Poor's, at least Aa by Moody's and at least AA/F1 by Fitch and a maturity of no more than five (5) years. All investments should be rated by at least two rating agencies.
11. Certificates representing ownership in either treasury bond principal at maturity or its coupons for accrual periods. The underlying United States Treasury bonds or coupons shall be held by a safekeeping agent independent of the seller of the certificates (§2.2-4505).
12. The Local Government Investment Pool (LGIP). Investments in this pool are subject to the rules and regulations as set forth by the Virginia Department of the Treasury which manages the pool (§2.2-4602). The CFO shall, on a continual basis, monitor the management and operations of the LGIP.
13. The State Non-Arbitrage Pool (SNAP). Investments in this pool are limited to unexpended proceeds from the issuance of bonds, the interest on which is subject to rebate under the provisions of the Tax Reform Act of 1986 (§2.2-4700), and reserve accounts directly related to the issuance of debt or other credit agreement.
14. Open-end mutual funds, provided the funds are registered under the Security Act of Virginia or the Federal Investment Act of 1940 and that the investments by such Funds are restricted to the same securities as approved for direct investments (§2.2-4508).
15. Negotiable certifications of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least A-1 by Standard & Poor's, P-1 by Moody's Investor Service, Inc., A-1, by Fitch Investor's Services, Inc., and F-1, by Duff and Phelps, Inc., for maturities of one year or less, and a rating of at least AA by Standard & Poor's and Aa by Moody's Investor Service, Inc., for maturities over one year and not exceeding five years (§2.2-4509).
16. Non-negotiable certificates of deposit of banks certified as qualified to hold Virginia Public Deposits.

DIVERSIFICATION & MATURITIES

The CFO will diversify holdings of the investment instruments to avoid incurring unreasonable risk inherent in over-investing in any specific instruments or class of instruments, individual financial institution or maturity schedule; while attaining market average rates of return.

Length and allowable percentage of instruments maturity scheduling shall be timed according to anticipated need. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures as well as considering sizable blocks of anticipated revenues.

If a legally authorized stock, bond, note or other evidence of indebtedness of any city, county, town or district situated in any one of the states of the United States has a PUT option which requires the issuer of the instrument to return all principal, and accrued interest within 30 days of the exercise of the PUT option, than the maturity of that instrument will be considered the PUT option not the stated maturity of the instrument.

The table below shows the maximum length and maximum portfolio composition of each investment class:

<u>Class</u>	<u>Length</u>	<u>Percent of total portfolio & cash</u>
Stocks, bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia	60 months or less	75%
Stocks, bonds, notes and other evidences of indebtedness of the United States	60 months or less	100%
Stocks, bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth of Virginia	36 months or less	75%
Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States.	36 months or less	75%
Savings accounts or time deposits (CDs) in any bank or savings and loan association within the Commonwealth of Virginia	24 months or less	60%
Repurchase Agreements	12 months or less	20%
Banker's Acceptances	12 months or less	10%
Prime Quality Commercial Paper	270 days or less	35% with a 5% per issuer limit

<u>Class</u>	<u>Length</u>	<u>Percent of total portfolio & cash</u>
High Quality Corporate Notes	36 months or less	50%
Certificates representing ownership in either treasury bond principal at maturity or its coupons for accrual periods	36 months or less	25%
The Local Government Investment Pool (LGIP)	N/A	100%
Open End Mutual Funds	N/A	Maximum 20% in any one fund. Prior 3 year history must exceed internal performance by 25bps, net of mgmt fee.
The State Non-Arbitrage Pool (SNAP)	N/A	100% of bond proceeds or debt related reserve account
Negotiable certificates of deposit and negotiable bank deposit notes	24 months or less	25%
External Management Contract	3 years or less	25% of net balance of pooled investments, using lowest portfolio amount as target point. Prior 3 year history must exceed internal performance by 25bps, net of mgmt fee.

DELIVERY REQUIREMENTS

Collateral for savings and time deposits shall be pledged according to the provisions of the Security for Public Deposits Act and the requirements of the State Treasury Board regulations.

All securities will be purchased on a delivery versus payment basis.

The Authority must designate one or more institutions to act as custodian for all non-depository investments. Such institutions must be qualified to do business in the State of Virginia as banks or trust companies. Delivery to the designated trustee, in lieu of physical possession, meets these delivery requirements.

REPORTS OF INVESTMENT ACTIVITY

REPORTS TO THE FINANCE COMMITTEE

The CFO shall report to the Finance Committee on a regular basis, as determined by the Committee, such information as the Committee requires in order to fulfill its function. At its discretion the Committee may require additional information or clarification from the CFO either orally or in writing.

The reports to the Finance Committee shall consist of a summary of cash and investments which are the assets of the Authority. This report, will list each depository, investment firm or custodian with balances. A listing of all investments, a detailed report of the investments held and the annual return being realized by each will be provided. A separate report shall be prepared for each calendar month as of the last day of that month.

FINANCIAL STATEMENT BASIS

Financial statement presentation of investments, accrual of interest, amortization of premiums and accretion of discounts shall be according to generally accepted accounting principles as applied to municipalities.

Those principals shall be as determined by the Commonwealth of Virginia Auditor of Public Accounts, the American Institute of Certified Public Accountants and its designated units, the Financial Accounting Standards Board and the Governmental Accounting Standards Board.

Reporting components will include:

- Listing of individual securities held at the end of the reporting period.
- Mark to market valuation on a monthly basis.
- Average weighted yield to maturity of portfolio.
- Listing of investments by maturity date.
- Percentage of the total portfolio which each type of investment represents.

COMPLIANCE WITH THE CODE OF VIRGINIA

This policy seeks to restrict and define investment actions at a more detailed level than presented in the Code of Virginia.

In the absence of any issue or situation not specifically addressed by this policy; any action undertaken by the CFO or his staff will at all times be in compliance with the Code of Virginia.

ATTACHMENTS

GLOSSARY – Attachment 1

Accrual Basis

Basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received.

Accrued Interest

The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency Security

A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization

The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Arbitrage

A technique employed to take advantage of price differences in separate markets. This may be accomplished by purchasing a security in one market and immediately selling in another market at a better price. As used in the context of investing public funds, arbitrage means borrowing at low tax-exempt rates and investing in taxable instruments. The arbitrage rebate provisions of the 1986 tax reform act govern this type of activity.

Average Life

The average length of time that issues of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers Acceptance

Negotiable time drafts drawn on commercial banks to finance import, export, shipment and storage of goods. Banker's acceptances are backed by the credit of the bank, which assumes primary liability. The acceptance is further collateralized by the goods in shipment or storage. Possession of a banker's acceptance requires taking delivery of a physical instrument.

Basis Point (bps)

A basis point refers to the measure of the yield to maturity of an investments calculated to four decimal places. For example, one quarter of one percent would be expressed as "twenty-five basis points".

Bid

The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value

The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Bond

A written, interest bearing certificate of debt with a promise to pay on a specific date and with a set annual rate of interest.

Broker

A person or firm acting as an agent for buyers and sellers.

Callable Bond

A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price

The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk

The risk to a bondholder that a bond may be redeemed prior to maturity.

Capital Reserve Fund

That portion of the County's investment portfolio which the Treasurer may designate for longer term investment. These funds are not currently required to meet the County's working capital needs and can be invested on a longer term basis.

Cash Equivalents

Instruments or investments of such high liquidity and safety that they are virtually as good as cash. Examples are a money market fund and a treasury bill.

Cash Sale/Purchase

A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit

A bank deposit evidenced by a negotiable or non-negotiable instrument which provides on its face that the amount of such deposit is payable to the bearer or a specified person on a certain date or upon notice in writing. Negotiable CD's may be sold on the secondary market, thus providing liquidity. Liquidation of non-negotiable CD's generally involves penalties.

Collateralization

Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Collusion

Collusion is a situation where two or more individuals are working in conjunction to commit fraud.

Commercial Paper

Business promissory notes, with a stated date of payment, which are usually sold at a discount and are backed by the general credit of the company. The credit of commercial paper may be enhanced by letters of credit from one or more banks. Commercial paper is generally for terms of less than 270 days, longer corporate obligations are referred to as notes or bonds and are subject to a greater degree of regulation.

Compensating Balance

A minimum level of deposits maintained in one or more non-interest-bearing accounts at a bank to defray the costs of banking services.

Coupon Rate

The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality

The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return)

A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Custodial Safekeeping

Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

Demand Deposit

A depository account from which withdrawals may be made as desired, e.g. a checking account.

Derivative Security

Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount

The amount or percentage at which a security sells below par value. For example, if a bond with a \$1,000 par value sells for \$900 the discount is \$100 or 10%.

D.K.

“Don’t know”. If the delivery of a security fails because the trustee was not informed to take delivery or because the security is delivered for a different amount than agreed upon, the trade is “DK’ed”, meaning refused.

D.T.C.

The Depository Trust Company (DTC) of New York acts as the repository for all securities which are electronic, as opposed to physical, delivery. These include all U.S. Treasury and agency issues and certain issues of commercial paper.

D.V.P.

Delivery Verses Payment. Delivering securities “DVP” means that funds are not released by the trustee until the security is delivered either in physical form or through DTC.

Duration

A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value

The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FDIC

Federal Deposit Insurance Corporation

Federal Funds (Fed Funds)

Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate

Interest rate charged by one institution lending federal funds to the other.

Federal Reserve System

System established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (the Fed) is comprised of 12 regional Federal Reserve Banks, their 24 branches, and all national and state banks that are part of the system. National banks are stockholders of the Federal Reserve Bank in their regions. The Fed’s main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for the transfer of funds throughout the banking system and examine member banks to make sure they meet various Federal Reserve regulations.

FINRA

Financial Industry Regulatory Authority is the largest non-governmental regulator for all securities firms doing business with the United States public.

Fiscal Year

A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operation.

Governmental Accounting Standards Board (GASB)

A nationally recognized board consisting of five members, appointed by and operating under the Financial Accounting Foundation. The GASB is the highest source of reporting and accounting guidance for state and local governments.

Government Securities

An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market.

Interest Rate

See Coupon Rate.

Interest Rate Risk

The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls

Internal controls are procedures designed to protect the assets of the entity from loss, theft, or misuse.

Inverted Yield Curve

A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment

The use of capital to create more money, either through income producing vehicles or through more risk-oriented ventures designed to result in capital gains. Investment connotes the idea that safety of principal is important. Speculation, on the other hand, is far riskier.

Investment Company Act of 1940

Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy

A concise and clear statement of the objectives and guidelines formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations

An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Jumbo CD

A certificate of deposit of at least one hundred thousand dollars.

Liquidity

A measure of the ability to convert a security into cash with a minimum risk of loss of principal or accrued interest. The easier the ability to convert the more liquid the security.

Local Government Investment Pool (LGIP)

An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market

The process whereby the book value or collateral value of a Security is adjusted to reflect its current market value.

Market Risk

The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value

Current market price of a security.

Maturity

The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder.

Money Market Mutual Fund

Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Municipal Obligation

A security issued by a state or local government, authority or similar entity. These obligations are generally exempt from federal income tax. Taxable municipal obligations are issued by localities or authorities for non-purpose projects.

Mutual Fund

An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the Securities and Exchange Commission (SEC) disclosure guidelines.

Mutual Fund Statistical Services

Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD)

A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value

The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$.

No Load Fund

A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield

The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer

An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Opportunity Cost

The highest price or rate of return an alternative course of actions would provide. In securities investments, the cost of forgoing a safe return on an investment in hopes of making a larger profit. For instance, an investor might buy a stock that shows great promise but yields on 4%, even though a higher safe return is available in a money market fund yielding 10%. The 6% yield difference is called the opportunity cost.

Par Value

The value of a security as expressed on its face without any consideration of any premium, discount or accrued interest. Par value is also known as "face amount" or "face value".

Positive Yield Curve

A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium

The amount by which the price paid for a security exceeds the par value. For example, if a bond with a \$1,000 par value sells for \$1,100 the premium is \$100 or 10%.

Primary Dealer

A securities dealer that buys government securities directly from the Federal Reserve Bank (the Fed) and that has met certain minimum financial criteria set by the Markets Reports Division of the Federal Reserve Bank of New York. The Fed requires primary dealers to maintain a minimum capital adequacy ratio of liquid capital to measured risk that meets or exceeds 125 percent.

Prime Rate

A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal

The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus

A legal document that must be provided to any prospective purchaser of new securities offerings registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule

An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Repurchase Agreement ("Repo")

A short term investment wherein an investor purchases a security (i.e. a Treasury Bond) in return for the seller's agreement to buy the security back on a specified date for a specified amount greater than the amount the investor paid. The principal is guaranteed and the return fixed under such an agreement.

Rule 2a-7 of the Investment Company Act

Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping

Holding of assets (e.g., securities) by a financial institution.

SEA

Securities Exchange Act

Serial Bond

A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund

Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

SLY

Safety, Liquidity and Yield

SNAP (State Non-Arbitrage Program)

An investment program established by the State Treasurer, as authorized under Section 2.1-234.9, to assist local bond issuers in the management, investment and accounting of bond proceeds in compliance with certain provisions of the federal Tax Reform Act of 1986. The purpose of this arrangement is to centralize the administrative and legal requirements of compliance with complex IRS provisions regarding municipal bond Arbitrage.

Swap

Trading one asset for another.

Term Bond

Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Time Deposit

A bank deposit drawing interest at intervals and having a restrictive level of withdrawals, e.g. a savings account.

Total Return

The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills

Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Bonds

Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Treasury Notes

Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Obligations

Securities representing obligations backed by the full faith and credit of the United States. Treasury bills are short term obligations (3 and 6 month), treasury notes are medium term obligations (1 to 7 years) and treasury bonds are long term obligations (over 7 years).

U.S. Agency Securities

Obligations issued by agencies established by the United States but not backed by the full faith and credit of the government. These obligations are regarded as almost as risk free as direct treasury issues as the federal government supervises and regulates the issuers and is regarded as having a moral obligation to ensure repayment.

Volatility

A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM)

The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds thirteen months.

When Issued (WI)

A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

Yield

The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield-to-call (YTC)

The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve

A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity

The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return.

Zero Balance Account

A disbursing account in which no cash is maintained. As checks drawn on the account are presented the funds necessary to pay them are withdrawn from a master account at the same bank. Zero balance accounts are used to control float or provide account separation for specialized purposes.

Zero-coupon Securities

Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security.

RELEVANT CODE SECTIONS – Attachment 2

CHAPTER 44 VIRGINIA SECURITY FOR PUBLIC DEPOSITS ACT

§ 2.2-4400. Short title; declaration of intent; applicability.

- A. This chapter may be cited as the "Virginia Security for Public Deposits Act."
 - B. The General Assembly intends by this chapter to establish a single body of law applicable to the pledge of security as collateral for public funds on deposit in financial institutions so that the procedure for securing public deposits may be uniform throughout the Commonwealth.
 - C. All public deposits in qualified public depositories that are required to be secured by other provisions of law or by a public depositor shall be secured pursuant to this chapter.
 - D. This chapter, however, shall not apply to deposits made by the State Treasurer in out-of-state financial institutions related to master custody and tri-party repurchase agreements, provided (i) such deposits do not exceed ten percent of average monthly investment balances and (ii) the out-of-state financial institutions used for this purpose have a short-term deposit rating of not less than A-1 by Standard & Poor's Rating Service or P-1 by Moody's Investors Service, Inc., respectively.
- (1973, c. 172, §§ 2.1-359, 2.1-361; 1984, c. 135; 2000, cc. 335, 352; 2001, c. 844.)

§ 2.2-4401. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Default or insolvency" includes, but shall not be limited to, the failure or refusal of any qualified public depository to return any public deposit upon demand or at maturity and the issuance of an order of supervisory authority restraining such depository from making payments of deposit liabilities or the appointment of a receiver for such depository.

"Eligible collateral" means securities of the character authorized as legal investments under the laws of the Commonwealth for public sinking funds or other public funds and securities acceptable under United States Treasury Department regulations as collateral for the security of treasury tax and loan accounts and Federal Loan Bank letters-of-credit that adhere to the guidelines as promulgated by the Treasury Board.

"Located in Virginia" means having a main office or branch office in the Commonwealth where deposits accepted, checks are paid, and money is lent.

"Public deposit" means moneys of the Commonwealth or of any county, city, town or other political subdivision thereof, including moneys of any commission, institution, committee, board or officer of the foregoing and any state, circuit, county or municipal court, which moneys are deposited in any qualified public depository in any of the following types of accounts: nonnegotiable or registered time deposits, demand deposits, savings deposits, and any other transaction accounts, and security for such deposit is required by other provisions of law, or is required due to an election of the public depositor.

"Qualified public depository" means any national banking association, federal savings and loan association or federal savings bank located in Virginia and any bank, trust company or savings institution organized under Virginia law that receives or holds public deposits that are secured pursuant to this chapter.

"Required collateral" of a qualified public depository means, (i) in the case of a bank, a sum equal to fifty percent of the actual public deposits held at the close of business on the last banking day in the month immediately preceding the date of any computation of such balance, or the average balance of all public deposits for such preceding month, whichever is greater, and (ii) in the case of a savings and loan association or savings bank, a sum equal

to 100 percent of the average daily balance for the month immediately preceding the date of any computation of such balance of all public deposits held by such depository but shall not be less than 100 percent of the public deposits held by such depository at the close of business on the last banking day in such preceding month.

"Treasurer" and "public depositor" means the State Treasurer, a county, city, or town treasurer or director of finance or similar officer and the custodian of any other public deposits secured pursuant to this chapter.

"Treasury Board" means the Treasury Board of the Commonwealth created by § 2.2-2415. (1973, c. 172, § 2.1-360; 1984, c. 135; 1987, c. 718; 1996, c. 77; 1998, cc. 20, 21; 2001, c. 844; 2008, c.)

§ 2.2-4402. Collateral for public deposits.

Every qualified public depository shall deposit with the State Treasurer, or, with the approval of the Treasury Board, with the Federal Reserve Bank of Richmond or any other bank or trust company located within or without the Commonwealth, eligible collateral equal to or in excess of the required collateral of such depository to be held subject to the order of the Treasury Board. Eligible collateral shall be valued as determined by the Treasury Board. Substitutions and withdrawals of eligible collateral may be made from time to time under regulations issued by the Treasury Board.

Each qualified public depository shall, at the time of the deposit of eligible collateral, deliver to the State Treasurer a power of attorney authorizing him to transfer any registered securities deposited, or any part thereof, for the purpose of paying any of the liabilities provided for in this chapter.

Notwithstanding any other provisions of law, no depository shall be required to give bond or pledge securities in the manner herein provided for the purpose of securing deposits received or held in the trust department of the depository and that are secured as required by § [6.1-21](#) or that are secured pursuant to Title 12, § 92a of the United States Code by securities of the classes prescribed by § 6.1-21.

No qualified public depository shall accept or retain any public deposit that is required to be secured unless it has deposited eligible collateral equal to its required collateral with some proper depository pursuant to this chapter.

(1973, c. 172, § 2.1-362; 2001, c. 844.)

§ 2.2-4403. Procedure for payment of losses where depository is bank.

When the Treasury Board is advised by any treasurer or otherwise determines that a default or insolvency has occurred with regard to a qualified public depository that is a bank, it shall as promptly as practicable make payment to the proper treasurer of all funds subject to such default or insolvency, pursuant to the following procedures:

1. The Treasury Board and the treasurer shall ascertain the amount of public funds on deposit with the qualified public depository in default or insolvent that are secured pursuant to this chapter, either with the cooperation of the Commissioner of Financial Institutions or receiver appointed for such depository or by any other means available, and the amount of deposit insurance applicable to such deposits.
2. The amount of such public deposits ascertained as provided in subdivision 1, net of applicable deposit insurance, shall be assessed by the Treasury Board first against the depository in default or insolvent to the extent of the full realizable current market value of the collateral deposited by it to secure its public deposits, and second, to the extent that such collateral is insufficient to satisfy the liability of the depository upon its deposits secured pursuant to this chapter against each of the other qualified public depositories according to the ratio that the average daily balance for each month of the secured public deposits held by the depository during the twelve calendar months

immediately preceding the date of the default or insolvency with respect to which the assessment is made bears to the total average daily balance for each month of all secured public deposits held by all qualified public depositories that are banks, other than the defaulting depository, during those twelve calendar months.

3. Assessments made by the Treasury Board shall be payable on the second business day following demand, and in case of the failure of any qualified public depository to pay such assessment when due, the State Treasurer shall promptly take possession of the eligible collateral deposited with him or with the Federal Reserve Bank of Richmond or other bank or trust company pursuant to this chapter and liquidate the same to the extent necessary to pay such assessment and turn over such amounts received to the Treasury Board.
4. Upon receipt of such assessment, payments or the proceeds of the eligible collateral liquidated to pay such assessments from the State Treasurer, the Treasury Board shall reimburse the public depositors to the extent of the depository's deposit liability to them, net of any applicable deposit insurance.

(1973, c. 172, § 2.1-363; 1978, c. 14; 1984, c. 135; 2001, c. 844.)

§ 2.2-4404. Procedure for payment of losses where depository is savings bank or savings and loan association.

When the Treasury Board is advised by any treasurer or otherwise determines that a default or insolvency has occurred with regard to a qualified public depository that is a savings bank or a savings and loan association, it shall as promptly as practicable make payment to the proper treasurer of all funds subject to such default or insolvency, pursuant to the following procedures:

1. The Treasury Board and the treasurer shall ascertain the amount of public funds on deposit with the qualified public depository in default or insolvent that are secured pursuant to this chapter, either with the cooperation of the Commissioner of Financial Institutions or receiver appointed for such depository or by any other means available, and the amount of deposit insurance applicable to such deposits.
2. The amount of such public deposits ascertained as provided in subdivision 1 net of applicable deposit insurance, shall be assessed by the Treasury Board against the depository in default or insolvent. The State Treasurer shall promptly take possession of such of the eligible collateral deposited by such depository with him, or with any other depository pursuant to this chapter, as is necessary to satisfy the assessment of the Treasury Board and shall liquidate the same and turn over the proceeds thereof to the Treasury Board.
3. Upon receipt from the State Treasurer of the payments or proceeds of the eligible collateral liquidated to pay such assessments from the State Treasurer, the Treasury Board shall reimburse the public depositors to the extent of the depository's deposit liability to them, net of any applicable deposit insurance.

(1984, c. 135, § 2.1-363.1; 2001, c. 844.)

§ 2.2-4405. Powers of Treasury Board relating to the administration of this chapter.

The Treasury Board shall have power to:

1. Make and enforce regulations necessary and proper to the full and complete performance of its functions under this chapter;
2. Prescribe regulations fixing terms and conditions consistent with this chapter under which public deposits may be received and held;
3. Require such additional collateral, in excess of the required collateral of any qualified public depository, of any and all such depositories as it may determine prudent under the circumstances;

4. Determine what securities shall be acceptable as eligible collateral, and to fix the percentage of face value or market value of such securities that can be used to secure public deposits;
 5. Require any qualified public depository to furnish such information concerning its public deposits; and
 6. Determine when a default or insolvency has occurred and to take such action as it may deem advisable for the protection, collection, compromise or settlement of any claim arising in case of default or insolvency.
- (1973, c. 172, § 2.1-364; 2001, c. 844.)

§ 2.2-4406. Subrogation of Treasury Board to depositor's rights; payment of sums received from distribution of assets.

Upon payment in full to any public depositor, the Treasury Board shall be subrogated to all of such depositor's rights, title and interest against the depository in default or insolvent and shall share in any distribution of its assets ratably with other depositors. Any sums received from any such distribution shall be paid to the other qualified public depositories against which assessments were made, in proportion to such assessments, net of any proper expense of the Treasury Board in enforcing any such claim.

(1973, c. 172, § 2.1-365; 2001, c. 844.)

§ 2.2-4407. Deposit of public funds in qualified public depository mandatory.

No public deposit that is required to be secured pursuant to this chapter shall be made except in a qualified public depository.

(1973, c. 172, § 2.1-366; 2001, c. 844.)

§ 2.2-4408. Authority to deposit public funds.

- A. All treasurers and public depositors are hereby authorized to deposit funds under their control in qualified public depositories securing public deposits pursuant to this chapter.
- B. Local officials handling public funds in the Commonwealth may not require from a depository institution any pledge of collateral for their deposits in such institution which is in excess of the requirements of this chapter.

(1973, c. 172, § 2.1-367; 1980, c. 538, § 2.1-234.5; 1998, cc. 20, 21; 2001, c. 844.)

§ 2.2-4409. Authority to secure public deposits; acceptance of liabilities and duties by public depositories.

All institutions located in the Commonwealth that are permitted to hold and receive public deposits are hereby authorized to secure such deposits in accordance with this chapter.

Any institution accepting a public deposit that is required to be secured pursuant to this chapter shall be deemed to have accepted the liabilities and duties imposed upon it pursuant to this chapter with respect to the deposit.

(1973, c. 172, § 2.1-368; 2001, c. 844.)

§ 2.2-4410. Liability of treasurers or public depositors.

When deposits are made in accordance with this chapter no treasurer or public depositor shall be liable for any loss thereof resulting from the failure or default of any depository in the absence of negligence, malfeasance, misfeasance, or nonfeasance on his part or on the part of his assistants or employees.

(1973, c. 172, § 2.1-370; 2001, c. 844.)

§ 2.2-4411. Reports of public depositories.

Within ten days after the end of each calendar month or when requested by the Treasury Board each qualified public depository shall submit to the Treasury Board a written report, under oath, indicating (i) the total amount of public deposits held by it at the close of business on the last banking day in the month, (ii) the average daily balance for the month of all secured public deposits held by it during the month, (iii) a detailed schedule of pledged collateral at its current asset value for purposes of collateral at the close of business on the last banking day in the month, and (iv) any other information with respect to its secured public deposits that may be required by the Treasury Board. Each qualified public depository shall also furnish at the same time to each public depositor for which it holds deposits and that makes a written request therefore a schedule of the secured public deposits to the credit of such depositor as of the close of business on the last banking day in the month and the total amount of all secured public deposits held by it upon such date. (1973, c. 172, § 2.1-369; 1979, c. 154; 2001, c. 844.)

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CHAPTER 45
INVESTMENT OF PUBLIC FUNDS ACT

§ 2.2-4500. Legal investments for public sinking funds.

The Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any sinking funds belonging to them or within their control in the following securities:

1. Bonds, notes and other evidences of indebtedness of the Commonwealth, and securities unconditionally guaranteed as to the payment of principal and interest by the Commonwealth.
 2. Bonds, notes and other obligations of the United States, and securities unconditionally guaranteed as to the payment of principal and interest by the United States, or any agency thereof. The evidences of indebtedness enumerated by this subdivision may be held directly, or in the form of repurchase agreements collateralized by such debt securities, or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to such evidences of indebtedness, or repurchase agreements collateralized by such debt securities, or securities of other such investment companies or investment trusts whose portfolios are so restricted.
 3. Bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth upon which there is no default; provided, that such bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body are either direct legal obligations of, or those unconditionally guaranteed as to the payment of principal and interest by the county, city, town, district, authority or other public body in question; and revenue bonds issued by agencies or authorities of the Commonwealth or its political subdivisions upon which there is no default.
 4. Bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development, bonds and other obligations issued, guaranteed or assumed by the Asian Development Bank and bonds and other obligations issued, guaranteed or assumed by the African Development Bank.
 5. Savings accounts or time deposits in any bank or savings institution within the Commonwealth provided the bank or savings institution is approved for the deposit of other funds of the Commonwealth or other political subdivision of the Commonwealth.
- (1956, c. 184, § 2-297; 1958, c. 102; 1966, c. 677, § 2.1-327; 1970, c. 75; 1974, c. 288; 1986, c. 270; 1988, cc. 526, 834; 1996, cc. 77, 508; 2001, c. 844.)

§ 2.2-4501. Legal investments for other public funds.

- A. The Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control, other than sinking funds, in the following:
- 1) Stocks, bonds, notes, and other evidences of indebtedness of the Commonwealth and those unconditionally guaranteed as to the payment of principal and interest by the Commonwealth.
 - 2) Bonds, notes and other obligations of the United States, and securities unconditionally guaranteed as to the payment of principal and interest by the United States, or any agency thereof. The evidences of indebtedness enumerated by this subdivision may be held directly, or in the form of repurchase agreements collateralized by such debt securities, or in the form of securities of any open-end

or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to such evidences of indebtedness, or repurchase agreements collateralized by such debt securities, or securities of other such investment companies or investment trusts whose portfolios are so restricted.

- 3) Stocks, bonds, notes and other evidences of indebtedness of any state of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided, that within the twenty fiscal years next preceding the making of such investment, such state has not been in default for more than ninety days in the payment of any part of principal or interest of any debt authorized by the legislature of such state to be contracted.
- 4) Stocks, bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body in the Commonwealth upon which there is no default; provided, that if the principal and interest be payable from revenues or tolls and the project has not been completed, or if completed, has not established an operating record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, the standards of judgment and care required in Article 2 (§ 26-45.3 et seq.) of Chapter 3 of Title 26, without reference to this section, shall apply.
In any case in which an authority, having an established record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, issues additional evidences of indebtedness for the purposes of acquiring or constructing additional facilities of the same general character that it is then operating, such additional evidences of indebtedness shall be governed by the provisions of this section without limitation.
- 5) Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided, that
 - i) within the twenty fiscal years next preceding the making of such investment, such city, county, town or district has not been in default for more than ninety days in the payment of any part of principal or interest of any stock, bond, note or other evidence of indebtedness issued by it;
 - ii) such city, county, town or district shall have been in continuous existence for at least twenty years;
 - iii) such city, county, town or district has a population, as shown by the federal census next preceding the making of such investment, of not less than 25,000 inhabitants;
 - iv) the stocks, bonds, notes or other evidences of indebtedness in which such investment is made are the direct legal obligations of the city, county, town or district issuing the same;
 - v) the city, county, town or district has power to levy taxes on the taxable real property therein for the payment of such obligations without limitation of rate or amount; and
 - vi) the net indebtedness of such city, county, town or district (including the issue in which such investment is made), after deducting the amount of its bonds issued for self-sustaining public utilities, does not exceed ten percent of the value of the taxable property in such city, county, town or district, to be ascertained by the valuation of such property therein for the assessment of taxes next preceding the making of such investment.

- 6) Bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development, by the Asian Development Bank or by the African Development Bank.
- B. This section shall not apply to retirement funds and deferred compensation plans to be invested pursuant to §§ 51.1-124.30 through 51.1-124.35 or § 51.1-601.
- C. Investments made prior to July 1, 1991, pursuant to § 51.1-601 are ratified and deemed valid to the extent that such investments were made in conformity with the standards set forth in Chapter 6 (§ 51.1-600 et seq.) of Title 51.1.
(1956, c. 184, § 2-298; 1966, c. 677, § 2.1-328; 1980, c. 596; 1988, c. 834; 1991, c. 379; 1992, c. 810; 1996, c. 508; 1999, c. 772; 2001, c. 844.)

§ 2.2-4502. Investment of funds of Commonwealth, political subdivisions, and public bodies in "prime quality" commercial paper.

- A. The Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control other than sinking funds in "prime quality" commercial paper, with a maturity of 270 days or less, of issuing corporations organized under the laws of the United States, or of any state thereof including paper issued by banks and bank holding companies. "Prime quality" shall be as rated by at least two of the following: Moody's Investors Service, Inc., within its NCO/Moody's rating of prime 1, by Standard & Poor's, Inc., within its rating of A-1, by Fitch Investor's Services, Inc., within its rating of F-1, by Duff and Phelps, Inc., within its rating of D-1, or by their corporate successors, provided that at the time of any such investment:
 - 1) The issuing corporation, or its guarantor, has a net worth of at least fifty million dollars; and
 - 2) The net income of the issuing corporation, or its guarantor, has averaged three million dollars per year for the previous five years; and
 - 3) All existing senior bonded indebtedness of the issuer, or its guarantor, is rated "A" or better or the equivalent rating by at least two of the following: Moody's Investors Service, Inc., Standard & Poor's, Inc., Fitch Investor's Services, Inc., or Duff and Phelps, Inc.

Not more than thirty-five percent of the total funds available for investment may be invested in commercial paper, and not more than five percent of the total funds available for investment may be invested in commercial paper of any one issuing corporation.
- B. Notwithstanding subsection A, the Commonwealth, municipal corporations, other political subdivisions and public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control, except for sinking funds, in commercial paper other than "prime quality" commercial paper as defined in this section provided that:
 - 1) Prior written approval is obtained from the governing board, committee or other entity that determines investment policy. The Treasury Board shall be the governing body for the Commonwealth; and
 - 2) A written internal credit review justifying the creditworthiness of the issuing corporation is prepared in advance and made part of the purchase file.

(1973, c. 232, § 2.1-328.1; 1974, c. 295; 1976, c. 665; 1986, c. 170; 1987, c. 73; 1988, c. 834; 1992, c. 769; 2001, c. 844.)

§ 2.2-4503.

Not set out.

§ 2.2-4504. Investment of funds by the Commonwealth and political subdivisions in bankers' acceptances.

Notwithstanding any provisions of law to the contrary, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control other than sinking funds in bankers' acceptances.

(1981, c. 18, § 2.1-328.3; 1988, c. 834; 2001, c. 844.)

§ 2.2-4505. Investment in certificates representing ownership of treasury bond principal at maturity or its coupons for accrued periods.

Notwithstanding any provision of law to the contrary, the Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control, in certificates representing ownership of either treasury bond principal at maturity or its coupons for accrued periods. The underlying United States Treasury bonds or coupons shall be held by a third-party independent of the seller of such certificates.

(1983, c. 117, § 2.1-328.5; 1985, c. 352; 1988, c. 834; 2001, c. 844.)

§ 2.2-4506. Securities lending.

Notwithstanding any provision of law to the contrary, the Commonwealth, all public officers, municipal corporations, political subdivisions and all public bodies of the Commonwealth may engage in securities lending from the portfolio of investments of which they have custody and control, other than sinking funds. The Treasury Board shall develop guidelines with which such securities lending shall fully comply. Such guidelines shall ensure that the state treasury is at all times fully collateralized by the borrowing institution.

(1983, c. 268, § 2.1-328.6; 2001, c. 844.)

§ 2.2-4507. Investment of funds in overnight, term and open repurchase agreements.

Notwithstanding any provision of law to the contrary, the Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth, may invest any and all moneys belonging to them or within their control in overnight, term and open repurchase agreements that are collateralized with securities that are approved for direct investment.

(1985, c. 352, § 2.1-328.8; 1988, c. 834; 2001, c. 844.)

§ 2.2-4508. Investment of certain public moneys in certain mutual funds.

Notwithstanding any provision of law to the contrary, the Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control, other than sinking funds that are governed by the provisions of § 2.2-4500, in one or more open-end investment funds, provided that the funds are registered under the Securities Act (§ 13.1-501 et seq.) of the Commonwealth or the Federal Investment Co. Act of 1940, and that the investments by such funds are restricted to investments otherwise permitted by law for political subdivisions as set forth in this chapter, or investments in other such funds whose portfolios are so restricted.

(1986, c. 170, § 2.1-328.9; 1988, c. 834; 1996, c. 508; 2001, c. 844.)

§ 2.2-4509. Investment of funds in negotiable certificates of deposit and negotiable bank deposit notes.

Notwithstanding any provision of law to the contrary, the Commonwealth and all public officers, municipal corporations, and other political subdivisions and all other public bodies of the Commonwealth may invest any or all of the moneys belonging to them or within their control, other than sinking funds, in negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least A-1 by Standard & Poor's and P-1 by Moody's Investor Service, Inc., for maturities of one year or less, and a rating of at least AA by Standard & Poor's and Aa by Moody's Investor Service, Inc., for maturities over one year and not exceeding five years. (1998, cc. 20, 21, § 2.1-328.15; 2001, c. 844.)

§ 2.2-4510. Investment of funds in corporate notes.

- A. Notwithstanding any provision of law to the contrary, the Commonwealth, all public officers, municipal corporations, other political subdivisions and all other public bodies of the Commonwealth may invest any and all moneys belonging to them or within their control, other than sinking funds, in high quality corporate notes with a rating of at least Aa by Moody's Investors Service, Inc., and a rating of at least AA by Standard and Poors, Inc., and a maturity of no more than five years.
- B. Notwithstanding any provision of law to the contrary, any qualified public entity of the Commonwealth may invest any and all moneys belonging to it or within its control, other than sinking funds, in high quality corporate notes with a rating of at least A by two rating agencies, one of which shall be either Moody's Investors Service, Inc., or Standard and Poors, Inc.

As used in this section, "qualified public entity" means any state agency or institution of the Commonwealth, having an internal or external public funds manager with professional investment management capabilities.

(1987, c. 187, § 2.1-328.10; 1988, c. 834; 1994, c. 145; 2001, c. 844; 2002, cc. 18, 438.)

§ 2.2-4511. Investment of funds in asset-backed securities.

Notwithstanding any provision of law to the contrary, any qualified public entity of the Commonwealth may invest any and all moneys belonging to it or within its control, other than sinking funds, in asset-backed securities with a duration of no more than five years and a rating of no less than AAA by two rating agencies, one of which must be either Moody's Investors Service, Inc., or Standard and Poors, Inc.

As used in this section, "qualified public entity" means any state agency, institution of the Commonwealth or statewide authority created under the laws of the Commonwealth having an internal or external public funds manager with professional investment management capabilities.

(1994, c. 145, § 2.1-328.13; 1997, c. 29; 2001, c. 844.)

§ 2.2-4512. Investment of funds by State Treasurer in obligations of foreign sovereign governments.

Notwithstanding any provision of law to the contrary, the State Treasurer may invest unexpended or excess moneys in any fund or account over which he has custody and control, other than sinking funds, in fully hedged debt obligations of sovereign governments and companies that are fully guaranteed by such sovereign governments, with a rating of at least AAA by Moody's Investors Service, Inc., and a rating of at least AAA by Standard and Poors, Inc., and a maturity of no more than five years.

Not more than ten percent of the total funds of the Commonwealth available for investment may be invested in the manner described in this section.

(1988, c. 461, § 2.1-328.11; 2001, c. 844.)

§ 2.2-4513. Investments by transportation commissions.

Transportation commissions that provide rail service may invest in, if required as a condition to obtaining insurance, participate in, or purchase insurance provided by, foreign insurance companies that insure railroad operations.

(1988, c. 834, § 2.1-328.12; 2001, c. 844.)

§ 2.2-4514. Commonwealth and its political subdivisions as trustee of public funds; standard of care in investing such funds.

Public funds held by the Commonwealth, public officers, municipal corporations, political subdivisions, and any other public body of the Commonwealth shall be held in trust for the citizens of the Commonwealth. Any investment of such funds pursuant to the provisions of this chapter shall be made solely in the interest of the citizens of the Commonwealth and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(1996, c. 437, § 2.1-328.14; 2001, c. 844.)

§ 2.2-4515. Collateral and safekeeping arrangements.

Securities purchased pursuant to the provisions of this chapter shall be held by the public official, municipal corporation or other political subdivision or public body or its custodial agent who may not otherwise be a counterparty to the investment transaction. Securities held on the books of the custodial agent by a custodial agent shall be held in the name of the municipal corporation, political subdivision or other public body subject to the public body's order of withdrawal. The responsibilities of the public official, municipal corporation, political subdivision or other public body shall be evidenced by a written agreement that shall provide for delivery of the securities by the custodial agent in the event of default by a counterparty to the investment transaction.

As used in this section, "counterparty" means the issuer or seller of a security, an agent purchasing a security on behalf of a public official, municipal corporation, political subdivision or other public body or the party responsible for repurchasing securities underlying a repurchase agreement.

The provisions of this section shall not apply to (i) investments with a maturity of less than thirty-one calendar days or (ii) the State Treasurer, who shall comply with safekeeping guidelines issued by the Treasury Board or to endowment funds invested in accordance with the provisions of the Uniform Prudent management of Institutional Funds Act, Article 1.1 (§ 55-268.1 et seq.) of Chapter 15 of Title 55.

(1988, c. 834, § 2.1-329.01; 2001, c. 844; 2008, c. 184.)

§ 2.2-4516. Liability of treasurers or public depositors.

When investments are made in accordance with this chapter, no treasurer or public depositor shall be liable for any loss there from in the absence of negligence, malfeasance, misfeasance, or nonfeasance on his part or on the part of his assistants or employees.

(1979, c. 135, § 2.1-329.1; 2001, c. 844.)

§ 2.2-4517. Contracts on interest rates, currency, cash flow or on other basis.

A. Any state entity may enter into any contract or other arrangement that is determined to be necessary or appropriate to place the obligation or investment of the state entity, as represented by bonds or investments, in whole or in part, on the interest rate cash flow or other basis desired by the state entity. Such contract or other arrangement may include contracts providing for payments based on levels of, or changes in, interest rates. These contracts or arrangements may be entered into by the state entity in

connection with, or incidental to, entering into, or maintaining any (i) agreement that secures bonds or (ii) investment, or contract providing for investment, otherwise authorized by law. These contracts and arrangements may contain such payment, security, default, remedy, and other terms and conditions as determined by the state entity, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by a nationally recognized rating agency, and any other criteria as may be appropriate. The determinations referred to in this subsection may be made by the Treasury Board, the governing body of the state entity or any public funds manager with professional investment capabilities duly authorized by the Treasury Board or the governing body of any state entity authorized to issue such obligations to make such determinations.

As used in this section, "state entity" means the Commonwealth and all agencies, authorities, boards and institutions of the Commonwealth.

- B. Any money set aside and pledged to secure payments of bonds or any of the contracts entered into pursuant to this section may be invested in accordance with this chapter and may be pledged to and used to service any of the contracts or other arrangements entered into pursuant to this section.

(2002, c. 407.)

§ 2.2-4518. Investment of funds in certificates of deposit.

- A. Notwithstanding any provision of law to the contrary, the Commonwealth and all public officers, municipal corporations, other political subdivisions, and all other public bodies of the Commonwealth, each referred to in this section as a "public entity," may invest any or all of the moneys belonging to them or within their control in accordance with the following conditions:

- 1) The moneys are initially invested through any federally insured bank or savings institution selected by the public entity that is qualified by the Virginia Treasury Board to accept public deposits;
- 2) The selected bank or savings institution arranges for the deposit of the moneys in certificates of deposit in one or more federally insured banks or savings institutions wherever located, for the account of the public entity;
- 3) The full amount of principal and any accrued interest of each such certificate of deposit are covered by federal deposit insurance;
- 4) The selected bank or savings institution acts as custodian for the public entity with respect to such certificates of deposit issued for the public entity's account; and
- 5) At the same time that the public entity's moneys are deposited and the certificates of deposit are issued, the selected bank or savings institution receives an amount of deposits from customers of other financial institutions wherever located equal to or greater than the amount of moneys invested by the public entity through the selected bank or savings institution.

- B. Moneys arranged to be invested by the selected bank or savings institution in certificates of deposit in one or more federally insured banks or savings institutions wherever located, for the account of the public entity in accordance with the conditions prescribed in subsection A shall not be subject to the provisions of Chapter 44 (§ 2.2-4400 et seq.), § 2.2-4515, or any security or collateral requirements that may otherwise be applicable to the investment or deposit of public moneys by government investors.

(2008, c. 103.)

CHAPTER 46
LOCAL GOVERNMENT INVESTMENT POOL ACT

§ 2.2-4600. Short title; definitions.

This chapter may be cited as the "Local Government Investment Pool Act."
(1980, c. 538, §§ 2.1-234.1, 2.1-234.3; 1996, c. 77; 2001, c. 844.)

§ 2.2-4601. Findings and purpose.

- A. The General Assembly finds that the public interest is served by maximum and prudent investment of public funds so that the need for taxes and other public revenues is decreased commensurately with the earnings on such investments. In selecting among avenues of investment, the highest rate of return, consistent with safety and liquidity, shall be the objective.
- B. The purpose of this chapter is to secure the maximum public benefit from the investment of public funds, and, in furtherance of such purposes to:
 - 1) Establish and maintain a continuing statewide policy for the deposit and investment of public funds;
 - 2) Establish a state-administered pool for the investment of local government funds; and
 - 3) Authorize treasurers or any other person collecting, disbursing, or otherwise handling public funds to invest such public funds either in accordance with Chapter 45 (§ 2.2-4500 et seq.) of this title or through the local government investment pool created by the chapter.
- C. The General Assembly finds that the objectives of this chapter will best be obtained through improved money management, emphasizing the primary requirements of safety and liquidity and recognizing the different investment objectives of operating and permanent funds.

(1980, c. 538, § 2.1-234.2; 2001, c. 844.)

§ 2.2-4602. Local government investment pool created.

- A. A local government investment pool is created, consisting of the aggregate of all funds from local officials handling public funds that are placed in the custody of the State Treasurer for investment and reinvestment as provided in this chapter.
- B. The Treasury Board or its designee shall administer the local government investment pool on behalf of the participating local officials subject to regulations and guidelines adopted by the Treasury Board.
- C. The Treasury Board or its designee shall invest moneys in the local government investment pool with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Specifically, the types of authorized investments for local government investment pool assets shall be limited to those set forth for local officials in Chapter 45 (§ 2.2-4500 et seq.) of this title.
- D. A separate account for each participant in the fund shall be kept to record individual transactions and totals of all investments belonging to each participant. A monthly report showing the changes in investments made during the preceding month shall be furnished to each participant having a beneficial interest in the local government investment pool. Details of any investment transaction shall be furnished to any participant upon request.
- E. The Treasury Board or its designee shall administer and handle the accounts in the

same manner as bond and sinking fund trust accounts.

- F. The principal and accrued income, and any part thereof, of each and every account maintained for a participant in the local government investment pool shall be subject to payment at any time from the local government investment pool upon request, subject to applicable regulations and guidelines. Accumulated income shall be remitted or credited to each participant at least quarterly.
- G. Except as provided in this section, all instruments of title of all investments of the local government investment pool shall remain in the custody of the State Treasurer. The State Treasurer may deposit with one or more fiscal agents or banks, those instruments of title he considers advisable, to be held in safekeeping by the agents or banks for collection of the principal and interest or other income, or of the proceeds of sale. The State Treasurer shall collect the principal and interest or other income from investments of the investment pool, the instruments of title to which are in his custody, when due and payable.

(1980, c. 538, § 2.1-234.8; 1984, c. 320; 1988, c. 834; 2001, c. 844.)

§ 2.2-4603. Investment authority.

Subject to the procedures set forth in this chapter, any local official handling public funds may invest and reinvest any money subject to his control and jurisdiction in the local government investment pool established by § 2.2-4602.

(1980, c. 538, § 2.1-234.4; 1988, c. 834; 2001, c. 844.)

§ 2.2-4604. Interfund pooling for investment purposes.

Local officials handling public funds may effect temporary transfers among separate funds for the purpose of pooling amounts available for investment. This pooling may be accomplished through interfund advances and other appropriate means consistent with recognized principles of governmental accounting provided that (i) moneys are available for the investment period required; (ii) the investment fund can repay the advance by the time needed; (iii) the transactions are fully and promptly recorded; and (iv) the interest earned is credited to the loaning or advancing jurisdiction.

(1980, c. 538, § 2.1-234.6; 1981, c. 583; 2001, c. 844.)

§ 2.2-4605. Powers of Treasury Board relating to the administration of local government investment pool.

- A. The Treasury Board shall have power to:
 - 1) Make and adopt regulations necessary and proper for the efficient administration of the local government investment pool hereinafter created, including but not limited to:
 - a) Specification of minimum amounts that may be deposited in the local government investment pool and minimum periods of time for which deposits shall be retained in such pool;
 - b) Creation of a reserve for losses;
 - c) Payment of administrative expenses from the earnings of such pool;
 - d) Distribution of the earnings in excess of such expenses, or allocation of losses, to the several participants in a manner that equitably reflects the differing amounts of their respective investments and the differing periods of time for which such amounts were in the custody of the pool; and
 - e) Procedures for the deposit and withdrawal of funds.
 - 2) Develop guidelines for the protection of the local government investment pool in the event of default in the payment of principal or interest or other income of any investment of such pool, such guidelines to include the following procedures:

- a) Instituting the proper proceedings to collect the matured principal or interest or other income;
 - b) Accepting for exchange purposes refunding bonds or other evidences of indebtedness at appropriate interest rates;
 - c) Making compromises, adjustments, or disposition of matured principal or interest or other income as considered advisable for the purpose of protecting the moneys invested;
 - d) Making compromises or adjustments as to future payments of principal or interest or other income considered advisable for the purpose of protecting the moneys invested.
- 3) Formulate policies for the investment and reinvestment of funds in the local government investment pool and the acquisition, retention, management, and disposition of investments of the investment pool.
- B. The Treasury Board may delegate the administrative aspects of operating under this chapter to the State Treasurer, subject to the regulations and guidelines adopted by the Treasury Board.
- C. Such regulations and guidelines may be adopted without complying with the Administrative Process Act (§ 2.2-4000 et seq.) provided that input is solicited from local officials handling public funds. Such input requires only that notice and an opportunity to submit written comments be given.
- (1980, c. 538, § 2.1-234.7; 2001, c. 844.)

§ 2.2-4606. Chapter controlling over inconsistent laws; powers supplemental.

Insofar as the provisions of this chapter are inconsistent with the provisions of any other law, the provisions of this chapter shall be controlling and the powers conferred by this chapter shall be in addition and supplemental to the powers conferred by any other law.

(1980, c. 538, § 2.1-234.9; 2001, c. 844.)

CHAPTER 47

GOVERNMENT NON-ARBITRAGE INVESTMENT ACT

§ 2.2-4700. Authorization to Treasury Board to provide certain assistance.

- A. This chapter shall be known, and may be cited, as the "Government Non-Arbitrage Investment Act."
 - B. The General Assembly authorizes the Treasury Board to make available to the Commonwealth, to counties, cities and towns in the Commonwealth, and to their agencies, institutions, and authorities or any combination of the foregoing assistance as provided in this chapter in making and accounting for such investments.
- (1988, c. 498, § 2.1-234.9:1; 1990, c. 516; 1991, c. 245; 2001, c. 844.)

§ 2.2-4701. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Bonds" means bonds or other obligations issued by the Commonwealth, by counties, cities and towns, and by their agencies, institutions, and authorities or by any combination of the foregoing under the provisions of the Public Finance Act (§ 15.2-2600 et seq.), or otherwise, the interest on which is intended to be excludable from the gross income of the recipients thereof for federal income tax purposes.

"Depository institution" means any commercial bank, trust company, or savings institution insured by an agency or instrumentality of the United States government.

"Issuers" means the Commonwealth, counties, cities and towns in the Commonwealth, and their agencies, institutions, and authorities.

"Official handling public funds" or "official" means the treasurer of the issuer or, if there is no officer known as treasurer of the issuer, the chief financial officer of the issuer, and any person or entity described in § 58.1-3123.

(1988, c. 498, § 2.1-234.9:2; 1990, c. 516; 1991, c. 245; 1996, c. 77; 2001, c. 844.)

§ 2.2-4702. Powers of the Treasury Board under this chapter.

The Treasury Board shall have power to:

1. Provide assistance to issuers in the management of and accounting for their funds, including, without limitation, bond proceeds, reserves and sinking funds, and the investment thereof, any portion of the investment earnings on which is or may be subject to rebate to the federal government.
2. Manage, acquire, hold, trade and sell investment obligations, for and on behalf of issuers or a pool or pools, and not for its own account, that are authorized investments for issuer bond proceeds, reserves, sinking funds or other funds, as the case may be.
3. Establish one or more pools of the issuer bond proceeds, reserves, sinking funds or other funds that are placed in the custody of the State Treasurer for investment and reinvestment in authorized investments.
4. Adopt regulations necessary and proper for the efficient administration of the pools authorized by this chapter without complying with the Administrative Process Act (§ 2.2-4000 et seq.), provided that notice and an opportunity to submit written comments on such regulations be given to officials handling public funds.
5. Formulate policies for the investment and reinvestment of funds under management, including funds in the pool or pools, and the acquisition, retention, management and disposition of investments.
6. Delegate the administration of this chapter to the State Treasurer, subject to the regulations and guidelines adopted by the Treasury Board.
7. Retain employees and engage and enter into contracts with independent investment managers, accountants, counsel, depository institutions and other advisors and agents, as may be necessary or convenient.
8. Enter into contracts with issuers with respect to the performance of investment services.
9. Charge issuers for the costs of its investment services and for its expenses.
10. Do any and all other acts and things necessary, appropriate or incidental in carrying out the purposes of this chapter.

(1988, c. 498, § 2.1-234.9:3; 1990, c. 516; 2001, c. 844.)

§ 2.2-4703. Powers of issuers.

Any provision of any general or special law or of any charter to the contrary notwithstanding, issuers may use the investment services of the Treasury Board and for that purpose may enter into contracts with the Treasury Board and its agents.

(1988, c. 498, § 2.1-234.9:4; 1990, c. 516; 2001, c. 844.)

§ 2.2-4704. Alternative method.

This chapter shall be deemed to provide an additional, alternative method for the performance of actions authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

(1988, c. 498, § 2.1-234.9:5; 2001, c. 844.)

§ 2.2-4705. Liberal construction; inconsistent laws inapplicable.

A. This chapter, being necessary for the welfare of the people of the Commonwealth, shall

be liberally construed to effect the purposes thereof.

- B. Insofar as the provisions of this chapter are inconsistent with the provisions of any general or special laws or charters, or parts thereof, the provisions of this chapter shall control.

(1988, c. 498, §§ 2.1-234.9:6, 2.1-234.9:7; 2001, c. 844.)

ARTICLE 2

Treasurers

§ 58.1-3149. Money received to be deposited. - All money received by a treasurer for the account of either the Commonwealth or the treasurer's county or city shall be deposited intact by the treasurer as promptly as practical after its receipt in a bank or savings institution authorized to act as depository therefore. All deposits made pursuant to this provision shall be made in the name of the treasurer's county or city. The treasurer may designate any bank or savings and loan association authorized to act as a depository to receive any payments due to the county or city directly, either through a processing facility or through a branch office. ((Code 1950, § 58-939; 1975, c. 20.; 1984, c. 675; 1996, c. 77.) **The 1996 amendment** substituted "savings institution" for "savings and loan association" near the end of the first sentence.

§ 58.1-3150. Duties of depository officers. - No treasurer or executive officer of any depository shall permit any public deposit to remain in any depository which is not a "qualified public depository" as defined in §2.1-360 (b) and which is not secured pursuant to the Virginia Security for Public Deposits Act (§2.1-359 et seq.). (Code 1950, § 58-948; 1984, c. 675; 1996, cc. 364, 390.)

The 1996 amendments. - The 1996 amendments by cc. 364 and 390 are identical, and rewrote the section which formerly read; "No treasurer or executive officer of any depository shall permit the amount of money on deposit with any depository at any time pursuant to the provisions of this article to exceed the amount of bond given or the value of the securities pledged and deposited to secure such money, plus the amount insured by the Federal Insurance Deposit Corporation."

§ 58.1-3151. County finance board. - Each county of the Commonwealth may establish a county finance board, which shall consist of the chairman of the governing body of the county, the treasurer of the county and a citizen of the county of proven integrity and business ability. The citizen member shall be appointed by the circuit court of the county. However, in any county adjoining any county having a population of more than 500 per square mile the county finance board shall consist of the chairman of the governing body, the treasurer, the attorney for the Commonwealth and a citizen of the county of proven integrity and business ability. The citizen member thereof shall be appointed by the circuit court of the county or by the judge thereof in vacation. The term of the citizen member shall be four years, but the circuit court of the county may remove for cause any such member and appoint some other qualified citizen of the county in his stead for the unexpired portion of his term.

The governing body of any county which has a county finance board established under the provisions of this section may by ordinance duly adopted abolish the finance board, whereupon all authority, powers, and duties of the finance board shall vest in the governing body. (Code 1950, § 58-940; 1954, c. 587; 1984, c. 675.)

§ 58.1-3152. Organization and procedure of board. - The chairman of the governing body of the county shall be the chairman of the county finance board and the clerk of the governing body shall be ex officio clerk thereof. The board shall meet at such times and at such places as the chairman or a majority of the members of the board may decide. The clerk shall record the activities and proceedings of such board in a suitable record book which shall be provided for such purpose by the governing body. (Code 1950, § 58-941; 1984, c. 675.)

§ 58.1-3153. Compensation for the citizen member of the county finance board. - The citizen member of the county finance board may in the discretion of the governing body of the county receive for each day's attendance as a member of the board a sum not less than twenty dollars and such reimbursement for his daily mileage as prescribed in §14.1-5. The allowance made under this section shall be paid by the governing body out of county funds, on a certificate of attendance from the chairman of the county finance board, verified by the written statement of the citizen member as to mileage traveled in going to and returning from the meeting. The total compensation paid under this section shall not exceed \$360, in addition to the mileage allowance, in any one year. (Code 1950, § 58-942; 1952, c. 630; 1974, c. 6; 1976, c. 308; 1984, c. 675.)

§ 58.1-3154. Selection and approval of depositories. - The depository or depositories for the money received by a county treasurer shall be selected pursuant to the provisions of the Virginia Security for Public Deposits Act (§2.1-359 et seq.). (Code 1950, § 58-943; 1984, c. 675.)

§ 58.1-3155. Deposit of local funds in banking institutions outside of the Commonwealth to meet obligations payable outside of the Commonwealth. - Notwithstanding other provisions of this article the treasurer of any county, city or town may if the State Commission on Local Debt gives prior approval, deposit local funds in banking institutions outside of the Commonwealth. Such institutions, which shall be designated by the commission, shall give such security as the commission deems proper and shall meet such other conditions as the commission prescribes. All such deposits shall be limited to the sums reasonable necessary to pay principal or interest on obligations of the county, city or town which are payable at some place outside the commonwealth and where any such banking institution is located. (Code 1950, § 58-943.1; 1950, p.410; 1984, c. 675.)

§ 58.1-3156. County finance boards may direct treasurer to invest under certain circumstances. - Notwithstanding other provisions of this article, whenever the county finance board determines that county or district funds would otherwise draw no interest or draw a lesser rate of interest, the finance board may direct the county treasurer to invest such funds in accordance with guidelines issued by the State Treasurer. (Code 1950, § 58-943.2, 1954, c. 498; 1974, c. 224; 1984, c. 675; 1988, c. 834.)

§ 58.1-3158. Duties of treasurers. - No treasurer shall permit any public deposit to be deposited with any depository unless it is a "qualified public depository" as defined in § 2.1-360(b). All such deposits shall be secured pursuant to the Virginia Security for Public Deposits Act (§2.1-359 et seq.). (Code 1950, § 58-944; 1956, c. 84; 1958, c. 442; 1966, c. 498; 1984, c. 675; 1996, cc. 364, 390.)

The 1996 amendments by cc. 364 and 390 are identical, and rewrote the section, which formerly read: "No money received by a treasurer shall be deposited with any depository until such depository has given bond with the same conditions as those required for bonds

given by state depositories who elect to give bond to protect money deposited with them by the State Treasurer pursuant to the provisions of §§ 2.1-211 to 2.1-214 or until such depository has qualified under § 2.1-239 et seq.”

§ 58.1-3160. Monthly report of treasurer to board. - At the end of each month each county treasurer shall report to the county finance board the amount of money on deposit with each depository. (Code 1950, § 58-949, 1984, c. 675.)

§ 58.1-3161. Interest on deposits. - Each depository of each county shall, in the discretion of the county finance board, pay interest on money deposited under the provisions of this article. The rate of such interest shall be agreed upon by the treasurer and the depository subject to the approval of the county finance board if it so desires. (Code 1950, § 58-950; 1984, c. 675.)

DRAFT

Broker/Dealer Investment Policy Confirmation
The Investment Policy for the Northern Virginia Transportation Authority

Name of Firm/Bank/Broker/Dealer:

I acknowledge that I have received and reviewed the Investment Policy of the Authority. I have read and understand the policy and am aware of the Code of Virginia with respect to municipal investment statutes, as included as an appendix to the Investment Policy. Further, I have insured that other personnel, who may conduct business with the Authority from time to time, are aware of the Policy and its provisions. In my dealings with the Authority, I will, at all times, follow the guidelines as presented in the Investment Policy.

I certify that I am authorized to represent and commit my firm to this acknowledgement.

Printed Name: _____

Signature: _____

Title: _____

Date: _____

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 10.d. – Employee Travel and Reimbursement

- I. **Purpose.** The purpose of this policy is to define the policy regarding employee reimbursement for meals, local and non-local travel.
- II. **Local Travel Expense Report.** Employees should request reimbursement monthly. Requests for reimbursement not made within 45 days of expense may not be fulfilled. Local travel reimbursement requests must include the travel date, destination, reason for travel, method of travel, mileage for personal automobile and cost. Mileage will be reimbursed at the published IRS Rate.
- III. **Non-Local Travel Expense Report.** Non-local travel must be approved in advance by the Executive Director. Costs associated with non-routine travel outside the Washington metropolitan region should be reported on the appropriate form to include the reason for travel, location, description of costs, and appropriate receipts. Receipts are required for airline, train, shuttles, hotels, restaurants, parking, tolls and miscellaneous items. Rental cars requested for non-local travel must be preapproved by the Chief Financial Officer. Reimbursement is not available for luxury cars. Airline travel shall be at the coach/business rates. Personal expenses should be designated on receipts.

Expense report should be submitted promptly after travel has been completed, but no later than a month thereafter. Approval is required by the employee supervisor and the Chief Financial Officer. Approved reports will be processed and forwarded to accounts payable.
- IV. **Permitted Travel Expenses.** Mileage to attend meetings outside of the NVTa office is permitted. Mileage is not allowed for travel between an employee's home and the NVTa office. Mileage from home to an appointment or from an appointment to home is not reimbursable unless the distance is substantially greater than the employee's normal commute.
 - A. Actual, reasonable, costs for food and lodging are allowed. The test of "reasonable" is general consistency with accepted Federal/State rates.
 - B. Travel shall be at coach rates. Any exception must be approved by the Executive Director in advance. Whenever it is available and advantageous to do so, employees should request the appropriate government rate for overnight lodging expenses.
 - C. The cost of meals should be consistent with Federal per diem rates. Customary gratuities are reimbursable at customary rates.
 - D. Personal care items and personal use items are not reimbursable.

- E. Entertainment such as in-flight movies or hotel movies is not reimbursable.
- F. Alcohol is not reimbursable.
- G. Snacks and comfort items (unless a substitute for a meal or other expense) are not reimbursable.
- H. The Executive Director may reduce the submitted reimbursement request to the Federal per diem rate.
- V. **Meal Expenses.** Meals provided as part of a conference or travel package should be utilized.
- A. Local meal costs shall not be reimbursed unless:
- Expenses are for a business meeting with one or more person(s) other than the NVTa staff, or
 - Meal is a part of travel to or from a meeting outside of normal business hours, or
 - Meal is part of a NVTa staff or Authority meeting that results in an inability to have normal meal and for which a meal has not been provided, excluding routine scheduled meetings.
- VI. **Mileage Reimbursement Rate.** Mileage reimbursements shall be consistent with the current IRS rate.
- VII. **Travel Advance.** Travel advances will be limited to the use of the office purchasing card for conference and ticket purchases. Employees who submit prompt expense reimbursement requests will typically have their reimbursement prior to their credit card invoice cycles.

Upon request by an employee, the Executive Director may authorize a travel advance on an infrequent basis for unique situations that are received in sufficient time to permit normal processing through accounts payable.

Upon completion of the trip, any excess funds must be returned, together with a completed non-local travel expense form, within 14 Days.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 10.e. -- Financial Management; Budget Policy

- I. Purpose.** This Budget Policy is adopted to implement the budget program for the Northern Virginia Transportation Authority (NVTa) as required by the NVTa Bylaws Article VIII, Section C- Budget & Fiscal Year and *Code of Virginia* §15.2-2503 through 15.2-2507. The purpose of the NVTa's Budget Policy is to clarify the responsibilities, deadlines and budget process required to minimize risk of non-compliance. The goal of the budget process is to aid the NVTa governing body in the preparation and approval of the annual Fiscal Year Operating, 30% Local Distribution Fund and 70% Regional Revenue Fund Budgets containing an itemized listing of expenditures, financial borrowings and estimated revenues before the start of the new fiscal year.
- II. General.**
- A. Budget Calendar.** The CFO will publish a Budget Calendar each year that specifies each of the budget tasks, events and decisions required along with deadlines for each specific task. The calendar will be shared with all groups contributing to the overall process. This will aid in the coordination of data needed from the NVTa Committees and member jurisdictions and keep the Authority informed of key deadlines for decision making and publishing the budget.
- B. Budget Tasks.** The Budget tasks include budget guidance from the Authority, estimating revenues, expenditures, debt service and working capital contributions. They also include determining the NVTa's general and administrative expenses billed to the member jurisdictions.
- III. Revenue Projections.**
- A. Prepare Revenue Projections.** Revenue projections are calculated for the next biannual timeframe. Multi-year projections provide a necessary planning tool for regional projects.
- B.** Annually, the Revenue Subcommittee, including the CFO, will request updated two (2) year revenue projections from each of the Member Jurisdictions. The local projections will be used to estimate NVTa's Sales Tax, Grantors Tax and Transient Occupancy revenues.
- C.** The monthly variances between the projected revenue per source and the actual revenue received will be closely monitored. Mid-year budget amendments will be proposed to the Authority if it is determined the fiscal year's projected revenue is significantly under or over stated.
- D.** The NVTa staff will analyze the effects of pending or potential changes to the revenue due to tax rates or the tax bases.

- E. The CFO will work with the revenue subcommittee made up of representatives from member jurisdictions to develop consensus on the revenue forecasts.

IV. Prepare NVTAs Expenditure Projections.

- A. Multi-year expenditure projections should be prepared to correspond with the revenue projections.
- B. The NVTAs Act, *Code of Virginia* §33.2-2510 specifies the use of the NVTAs revenues. The “30 Percent Share” distributed to member jurisdictions is calculated based on the final revenue estimates.
- C. The Administrative expenses of the Authority, provided in the Annual Operating Budget, will be paid by the member jurisdictions either by a deduction from the “30 Percent Share” or paid directly to the NVTAs annually by July 15.
- D. The remaining seventy percent of Regional NVTAs Funds will be calculated based on the final revenue estimates.
- E. Funds are first allocated to Debt Service. Amortization Schedules will be used to project annual Debt Service. Financial Advisors can provide estimates for expected debt service associated with new issuances.
- F. Regional NVTAs Funds will be available for approved “pay as you go” or PayGo projects.
- G. Remaining amount is available for transfer to Working Capital Reserve, if required, based on the Working Capital Reserve Funding Policy. The Reserve is set by the Debt Policy number nine (9) at six months of the budgeted annual Regional NVTAs Funds.

V. Prepare NVTAs Administrative Operating Budget.

- A. The Administrative Operating Budget is limited solely to the administrative expenses of the Authority and excludes debt service, working capital reserve funding and project costs such as construction, operation or acquisition of transportation facilities.
- B. Generally, budget amounts are estimated by averaging expenses for the past three to five years and adjusting for anticipated changes and other known economic factors. Until such history is available, administrative expenses, except those listed below, will be budgeted based on available data adjusted for designated growth factors.

C. Personnel Costs and Benefits.

1. Personnel costs are estimated by first projecting salaries for the budget year based on the approved budgeted positions and the sum of the current pay rate plus merit increases.
2. Once the salaries are calculated, the FICA, Unemployment, LT Disability and Workers Compensation are calculated based on the current rates, adjusted as needed.
3. The retirement contribution is calculated based upon the budgeted salary amounts using the present employee group.
4. The health insurance costs are based on the current rates escalated by an anticipated increase, with a provision for increased coverage.

D. Office Rent. The office rent budget includes all fees specified in the lease for the upcoming fiscal years. The budget is calculated based upon the known costs specified in the lease with a maximum contingency for increased CAM costs if required in the lease.

E. Professional Services.

1. Professional services include the costs for outside auditing, financial consulting, technical and legal services.
2. Auditing fees are budgeted based on the contract in the fiscal year the services are performed.
3. Financial consulting and legal services are budgeted using contracted maximum rates with a contingency for additional services.
4. Technical services are budgeted based on anticipated additional needs.
5. Each of these items should include an estimated cost for planned events such as moving or new debt issuance.

F. Computer Expense. Computer expense is budgeted for the purchase of new computer equipment, contracted network support, access fees, staff training and miscellaneous computer supplies.

G. Furniture and Equipment. This category provides for the anticipated replacement and acquisition of office furniture and equipment.

H. Public Information. Public Information includes technical studies, the annual report, and any brochures etc. printed for use by the general public.

- VI. Appropriated Surplus.** Included as a source of revenue is a projected excess accumulated surplus that is available to offset the proposed operating budget expenses. This surplus is in excess of the Authority's anticipated minimum operating reserve set at 20% of operating expenditures. Where a projected budgetary deficit exists, the current budget will have to provide funds to bring this budgetary deficit to the required level.
- VII. Reporting.** Each month a budget to actual variance report is prepared for the Finance Committee and the Authority's review.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy 10.f. – Operating Cash Management

- I. Purpose.** The purpose of this policy is to ensure cash and financial instruments (cash, checks, bonds etc.) are treated and processed within a framework of internal controls, proper accounting and transparency.
- II. Policy.** The Authority will seek to eliminate or limit the use or acceptance of cash in all business transactions. The Authority will not open or maintain a petty cash account or fund. The Authority will not use cash directly in any disbursement transaction. The use of the Authority purchase card, ACH transfers or other on-line banking in addition to checks is encouraged for the payment of all obligations.
- III. Specific Provisions of Policy.**
 - A.** Bank accounts and investment institutions must be properly authorized and supported by written agreements.
 - B.** All cash received should be deposited in an NVTa bank account daily.
 - C.** No Authority check may be made payable to “cash,” “bearer,” or the Authority.
 - D.** No cash withdrawals are permitted from any Authority bank account.
 - E.** Wire transfers and ACH transactions must be authorized and confirmed in writing.
 - F.** Cash receipts must be logged in by the Administrative Assistant and transferred to the accounting department for deposit.
 - G.** Checks received by the Authority will be logged on the mail log and the CFO or Accountant notified as soon as practical.
 - H.** All checks received by the Authority will be processed through the remote deposit capture equipment integrated with the Authority bank account within 24 business hours.
 - I.** Employees may seek approval and reimbursement for use of personal cash on behalf of the Authority related to travel, office supplies or other incidental expenses.
 - J.** Any cash or checks received will be kept in a secure locked cabinet or drawer by the Administrative Assistant until processed.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 10.g. - Financial Management; Capital Asset Accounting

- I. Purpose.** This policy addresses capital asset accounting for Northern Virginia Transportation Authority's (NVTa) administrative assets. In order to assure the accurate recording and control of administrative assets, capital asset acquisitions must be classified and capitalized in a consistent manner, and periodic physical inventories must be taken.

II. Capitalization Guidelines.

- A.** To qualify as a "Capital Asset" the asset must have an economic useful life of more than one year and an installed cost in excess of \$5,000. The total costs of acquiring and placing an asset in operation are capitalized. Such costs include purchase price (net of discount), freight and any installation costs.
- B.** Qualified capital assets should be classified and recorded in major office furniture and fixture categories. Asset classifications may include the following:
1. Office Furniture. Desks, chairs, credenzas, conference tables, bookcases, etc.
 2. Office Equipment. Copier, telephone, postage meter, refrigerator, projector, etc.
 3. Computer Equipment. Laptop computers, desktop computers, servers, processors, monitors, printers, software, etc.
 4. Leasehold Improvements. Improvements to the leased offices occupied by the NVTa.
- C.** Betterments, while generally not applicable to administrative assets, may be capitalized if the expenditure materially increases the value of the asset and/or extends the economic life of the asset beyond the originally estimated life.
- D.** Expenditures considered repairs and maintenance are classified as operating costs and are chargeable to an expense account as incurred. Maintenance costs are the normal expenditures associated with keeping property in an efficient operating condition. Repair costs are incurred as a result of damage to assets or impairment due to normal use. Normally those costs are incurred to maintain or restore an asset to an operable condition without increasing its expected useful life or productive capacity.

III. Depreciation and Amortization Guidelines.

- A.** Depreciation and amortization of capitalized "in-service" assets must be recorded annually. The calculation of this expense will commence with the first full month the asset is placed in service.

- B.** Depreciation expense is calculated on a straight-line basis over the estimated useful life of the asset and subtotaled by Asset Category. The entire asset cost will be depreciated, without regard to any anticipated residual value. Depreciable or “useful” lives must be reviewed periodically for continuing applicability.

C. Chart. Depreciable or Useful Life of Assets.

Asset Category	Useful Life (yrs)
Cell Phones	2
Computer Hardware & Peripherals	4
Office Furniture	7-10
Office Equipment	5-10
Leasehold Improvements	Life of the lease

- D.** Each capital asset must be entered on a capital asset Excel Schedule to facilitate the calculation of depreciation. The asset schedule includes the acquisition date, capitalized cost, the annual depreciation and the Total Accumulated Depreciation. This schedule must be reconciled to the general ledger control account on an annual basis.

IV. Annual Capital Asset Inventory. As a key control in the protective custody of property, a physical inventory will be taken annually by the NVTa’s Administrative Assistant/Clerk. Each capital asset will be observed and its operating condition evaluated. Adjustments to the inventory for lost or damaged assets must be approved by the Chief Financial Officer.

V. Disposal of Capital Assets.

- A.** Capital assets may be disposed of in a sale, retirement, or replacement transactions. Approval must be granted by the Chief Financial Officer before an asset can be sold or retired. Disposals are accounted for by crediting the asset account for the original cost of the asset, charging accumulated depreciation for the depreciation expensed to date, and recognizing any gain or loss on disposal of the asset. Approval from the Executive Director must be obtained to write off any asset due to loss or damage.
- B.** Proceeds received upon the sale of an asset should be recorded and controlled by the Accountant in the same manner as all other receipts. The Accountant must record the disposal on the Capital Asset Excel Spreadsheet.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy 10. h. – Purchase Card

- I. **Purpose.** The purpose of this policy is to ensure the purchase card uses, roles and responsibilities are understood and all transactions processed within a framework of internal controls, proper accounting and transparency.
- II. **Policy.** The Authority will limit the number of cards issued to one. The intent of the purchase card is to facilitate transactions, not to utilize a line of credit. Therefore, all transactions will be reconciled monthly and all undisputed charges will be paid monthly.
- III. **Specific Provisions of Policy.**
 - A. The monthly card(s) transaction limit will be \$15,000.
 - B. The single purchase limit on the card(s) will be \$5,000.
 - C. The card is only authorized for Authority approved purchases. No personal purchases will ever be authorized on the card.
 - D. Improper use of the card will be considered misappropriation of Authority funds.
 - E. The employee(s) issued or using the card will at all times follow the cardholder use agreement (attached). Written acknowledgement of the agreement will be signed by the cardholder(s) and the CFO.
 - F. Staff is expected to use the highest professional judgment in any situations not covered by this policy or the cardholder agreement.
 - G. All transactions must comply with all Authority policies and Virginia Public Procurement Act requirements.
 - H. All charges will be billed directly to the Authority, reconciled and paid or disputed monthly.
 - I. The card is Authority property and will be surrendered immediately at the request of the Authority.
 - J. Charges made on the card are automatically assigned to a cost center assigned by the CFO.
 - K. The assignment of a card is based on functional need for Authority business only. Assignment of a card is not reflective of title or position.

- L.** The CFO will utilize available card features to disallow point of purchase transactions such as alcohol, cash advances, adult entertainment, etc.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

DRAFT



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

Cardholder Use Agreement

Your signature below is verification that you have read the Authority policies and this agreement; acknowledge an understanding of both and agree to comply with both. It also acknowledges that you have received the one card numbered _____.

1. I understand the card is for Authority-approved purchases only and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of Authority funds. This may result in disciplinary action up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify Elan Financial Services by telephone. I will confirm the telephone call by mail or facsimile with a copy of the notification to the program administrator.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. I am considered responsible for any and all charges against the card. A log will be kept to record access to the card other than the card holder and will include the date, purpose of usage, total dollar amount and acknowledgement of receipt.
6. All charges will be billed directly to and paid directly by the Authority. The bank cannot accept any monies from me directly; therefore any personal charges billed to the Authority could be considered misappropriation of Authority funds.
7. As the card is Authority property, I understand that I may be periodically required to comply with internal control procedures designed to protect Authority assets. This may include being asked to produce the card to validate its existence and account number. I will be required to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement (MRS), which will report all activity during the statement period. Since I am responsible for all charges as well as producing a reconciled request for payment. I will resolve any discrepancies by either contacting the supplier or the bank. The monthly statement, monthly reconciliation will be presented to the Authority accountant for review prior to final approval of the CFO.
9. The charges made against the card are automatically assigned to the cost center assigned to the card as specified by the CFO. This code cannot be changed without CFO involvement. When and if changed, the new accounting code will not affect any charges made prior to the change but will affect future charges.

I understand the card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for the Authority and/or to provide for business travel. The card may be revoked based on change of assignment or location. I understand that the card is not an entitlement or benefit nor is it reflective of title or position.

AUTHORIZATION			
Employee Signature		CFO Signature	
Employee Printed Name	Date		Date

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 11 – Distribution of Thirty Percent Funds

- I. Purpose.** In accordance with and subject to the requirements of, the *Code of Virginia* §33.2-2510.B.1-4838.1, thirty percent (30%) of the revenues received by the Northern Virginia Transportation Authority (NVTa) shall be distributed on a pro rata basis, with each member jurisdiction's share being the total of such fees and taxes (revenue) received by the NVTa that are attributable to the locality divided by the total revenue received by the NVTa (the "30% Funds"). Each locality shall execute the Memorandum of Agreement (MOA) Regarding Distribution of 30% Funds. (Attachment I.) Annually, each jurisdiction will complete an Annual Jurisdiction Certification, certifying the use of previously disbursed 30% funds and eligibility to receive the upcoming fiscal years funds. (Attachment II.)
- II. General.**
- A.** The Authority will segregate funds received from the Commonwealth of Virginia between 30% Funds and 70% Funds as soon as practical.
 - B.** The Authority will distribute 30% Funds to localities as soon as practical contingent on an active Memorandum of Agreement and requirements set out in the Code of Virginia.
 - C.** Each locality shall deposit its 30% Fund revenues received from the NVTa into a separate, special fund.
 - D.** Funds are to be expended for additional urban or secondary road construction, or other capital improvements that reduce congestion, for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the NVTa, or for public transportation purposes.
 - E.** Each locality is required to provide the NVTa annual certification by August 1 each year in the format required by the NVTa confirming the 30% Funds it received were used in compliance with the Code of Virginia. If the certification is not received by August 1, transfers of the current fiscal year 30% Funds will cease until the certification is submitted in good form.
 - F.** Administrative expenses of the NVTa, as set forth in the NVTa's annual budget (not otherwise funded through other sources), shall be allocated among the member jurisdictions based on population.
 - G.** The member jurisdictions are required to adopt the commercial and industrial (C&I) property tax for transportation at a rate of \$0.125 per \$100 valuation or deposit an equivalent amount into its NVTa separate special fund for transportation improvements by March 1 of each year for the current fiscal year.
 - H.** If a jurisdiction fails to deposit the full amount of the C&I tax or equivalent into its special fund for transportation, the NVTa shall reduce its disbursement of 30% funding

by the difference between the amounts deposited compared to the amount required to be deposited.

1. If the full amount of the C&I Equivalency Transfer is not deposited by August 1, then the NVTa will halt 30% Distributions for that fiscal year.
 2. 30% Funds held by the NVTa due to an incomplete or missing C&I equivalency transfer shall be held in escrow by the NVTa until March 1 of that fiscal year.
 3. On March 1 of that fiscal year any 30% Funds matched by an equivalency transfer will be remitted to the jurisdiction.
 4. Any 30% Funds held after March 1 will be irrevocably transferred to the 70% Regional Revenue Fund for use as determined by the Authority.
- I.** Each jurisdiction is required to maintain its Maintenance of Effort for transportation based on the average transportation expenditures for FY2011, 2012 and 2013, or lose its share of the 30% Funds for the fiscal year succeeding the year in which it did not maintain its transportation expenditures as set forth in Enactment Clause 14 of Chapter 766.
- J.** The NVTa has a continuing responsibility to ensure that the 30 % Funds are properly spent.
- K.** The NVTa and the member counties are required to work cooperatively to ensure that the towns with populations greater than 3,500 receive their respective shares of the 30% Funds.
- L.** Information regarding the receipt of all revenues, all 30% transfers to localities and the payment of the Authority administrative expenses will be open and transparent to all member jurisdictions and reported to the Finance Committee and the Authority at their regular meetings.

III. Responsibilities.

A. Chief Financial Officer (CFO) Reporting to Executive Director.

1. The CFO will be responsible for accepting the funds from the Commonwealth, investing and safekeeping the funds, distributing the funds to the member jurisdictions, and providing periodic reports on deposits and disbursements to member jurisdictions, the Finance Committee and the Authority.
2. The initial disbursement to the jurisdictions will be made no later than one (1) month following the execution of the MOA by the jurisdictions. Subsequent distributions shall occur monthly or as soon as practical.

3. The CFO will monitor member jurisdictions compliance with their respective MOA's and advise the Executive Director of any non-compliance.

B. Member Jurisdictions.

1. Must comply with the terms of the MOA and the Code of Virginia in regard to the use of 30% funds.
2. Each jurisdiction is responsible for paying its share of the Authority's administrative expenses by July 15 of each year.
3. Each member jurisdiction can choose to provide its share of the administrative expenses by asking the Authority to reduce the amount it will receive from its 30% Funds or by paying the invoice from other sources by July 15.
4. By August 1 of each year, the Chief Administrative Officer (CAO) of each member jurisdiction will certify that the jurisdiction has adopted the C&I tax at \$0.125 per \$100 valuation or set aside an equivalent amount of local revenues for transportation purposes in their special fund. The CAO will certify that the jurisdiction met the maintenance of effort requirement for the previous fiscal year.
5. Counties must ensure that towns with a population of 3,500 or more comply with the requirements of HB 2313. Counties are required to enter into a formal MOA with their towns (over 3,500 population).
6. All city, county and town records must be maintained for five years from the date the record was created. All parties must comply with the Public Records Act, and all applicable state and federal laws regarding records retention.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 12 – Regional Funds 70% Funds

- I. Purpose.** *Code of Virginia* §33.2-2509 directs the Northern Virginia Transportation Authority (NVTa or the “Authority”) to use 70 percent of the revenue collected (the “Regional Revenue Funds”) from the three Northern Virginia taxes and fees plus the NVTa bond proceeds for (i) transportation projects selected by the Authority that are contained in Transaction 2040 and its updates or (ii) mass transit capital projects that increase capacity benefitting those counties and cities embraced by the NVTa. The Standard Project Agreement for Funding (SPA) is the mechanism NVTa shall use to govern the distribution and use of Regional Revenue Funds and for the NVTa to ensure that such funds are spent in accordance with the Virginia Code and Authority policies. (Attachment I.)

II. General.

A. Regional Funds will be distributed as follows:

1. To pay debt service on bonds issued by the Authority and secured by a pledge of such monies.
2. To fund a Working Capital Reserve and/or Debt Service Reserve equal to at least six (6) months of the budgeted, annual Regional NVTa Funds.
3. To fund cost of issuance and other debt related fees and services.
4. For “pay-as-you-go” (PayGo) projects approved by the Authority.
5. Each project financed by Regional Funds must meet the following criteria as well as be approved by NVTa and subject to all applicable laws:
 - a. Project must be in the regional transportation plan, the TransAction 2040 plan and its updates, and be rated in accordance with *Code of Virginia* § 33.2-257 (“VDOT Rating”) if required, or a mass transit capital project that increases capacity.
 - b. Must reflect the Authority's priority for selecting projects that are expected to provide the greatest congestion reduction relative to the cost of the project.
 - c. Must be located only in localities embraced by the Authority or in adjacent localities but only to the extent that such extension is an insubstantial part of the project and is essential to the viability of the project within the localities embraced by the Authority.
 - d. Must result in each locality's total long-term benefit being approximately equal to the proportion of the total of the fees and taxes received by the Authority that are generated by or attributable to the locality.

B. The Regional Funds must be distributed in the following order of priority:

1. To fund all senior debt service requirements.
2. To fund all debt service reserve requirements (if due).
3. To fund subordinate debt service requirements (if due).
4. To fund all rebate fund requirements (if due).

C. The SPA is the guiding document regarding the responsibilities of each party in reference to project funding using Regional Funds.

III. Responsibilities.

A. Executive Director.

1. Is responsible to assign a project coordinator to monitor each project to ensure compliance with the SPA.
2. The Executive Director will make guidelines available to the recipient as necessary to assist with compliance of the SPA.
3. Written requests for supplemental project funding shall be submitted to the Executive Director for review. The Executive Director will present a recommendation to the Finance Committee for consideration. The Finance Committee may make a recommendation on any such request to the Authority for final determination.
4. The Executive Director will review written requests from recipients to advance a project to a future phase. The requests will be shared with the Finance Committee for consideration. The Finance Committee may make a recommendation on any such request to the Authority for final determination. The SPA doesn't prevent a recipient from self-funding a future phase of an approved project and seeking reimbursement from the Authority based on the original or modified cash flow projections.
5. The Executive Director will advise the recipient in writing of questionable uses of any funding which comes to the Authority's attention. The Executive Director will provide a report of the incident and make recommendations for resolution to the Finance Committee. The Finance Committee will forward the issue and possible resolution to the Authority. Additional funding will be withheld until final resolution of the matter.

B. Chief Financial Officer (CFO) Reporting to Executive Director.

1. The CFO has primary responsibility to ensure Regional funds are properly safeguarded and disbursed.
2. The CFO will be responsible for ensuring recipient project cash flow requirements are periodically updated to properly manage the project needs of the recipient.
3. The CFO will manage the requisition process, as outlined in the SPA, for cash flow purposes to facilitate reimbursement to the recipient within 20 days of receiving a completed and approved requisition request.
4. The CFO will manage the Authority's cash position to ensure availability of funds to meet programmed reimbursement requests.

C. Project Coordinator.

1. The NVTA's project coordinator will be responsible for monitoring projects on behalf of the NVTA so as to ensure compliance with this Agreement and all statutes required under the Code of Virginia.
2. The assigned project coordinator is charged with overseeing, managing, reviewing and processing, in consultation with the NVTA's Executive Director and its CFO, all payment requisitions submitted by recipients for projects. He/she will also notify the recipient of the reasons why a payment requisition has been declined.
3. The assigned project coordinator will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth in Appendix A or to the Project Budget and Cash Flow as set forth in Appendix B.
4. In consultation with the Executive Director, project coordinators will conduct periodic reviews to ensure that the project remains in compliance with the agreed upon project scope.
5. The Project coordinator will ensure that written certification is received for matching project funds and for compliance with VDOT requirements, if the project is to be accepted into the VDOT system for maintenance.

D. Recipients.

1. Each recipient is responsible to ensure work is performed in accordance with all applicable federal, state and local laws and regulations, and the SPA.
2. Each recipient must perform or have performed all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisition necessary to complete the project.

3. A recipient must acknowledge the requirements of the NVTAs Resolution 14-08 NORTHERN VIRGINIA TRANSPORTATION AUTHORITY (NVTAs) POLICY FOR USE OF 70% FUNDS UNDER 2013 VA. ACTS CH. 766 REGARDING FUNDING OF PROJECTS UNDERTAKEN BY NVTAs OR ON ITS BEHALF WITH THE DISTRICT OF COLUMBIA, VIRGINIA, ANY OTHER STATE OR A POLITICAL SUBDIVISION THEREOF, OR THE UNITED STATES OF AMERICA, if applicable.
4. A recipient must name the Authority and its bond trustee as additional insureds on insurance policies associated with the project.
5. A recipient must certify that it will use the project for its intended purpose for the duration of its useful life.
6. A recipient must acknowledge that the Authority will not be responsible for operating or maintaining the project upon completion.
7. A recipient must comply with will federal and state requirements for other funding sources which may be used to fund the project and certify that it has adhered to all applicable laws and regulations, as well as the requirements of the agreement.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 13 – Continuing Disclosure and Post Issuance Policy

- I. Purpose.** Northern Virginia Transportation Authority (the "Authority") issues tax-exempt and other tax-advantaged bonds (collectively "Tax-Advantaged Bonds") to obtain funds to finance portions or all of various capital improvements. The Authority has adopted this policy and procedure (the "Post-Issuance Compliance Policy and Procedure") to ensure that the Authority's continuing disclosures are accurate and comply with all applicable federal and state securities laws, and to assist in monitoring the Authority's compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.
- II. Designation of Responsibilities.** The Chief Financial Officer (CFO) shall be designated as the Chief Compliance Officer and shall be responsible for the administration and supervision of the Authority's post-issuance compliance management program. The Chief Compliance Officer shall review the Post Compliance Issuance procedure document at least annually. Material changes to this document shall only be made after recommendation by the Finance Committee and approval of the Authority.
- III. Records Retention.**
- A. The Records.** The Tax Compliance Officer shall retain records demonstrating compliance with the Post-Issuance Compliance Policy and Procedure. These records may consist of, but shall not be limited to, the documents listed on Appendix A (the "Records").
- B. The Annual Compliance File.** The Tax Compliance Officer shall retain an electronic or paper file for each continuing disclosure annual filing the Authority completes (the "Annual Compliance File"). Each Annual Compliance File shall include, but not limited to,
1. Final versions of the Authority's Official Statement;
 2. Audited financial statements; written confirmations of the annual filings made by the Authority with the MSRB;
 3. Any related letters and legal opinions;
 4. A list of individuals to whom they have been distributed and the dates of such distributions; and
 5. Any other specific records relating to tax and other post-issuance compliance as enumerated in Appendix B attached hereto.
- C. The Annual Compliance File shall be maintained in a central repository by the Authority in accordance with the length of time as specified by federal requirements applicable to Tax-Advantaged Bonds or Virginia Record Retention Requirements, whichever is longer.**

D. Electronic media will be the preferred method for storage of all documents and other records maintained by the Authority in connection with tax and other post-issuance compliance.

IV. Continuing Disclosure.

A. Under the provisions of the Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"), underwriters of Authority bonds are typically required to obtain an agreement for ongoing disclosure in connection with the public offering of bonds. The transcript for each such issue of bonds will include a Continuing Disclosure Certificate or another undertaking by the Authority to comply with the Rule (the "Undertaking").

B. Annual Filings. Pursuant to each Undertaking, the Authority is required each year to file annual reports with the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access ("EMMA") system in accordance with such Undertakings. Such annual reports are required to include certain updated financial and operating information identified on Appendix B, and the Authority's audited financial statements.

C. Event Notices. As set forth in each Undertaking, the Authority must provide notice (an "Event Notice") to the MSRB of the events identified in and listed in Appendix C attached hereto. Weekly, the CFO or appropriate Designee shall monitor such list for the occurrence of such an event and, if needed, shall prepare an Event Notice that complies with the Rule and shall file such Event Notice with EMMA as required by the Rule.

D. Financial Statements. The CFO or Designee shall submit the Authority's audited financial statements ("Financial Statements") to EMMA on an annual basis as required under each Undertaking.

E. Public Statements of Financial Information. Whenever the Authority makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets (including without limitation, all Event Notices, statements in the audited financial statements and other financial reports and statements of the Authority), the Authority is obligated to ensure that such statements and information contained therein are complete, true and accurate in all material respects. The CFO or appropriate designee shall determine whether such statements or releases should be provided to the MSRB as voluntary disclosure, and if so, the CFO or appropriate designee shall prepare and make a filing on EMMA of such statements or releases.

- V. **Remedial Action.** In the event the Authority discovers that it has become non-compliant with its continuing disclosure obligations, the CFO shall work with the Authority's attorney and/or bond counsel to remedy the noncompliance and file the necessary notices to the MSRB with EMMA.
- VI. **Training.** Authority personnel are to periodically obtain training with regard to the Authority's continuing disclosure obligations and retention of the records set forth in Section III of this Continuing Disclosure & Post Issuance Compliance Policy. The training shall include a review of the Authority's recent compliance initiatives and discussions relating to post-issuance compliance requirements. Training is especially warranted in the event of changes in law or changes in Authority staff.

DRAFT

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

APPENDIX A

LIST OF POST-ISSUANCE COMPLIANCE RECORDS (TO BE AMENDED BY THE AUTHORITY AS NECESSARY)

1. Preliminary and Final Official Statements.
2. Audited Financial Statements.
3. Filings made by the Authority with the MSRB, whether made pursuant to a continuing disclosure undertaking to which the Authority is a party or otherwise.
4. Press releases and other information distributed by the Authority for public dissemination to the extent that such releases are reasonably expected, in the determination of the Chief Financial Officer, the Authority Attorney and/or bond counsel, to reach investors and the trading markets for municipal securities.
5. Rating Agency Presentations.
6. Such portions of the Authority's published annual Adopted Budget as the CFO, the Authority Attorney and/or bond counsel deem to be appropriate, which shall at a minimum include the Executive Summary.
7. Any other communications that are reasonably expected, in the determination of the CFO, the Authority Attorney and/or bond counsel, to reach investors and the trading markets for municipal securities.

Appendix B

Operating Data

Below is the list of operating data that must be updated annually and filed with the MSRB in accordance with Section IV.B. of the Policy.

This list is current as of December 31, 2014, and must be updated by the CFO or appropriate designee annually.

FY2014 Regional Revenues

	FY20__ Budget	FY20__ Actual	Percentage Change Budget / Actual
Additional Sales and Use Tax			
Regional Congestion Relief Fee			
Regional Transient Occupancy Tax			
Total:			

FY20__ Regional Revenues by Member Locality and By Source

Member Locality	Additional Retail Sales and Use Tax	Regional Congestion Relief Fee	Transient Occupancy Tax	Total
City of Alexandria				
Arlington County				
City of Fairfax				
Fairfax County				
City of Falls Church				
Loudoun County				
City of Manassas				
City of Manassas Park				
Prince William County				
Total FY 20__ Regional Revenues:				

Budgeted and Projected Regional Revenues⁽¹⁾

	20__	20__	20__	20__	20__	20__
Additional Retail Sales and Use Tax						
Regional Congestion Relief Fee						
Additional Transient Occupancy Tax						
Total:						

Note: (1) Preliminary estimates and actual results may vary.

Appendix C

LIST OF EVENT NOTICES

The Chief Financial Officer should review this list at least weekly to determine whether any event has occurred that may require a filing with EMMA.

For Tax-Advantaged Bonds subject to Rule 15c2-12, the following events automatically trigger a requirement to file with EMMA within ten (10) business days of their occurrence:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulty.
4. Unscheduled draws on credit enhancements reflecting financial difficulty.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls or tender offers, if material.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating Changes.
12. Bankruptcy, insolvency, receivership or similar event of the obligated person as set forth in §17 CFR 240 15c2-12.
13. Merger, acquisition or sale of all or substantially all of issuer assets.
14. Appointment of successor trustee or additional trustee or name changes of a trustee, if material.
15. Failure to provide in a timely manner notice to provide required annual financial information by the date specified in any continuing disclosure undertaking.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 14 – Computer and Electronic Systems Use

- I. **Purpose.** This policy provides guidance with respect to computers, peripherals and other electronic systems.
- II. **General.** The Northern Virginia Transportation Authority (NVTa) computers, peripherals and electronic communications are, as a general rule, to be used only for NVTa related work. Incidental and occasional personal use is permitted. Staff using the Internet represent the NVTa and shall not use it for purposes that are illegal, unethical and potentially harmful to the NVTa and its reputation. Under no circumstances may NVTa computers or other electronic means be used to access pornographic materials, gamble or play computer games. The NVTa computers are Authority property and may be accessed/inspected by the NVTa at any time, without notice to or approval by the employee using the computer.
- III. **Applicability.** The guidance in this SOP applies to all NVTa employees (full or part-time), volunteers or others who may be given permission to use an NVTa-owned or leased computer or other electronic communications.
- IV. **Expectation of Privacy.** All computer, electronic, and telephonic documents and communications (e.g., email, Internet, voicemail, etc.) transmitted by, received by, or stored in the NVTa's networks or computers are the property of the NVTa. Employee use may be monitored at any time to ensure compliance with NVTa policies and SOPs. Any data stored, created or received while using the NVTa's computers or networks are neither private nor confidential. The NVTa reserves the right to access and disclose any of this data, with or without knowledge of the employee.
- V. **Access to Files and Email.** Electronic files and email may be accessed only with the authorization of the Executive Director or the Chief Financial Officer (CFO). The NVTa may also disclose electronic files and email pursuant to a proper discovery request, court order or applicable law.
- VI. **Prohibited Uses of Electronic Communications.** The NVTa prohibits the use of any means of electronic communications that is intended to:
 - Harass or threaten other users or interfere with their access to computing facilities.
 - Send or forward racially, sexually or ethnically offensive messages.
 - Send material that is slanderous or libelous or that involves defamation of character.
 - Send fraudulent email.
 - Break into another user's computer or mailbox.
 - Promote a personal, social, religious or political cause, regardless of worthiness.
 - Search for or use websites that involve hate groups or racially offensive or sexually explicit material.
 - Gamble.
 - Send malicious programs such as computer viruses.

- Participate in activities that promote computer crime or misuse, including but not limited to, posting or disclosing passwords, credit card and other account numbers (other than in legitimate conduct of the NVTa business) and system vulnerabilities.
- Violate any software licensing agreement, to include distributing software.
- Infringe on any copyright or other intellectual property right.
- Send mass mailings of a non-business nature.
- Initiate or forward emails of a non-business nature (e.g., jokes).
- Participate in chain letters.
- Disclose confidential NVTa business information.
- Download and execute any program, screensaver or audio files from the Internet that are not relevant to NVTa business.
- Knowingly introduce a computer virus into the NVTa computers or networks.
- Load diskettes, cd-rom's, dvd discs, flash drives or external drives **of unknown origin** that have not been checked by the CFO or Executive Director.
- Download and use Instant Messaging software.

VII. Access Codes and Passwords. The confidentiality and integrity of data stored on the NVTa's computer systems and networks must be protected by access controls to ensure that only authorized employees and others designated by the NVTa have access. This access should be relevant to employee's or volunteer's job duties. Passwords for employee computers must be changed every three (3) months.

VIII. Physical Security. All computer hardware, software, data and documentation must be secured to prevent misuse, theft, unauthorized access and environmental hazards.

IX. Responsibilities.

A. Chief Financial Officer (CFO).

1. Authorizing access to equipment and files.
2. Authorizing any changes of physical equipment, including purchase and upgrade.
3. Informing Executive Director of any unique or special circumstances.

B. NVTa Clerk.

1. Providing computers and access codes to employees, interns and volunteers.
2. Maintaining inventory of all computer and computer related equipment/software.
3. Authorizing program/application additions or updates for any NVTa equipment.
4. Orienting new employees on this guidance and obtaining agreement below; maintaining record of written agreements.
5. Ensuring that all employees, interns and volunteers are cognizant of this policy and enforcing it.

C. All employees and volunteers/interns using electronic equipment. Compliance with this policy and reflecting understanding of it by signature below.

Approved by Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 14 – Computer and Electronic Systems Use

Employee/User Agreement

I have read and understand Policy 14 – Computer and Electronic Systems Use and will abide by it.

Printed Name

Signature

Date

DRAFT

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Scott York, Chair Finance Committee

DATE: December 8, 2014

SUBJECT: Establish Tax Exempt Bonds Post-Issuance Tax Compliance Policies and Procedures

1. **Recommendation.** Approval of proposed Tax Exempt Bonds Post-Issuance Tax Compliance Policies and Procedures, in substantial form, as approved and recommended by the NVTAFinance.
2. **Suggested motion.** *I move approval of the Tax Exempt Bonds Post-Issuance Tax Compliance Policies and Procedures in substantial form, as presented at this meeting.*
3. **Background.** NVTAF must establish policies and procedures to assist in monitoring and maintaining compliance with the provisions of the Internal Revenue Code of 1986, as amended, and the regulations of the U.S. Treasury promulgated thereunder, applicable to Tax-Exempt Bonds in order to preserve their tax-exempt status. Compliance with applicable provisions of the Internal Revenue Code and the Treasury Regulations is an ongoing requirement and an integral component of NVTAF's financial policies and internal controls programs. These Policies specifically cover: (i) record retention, (ii) limitations on "private business use," including in particular the rules relating to the taking of "remedial action" to preserve the status of an issue of Tax-Exempt Bonds, and (iii) limitations on earning arbitrage, including the payment of arbitrage rebate to the federal government at various intervals.

These Policies are intended to reflect best practices and to be revised periodically as NVTAF's financing plans and other circumstances warrant, including changes in federal tax law, and as the municipal bond market and Internal Revenue Service enforcement each evolve.

The recommendation is approval in substantial form so as to allow additional consideration and coordination related to the upcoming issuance of the Transportation Special Tax Revenue Bonds, Series 2014.

Attachment: Policy 15 - Tax Exempt Bonds Post-Issuance Tax Compliance Policies and Procedures

Coordination: Finance Committee
Council of Counsels
Bond Counsel - McGuireWoods
Financial Advisor – Public Financial Management

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
POLICY 15 - TAX-EXEMPT BONDS
POST-ISSUANCE TAX COMPLIANCE POLICIES AND PROCEDURES

DECEMBER 11, 2014

Statement of Purpose

The Northern Virginia Transportation Authority ("NVTa") intends to issue bonds the interest on which is excludable from gross income for federal income tax purposes (the "Tax-Exempt Bonds") to obtain funds to finance portions or all of various transportation projects approved for financing by NVTa (the "Projects"). NVTa has adopted these policies and procedures (these "Policies") to assist in monitoring and maintaining compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and the applicable regulations of the U.S. Treasury Department (the "Treasury Regulations"), in order to preserve the tax-exempt status of the Tax-Exempt Bonds. Compliance with applicable provisions of the Internal Revenue Code and the Treasury Regulations is an ongoing requirement and an integral component of NVTa's financial policies and internal controls programs. These Policies specifically cover (i) record retention, (ii) limitations on "private business use," including in particular the rules relating to the taking of "remedial action" to preserve the status of an issue of Tax-Exempt Bonds, and (iii) limitations on earning arbitrage, including the payment of arbitrage rebate to the federal government at various intervals (the "Rebate Requirement").

These Policies require ongoing surveillance through, and sometimes beyond, the final maturity of the particular issue of Tax-Exempt Bonds and may require consultation with Bond Counsel and/or the Council of Counsels (hereinafter referred to collectively as "Counsel") long after the issue date of the issue.

These Policies are intended to reflect best practices, to be revised periodically as NVTa's financing plans and other circumstances warrant, including changes in federal tax law, and as the municipal bond market and Internal Revenue Service ("IRS") enforcement each evolve. Failure to conform to any element of these Policies should in no way imply that NVTa is not in compliance with the provisions of the Internal Revenue Code applicable to its Tax-Exempt Bonds. In addition, the CFO (defined below) is authorized, after consultation with Counsel, to allow deviations from strict compliance with these Policies to the extent necessary or desirable to carry out the intent and purpose of these Policies and provided such deviations do not jeopardize the tax-exempt status of any Tax-Exempt Bonds.

Unless otherwise defined, each capitalized term used in these Policies has the meaning set forth in the Master Indenture of Trust dated as of December 1, 2014, as it may be amended or supplemented hereafter (the "Indenture"), or in the Standard Project Agreement for Funding and Administration (the "SPA") between NVTa and the Member Locality or other state, regional or local governmental project sponsor that will receive proceeds of NVTa's Tax-Exempt Bonds (each a "Project Sponsor").

Background

NVTa is a political subdivision of the Commonwealth of Virginia created by and existing under Chapter 25, Title 33.2, Code of Virginia of 1950, as amended (the "NVTa Act"). As provided by the NVTa Act, NVTa embraces the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park (collectively, the "Member Localities"). Each Member Locality is located within the boundaries of Planning District 8.

The NVTa Act provides, among other things, that NVTa (i) will prepare a regional transportation plan for Planning District 8 that will include, but not necessarily be limited to, transportation improvements of regional significance, and those improvements necessary or incidental thereto, and will from time to time

revise and amend the plan and (ii) has the power to construct or acquire, by purchase, lease, contract, or otherwise, the transportation facilities specified in the regional transportation plan when adopted.

The NVTA Act empowers NVTA to issue bonds and other evidences of indebtedness, including Tax-Exempt Bonds, to finance transportation projects benefiting the Member Localities.

NVTA's Tax-Exempt Bonds are limited obligations of NVTA and payable solely from the revenues, moneys and other property pledged by NVTA for such purpose. The Regional Revenues are the principal component of such security.

NVTA anticipates that its activities will be limited to funding transportation facilities ("Projects") to be constructed and acquired by the Project Sponsors. NVTA is not expected to own, lease, control (except via contract), operate or maintain any of the Projects.

NVTA has developed the SPA to formalize the terms under which an approved Project will receive funding. Each SPA will be executed by NVTA and the applicable Project Sponsor with respect to each Project.

The SPA provides that the Project Sponsor receives funding on a reimbursement basis, and memorializes the Project budget and cash flow timing. The SPA also obligates the Project Sponsor to comply with the applicable requirements of the Virginia Code and federal law and to provide information to NVTA so that NVTA can monitor compliance by the Project Sponsor with applicable law. Each SPA for a Project that is expected to receive proceeds of Tax-Exempt Bonds also contains covenants with which the Project Sponsor must comply to help NVTA preserve the excludability of interest on such Tax-Exempt Bonds.

Responsible Officer and Review and Update of Policies

NVTA's Chief Financial Officer (the "CFO") shall be the individual responsible for overseeing tax compliance with regard to the NVTA's Tax-Exempt Bonds. The CFO may delegate responsibilities to such individuals as he or she deems appropriate (each such designee, is a "Tax Compliance Designee"). The CFO, with the assistance from the Tax Compliance Designees, shall be responsible for ensuring an adequate succession plan for transferring tax compliance responsibilities when changes in staff occur.

The CFO shall use these Policies, together with other procedures applicable to her or his area of responsibility, to timely identify and elevate the resolution of potential or actual tax law violations relating to NVTA's outstanding Tax-Exempt Bonds.

The CFO is to review and update these Policies and the associated systems in consultation with Counsel before each issuance by NVTA of Tax-Exempt Bonds and otherwise on a periodic basis (at least annually).

Annual Questionnaires

One of the primary sources of the information necessary to monitor the use of the proceeds of the Tax-Exempt Bonds and the property financed and refinanced therewith will be generated pursuant to the questionnaire attached hereto as Appendix A (the "Annual Project Sponsor Questionnaire"). Not less than 30 days after the end of each of NVTA's fiscal years during the Term of an issue of Tax-Exempt Bonds (as defined below), the CFO will receive a completed Annual Project Sponsor Questionnaire from each Project Sponsor of a Project financed in whole or in part with the issue. The CFO will retain the completed Annual Project Sponsor Questionnaires in accordance with the Records Retention requirements of these Policies.

Not less than 60 days after the end of each of NVTA's fiscal years during the Term of an issue of Tax-Exempt Bonds, the CFO will complete the Annual CFO Questionnaire with respect to each issue of the Tax-Exempt Bonds. The form of the Annual CFO Questionnaire is set forth in Appendix B. The CFO will retain

the completed Annual CFO Questionnaires in accordance with the Records Retention requirements of these Policies.

The "Term of an issue of Tax-Exempt Bonds" means the term to final maturity or, if earlier, the final redemption of an issue of NVTAs Tax-Exempt Bonds, or any Tax-Exempt Bonds issued to refund such issue in whole or in part.

Records Retention

The CFO is to coordinate procedures for record retention and review of such records as more fully described herein and shall be familiar with IRS Forms of the 8038 series, and relevant provisions of the Internal Revenue Code and the Treasury Regulations, including but not limited to Treasury Regulations Sections 1.141-2, 1.141-3, 1.141-12, and 1.148-1 through 1.150-2. Specific records relating to tax compliance to be retained are more fully described in Appendix C.

Electronic media will be the preferred method for storage of all documents and other records maintained by NVTAs in connection with tax compliance. Document maintenance requirements may change over time, and the CFO shall consult with Counsel to update its records retention policy so as to facilitate continuing compliance with the provisions of the Internal Revenue Code applicable to NVTAs Tax-Exempt Bonds.

Commonwealth of Virginia statutes also address record retention requirements (the "Virginia Record Retention Requirements"). This Post-Issuance Compliance Procedure is not intended to conflict with the Virginia Record Retention Requirements. It is NVTAs policy and intention to comply fully with both the federal requirements applicable to Tax Exempt Bonds and the Virginia Record Retention Requirements.

Private Business Use-Change in Use and Remedial Action

Private Business Use Generally

Tax-Exempt Bonds may lose their tax status if they meet (1)(a) the private business use test in Section 141(b)(1) of the Internal Revenue Code, and (b) the private security or payment test in Section 141(b)(2) of the Internal Revenue Code, or (2) the private loan financing test in Section 141(c) of the Internal Revenue Code. The private business use test relates to the use of the proceeds of an issue and the test is met if more than the lesser of (1) \$15,000,000 and (2) 10%¹ of the proceeds of an issue meet the private business use test. Generally, private business use arises if proceeds of an issue are used by persons or entities other than state or local governmental entities ("Nongovernmental Entities") in a trade or business ("Private Business Use"). It is necessary to look to direct and indirect uses as well as actual and beneficial uses. In most cases, Private Business Use arises if a Nongovernmental Entity has special legal entitlements with respect to financed property.

Private payments include revenues derived, directly or indirectly, with respect to property used or to be used for a Private Business Use. Private security takes into account the payment of debt service on an issue that is directly or indirectly secured by any interest in property used or to be used for a Private Business Use.

For purposes of the private security or payment test, generally applicable taxes are not taken into account (that is, are not payments from a Nongovernmental Entity and are not payments in respect of property used for a private business use). Under current law, a generally applicable tax is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power that is imposed and collected for the purpose of raising revenue to be used for governmental or public purposes. A generally applicable tax must

¹ The 10% limitation is reduced to 5% with respect to Private Business Use that is either unrelated to governmental uses of proceeds of the same issue, or disproportionate to related governmental uses of proceeds of such issue.

have a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction and a generally applicable manner of determination and collection.

The Regional Revenues pledged to secure and pay the Bonds are the receipts from additional retail sales and use taxes, a regional congestion relief fee and transient occupancy taxes levied by the General Assembly of Virginia in the Member Localities, credited to the Northern Virginia Transportation Authority Fund (the "NVTA Fund"), and appropriated by the General Assembly from the NVTA Fund to NVTA for credit to the Revenue Fund established under the Indenture, net of the 30 percent transferred to the Member Localities as provided under the NVTA Act. It is anticipated that in each federal tax certificate and compliance agreement ("Tax Certificate") executed for a series of Tax-Exempt Bonds, NVTA will be able to represent, in consultation with Counsel, that the Regional Revenues will be derived from generally applicable taxes.

The Projects are expected to be either non-revenue-producing, such as freeway improvements, or Projects the revenues from which inure to the benefit of the Project Sponsors or other governmental units, such as WMATA or the Virginia Railway Express. Neither the Member Localities nor any of the other Project Sponsors are expected to be "related persons" to NVTA for federal tax purposes.

Notwithstanding that it is anticipated that most of NVTA's issuances of Tax-Exempt Bonds will have no private security or payments, the SPA for a Tax-Exempt Bond-Financed Project will require the Project Sponsor to limit the amount of Private Business Use of such Project. NVTA is doing this (i) out of an abundance of caution and (ii) because most of the Member Localities and other Project Sponsors are subject to similar requirements for each of their bond-financed capital projects. Many of the questions on the Project Sponsor Questionnaire relate to compliance with the Private Business Use restrictions.

Private Business Use and Private Payments are described more fully in Appendix D attached hereto. In addition to Appendix D, the Tax Compliance Designee shall refer to the Tax Certificate executed for a particular issue of Tax-Exempt Bonds and the related SPAs for purposes of ascertaining the application of the private business tests and the private loan financing test to such issue of Tax-Exempt Bonds and unique circumstances that may be applicable to the issue. The Tax Compliance Designee shall also consult with Counsel as appropriate for clarification and guidance with respect to the application of such tests.

The following are specific NVTA policies with respect to addressing Private Business Use:

- **Structuring of Arrangements to Avoid Private Business Use or Private Payments.** It is the policy of NVTA that, to the extent consistent with the governmental objectives of NVTA, any potential arrangement that might result in Private Business Use of bond financed property shall be structured by NVTA and the Project Sponsors so as to avoid or minimize Private Business Use or Private Payments.
- **Use Short-Term Use Exception to Private Business Use.** For recurring arrangements that have the potential to result in Private Business Use (e.g., periodic uses of meeting rooms by community members), it is the general policy of NVTA to work with the Project Sponsors to structure such arrangements to satisfy a Short-Term Use Exception to Private Business Use (defined in Appendix D).
- **Allocating Equity to Project Components with Private Business Use or Private Payments.** It is the general policy of NVTA that to the extent an arrangement that might result in Private Business Use cannot be structured so as to avoid Private Business Use or Private Payments, where reasonably possible, NVTA will finance the subject property on a PayGo basis or with taxable debt. The allocations of PayGo funds and taxable debt proceeds shall be evidenced in the Final Allocation described below if the Project was financed in part by Tax-Exempt Bonds.

- **Allocation of Bond Proceeds to Assets Financed.** For each issue of Tax-Exempt Bonds, NVTA shall require the related Project Sponsors to produce and maintain records establishing costs financed. Guidelines for allocating proceeds to expenditures/costs are set forth in Treasury Regulations Sections 1.141-6 and 1.148-6. Generally, NVTA may use any reasonable, consistently applied accounting method to account for gross proceeds, investments, and expenditures of an issue. Such information and allocations shall be evidenced in the Final Allocation described below.
- **Final Allocations.** For each issue of Tax-Exempt Bonds, the CFO must prepare a written account of the allocation of proceeds to expenditures not later than 12 months after the last date an expenditure is paid with the proceeds of the issue but in no event later than the date 60 days after the fifth anniversary of the respective issue date or the date 60 days after the retirement of the issue, if earlier. Such written account is referred to in these Policies as the "Final Allocation." NVTA acknowledges that, in the absence of records to establish an accounting method for an issue and the allocation of proceeds of an issue, the specific tracing method applies.
- **Quantifying Private Business Use and Periodic Review.** NVTA will monitor compliance with the private business tests and the private loan financing tests and develop and maintain a log with respect to each issue of Tax-Exempt Bonds, and periodically (*e.g.*, annually), set forth the amount of proceeds of such issue allocable to each separate facility financed by NVTA, and the amount of proceeds of such issue attributable to Private Business Use. The primary tool for monitoring compliance with this Policy will be the Annual Project Sponsor Questionnaire.
- **Dispositions.** It is the policy of NVTA that all dispositions of assets financed with Tax-Exempt Bonds are to be addressed in a manner that does not jeopardize the tax-exempt status of NVTA's Tax-Exempt Bonds.

Change in Use and Remedial Action

Even though NVTA reasonably expects on the issue date of each issue of Tax-Exempt Bonds to satisfy all applicable federal tax requirements relating to such bonds for so long as the bonds remain outstanding, post-issuance events can occur that jeopardize compliance with these requirements. "Change in use" generally relates to Private Business Use considerations and generally means a change in the use of proceeds of an issue of State or local bonds from the use for which those proceeds were used, or expected to be used, as of the date of issue. Change in use transactions that may affect the status of Tax-Exempt Bonds often include the sale, transfer, or lease of property financed with bond proceeds to another entity (often the other entity is a for-profit entity). Such transactions may be entered into out of necessity or without an understanding that it may be contrary to the private business tests. As an arbitrage example, NVTA may inadvertently violate an applicable yield restriction requirement with respect to an issue of Tax-Exempt bonds.

Arbitrage and Rebate

Section 148 of the Internal Revenue Code, the regulations promulgated thereunder and pronouncements relating thereto (the "Arbitrage Rules") are intended to ensure that issuers of Tax-Exempt Bonds, such as NVTA, issue Tax-Exempt Bonds for the primary purpose of financing property needed by NVTA to carry out its governmental purposes, and not for the purpose of exploiting the difference between the interest cost to NVTA on the Tax-Exempt Bonds and the yield on higher yielding taxable obligations. Section 148(f) of the Internal Revenue Code, which sets forth the "Rebate Requirement," requires that an amount equal to the sum of (i) the excess of the aggregate amount earned on all investments over the amount that would have been earned if such investments had a yield equal to the yield with respect to the respective Tax-Exempt Bonds, plus (ii) any income attributable to the excess described in (i), be paid to the United States Treasury.

Compliance with the Arbitrage Rules is required on a continuing basis and primarily involves ensuring that proceeds of Tax-Exempt Bonds are invested in accordance with the applicable yield limitations, and rebating certain investment earnings to the United States Treasury, unless an exception to the Rebate Requirement can be satisfied.

In furtherance of complying with the Arbitrage Rules, the CFO shall oversee the undertaking of the actions set forth in Appendix E.

Post-issuance Credit Enhancement Transactions. Prior to engaging in any post-issuance credit enhancement transactions (*e.g.*, bond insurance, letter of credit) or hedging transactions (*e.g.*, interest rate swaps, caps), the CFO is to consult with Counsel.

Refunding Bonds. In the case of refunding bonds, the CFO should coordinate with NVTAs financial advisor, Counsel, the bond trustee or escrow agent to arrange for the purchase of the refunding escrow securities, and should obtain a computation of the yield on such escrow securities from NVTAs outside arbitrage rebate specialist.

Voluntary Compliance Agreement Program

If NVTAs does not stay within the limitations of the private business tests, the private loan financing tests, or the arbitrage requirements described herein, the CFO shall work with Counsel to take appropriate steps to preserve the tax-exempt status of the respective Tax-Exempt Bond issue, including taking appropriate "remedial action" pursuant to Treasury Regulations Section 1.141-12. Remedial action for this purpose may consist of the redemption or defeasance of bonds and/or the investment/expenditure of amounts received as a result of the sale of bond financed property in other qualified approved project financings of NVTAs. NVTAs may also be able to take corrective action under the Voluntary Compliance Agreement Program of the IRS (commonly referred to as VCAP). Counsel is available to provide guidance as to the implementation of such action. The CFO shall maintain copies of the documentation with respect to any remedial actions taken.

Reissuance

Generally, a reissuance occurs when there are significant changes to the terms of a Tax-Exempt Bond so that the bond ceases to be the same bond for federal tax purposes. A reissuance is a deemed exchange of the modified bond for the original bond for federal income tax purposes. The reissuance rules apply to all Tax-Exempt Bonds, from a large bond issue, a loan from Virginia Resources Authority, a small lease entered into to purchase equipment and to a note held by a local bank.

The CFO is to (i) identify and consult with Counsel regarding any post-issuance change to any terms of an issue of Tax-Exempt Bonds, (ii) request Counsel to determine whether such potential change would cause the issue to be treated as "reissued" for federal income tax purposes, and (iii) take such action as may be required to preserve the tax-exempt status of the issue.

Training Policy

NVTAs personnel are to periodically obtain training with regard to the record retention, private business use, arbitrage and rebate issues addressed by these Policies. The training shall include a review of NVTAs recent compliance initiatives, discussions relating to restrictions on the use of proceeds of Tax-Exempt Bonds, arbitrage requirements and recent developments with respect to Tax-Exempt Bonds. Training is especially warranted in the event of changes in law or changes in NVTAs staff.

Additional Resources

Additional resources available to NVTAs include the following, accessible on the internet.

Description

IRS Form 13907	Tax-Exempt Bond Financings Compliance Check Questionnaire
IRS Form 14246	Advance Refunding Bonds Compliance Check Questionnaire
IRS Form 14429	Tax-Exempt Bond Voluntary Closing Agreement Program Request
IRS Publication 3755	Addresses filing requirements applicable to tax-exempt bonds (<i>e.g.</i> , 8038-G and 8038-T)
IRS Publication 4079	Tax-Exempt Governmental Bonds Compliance Guide
http://www.irs.gov/taxexemptbond	IRS website providing Information for the Tax Exempt Bond Community

ANNUAL PROJECT SPONSOR QUESTIONNAIRE

The _____ ("Project Sponsor") is the "Recipient Entity" under the Standard Project Agreement for Funding and Administration dated _____, ____ (the "SPA") between the Northern Virginia Transportation Authority ("NVTA") and the Project Sponsor.

Unless otherwise defined, each capitalized term used in this Annual Project Sponsor Questionnaire (this "Questionnaire") has the meaning set forth in the SPA.

Under the SPA, the Project Sponsor is to receive a portion of the proceeds (the "NVTA Bond Proceeds") of NVTA's _____ Bonds, Series ____ (the "NVTA Bonds"), to assist the Project Sponsor in the financing, in whole or in part, of NVTA Project Number _____, which is described on Appendix A to the SPA (the "Project").

The undersigned acknowledges that this Questionnaire is designed to document and evidence the Project Sponsor's compliance with provisions of the SPA, including but not limited to the Project Sponsor's agreement to comply with the tax covenants attached to the SPA. The tax covenants are designed to preserve the tax-exempt status of the NVTA Bonds.

1. Has the undersigned been duly authorized by the governing body of the Project Sponsor to complete and submit this Questionnaire?

Yes _____

No _____

2. Is the description of the Project set forth on Appendix A to the SPA still accurate in all material respects?

Yes _____

No _____

If "No," please attach an explanation.

3. Has the Project been completed?

Yes _____

No _____

If "Yes," please provide the date of final completion: _____

If "No," please provide the expected final completion date: _____

4. If the Project has been completed, has the final allocation of the NVTA Bond Proceeds and other funds to the expenditures for the Project been completed?

Yes _____

No _____

If "Yes," please attach a copy of the final allocation.

If "No," please provide the date that the final allocation will be provided _____.

[Note that these Policies require a final allocation for the Bonds not later than 12 months after the final completion of all of the financed Projects.]

5. If the Project has not been completed, are the Project Budget and Cash Flow projections attached as Appendix B to the SPA still accurate?

Yes _____

No _____

N/A _____

If "No," please attach an update to Appendix B to the SPA.

6. Is the Project owned by the Project Sponsor for federal tax purposes?

Yes _____

No _____

If "No," please attach an explanation.

7. Are there any lease arrangements that may result in Private Business Use of the Project?

Yes _____

No _____

If "Yes," please attach an explanation.

8. Are there any management or service contracts that may result in Private Business Use of all or any portion or function of the Project?

Yes _____

No _____

If "Yes," please attach an explanation and provide a copy of any such contract.

9. Enter the percentage of the portion of the Project financed by NVTB Bond Proceeds that is used in a Private Business Use by a Nongovernmental Entity.

_____ %

10. Has there been any sale or disposition of any of the Project to a Nongovernmental Entity since the NVTB Bonds were issued?

Yes _____

No _____

If "Yes," please attach an explanation.

11. Has the Project Sponsor used any of the NVTB Bond Proceeds directly or indirectly to make or finance loans to Nongovernmental Entities?

Yes _____

No _____

If "Yes," please attach an explanation.

12. Has the Project Sponsor requisitioned or spent any of the NVTB Bond Proceeds for any Project Cost not constituting a Capital Expenditure?

Yes _____

No _____

If "Yes," please attach an explanation.

13. Has or will the Project Sponsor have any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Project Sponsor is receiving NVTB Bond Proceeds, other than those funds reflected on Appendix B to the SPA?

Yes _____

No _____

If "Yes," please attach an explanation.

14. Have all NVTB Bond Proceeds requisitions by the Project Sponsor been (i) remitted directly by NVTB to the Project contractors/vendors or applied to reimburse the Project Sponsor for its funds that have been so remitted as (ii) paid to the contractors/vendors within five banking days after the date on which NVTB advances the amount of the requisition?

Yes _____

No _____

If "No," please attach an explanation. Please note that Appendix D of the SPA provides that NVTB may request detailed information about the investment of any NVTB Bond Proceeds not remitted or paid as described in this Question 14.

15. Is any portion of the Project NOT intended to be available or in fact is NOT reasonably available for General Public Use?

Yes _____

No _____

If "Yes," please attach an explanation.

16. Other than as may be described above or in any attachment to this Questionnaire, is the Project Sponsor in default of any of its obligations under the SPA?

Yes _____

No _____

If "Yes," please attach an explanation.

Date: _____

Authorized Representative

ANNUAL CFO QUESTIONNAIRE

Part I - General

1. Name of Bond Issue: _____
2. Issue Date: _____
3. Original Principal Amount: \$ _____
4. Issue Price: \$ _____
5. Fiscal Year: _____ ("FY")

Part II - Proceeds

1. Amount of bonds retired before and during the FY: \$ _____
2. Amount of bonds legally defeased before and during the FY: \$ _____
3. Total proceeds of issue: \$ _____
4. Gross proceeds in reserve funds: \$ _____
5. Capitalized interest from proceeds: \$ _____
6. Proceeds in refunding escrows: \$ _____
7. Issuance costs from proceeds: \$ _____
8. Credit enhancement from proceeds: \$ _____
9. Working capital expenditures from proceeds: \$ _____
10. Capital expenditures from proceeds: \$ _____
11. Other spent proceeds: \$ _____
12. Other unspent proceeds: \$ _____
13. Date of completion of all Projects financed by bonds: _____
14. Were the bonds issued as part of a current refunding issue?
Yes _____ No _____
15. Were the bonds issued as part of an advance refunding issue?

Yes _____ No _____

16. Has the final allocation of proceeds been made?

Yes _____ No _____

17. Does NVTB maintain adequate books and records to support the final allocation of proceeds?

Yes _____ No _____

18. Have all Annual Project Sponsor Questionnaires for Projects financed by the Bonds been completed and submitted in a timely manner?

Yes _____ No _____

If "No," please attach an explanation.

Part III – Arbitrage

1. Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?

Yes _____ No _____

2. If "No," to question 1, did the following apply?

- a. Rebate not due yet?

Yes _____ No _____

- b. Exception to rebate?

Yes _____ No _____

- c. No rebate due?

Yes _____ No _____

- d. If "Yes" to question 2c, what date was the rebate computation was performed?

_____, _____

3. Is the bond issue a variable rate issue?

Yes _____ No _____

4. a. Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?

Yes _____ No _____

- b. Name of provider: _____

- c. Term of hedge: _____
- d. Was the hedge superintegrated?
Yes _____ No _____
- e. Was the hedge terminated?
Yes _____ No _____
5. a. Were gross proceeds invested in a guaranteed investment contract (GIC)?
Yes _____ No _____
- b. Name of provider: _____
- c. Term of GIC: _____
- d. Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?
Yes _____ No _____
6. Were any gross proceeds invested beyond an available temporary period?
Yes _____ No _____

Part IV – Miscellaneous

1. Have the Policies been reviewed during the FY and, if necessary or desirable, updated or amended?
Yes _____ No _____
2. [Reserved]
3. [Reserved]

Date: _____

Chief Financial Officer, Northern
Virginia Transportation Authority

APPENDIX C

RETENTION OF RECORDS

Retention of Records. NVT A is to retain the following documentation (the "Records"):

- (a) All legal and accounting documents relating to proceeds of the Tax-Exempt Bonds, including opinions of counsel and the tax certificate with respect to each issue of Tax- Exempt Bonds.
- (b) Expenditure of proceeds of Tax-Exempt Bonds as described below.
 - (i) Documents evidencing the expenditure of the proceeds of the Tax-Exempt Bonds and investment earnings thereon and the specific assets financed with such proceeds, including projected draw schedules and invoices (*e.g.*, records with respect to the bond accounts and funds);
 - (ii) Documents setting forth all funds and accounts relating to the Tax-Exempt Bonds;
 - (iii) Documents pertaining to the investment of the proceeds of the Tax-Exempt Bonds (*e.g.*, records with respect to the bond accounts and funds), including the purchase and sale of securities, guaranteed investment contracts, and swap/hedge transactions;
 - (iv) With respect to all investments acquired in any fund or account in connection with the Tax-Exempt Bonds, the specific information set forth under the heading "Arbitrage and Rebate" herein;
 - (v) The Annual Project Sponsor Questionnaires;
 - (vi) Each of the requisitions submitted under the SPA; and
 - (vii) Each of the Annual CFO Questionnaires.
- (c) Documents evidencing any allocations with respect to the proceeds of the Tax-Exempt Bonds, including the Final Allocation described in the Policies;
- (d) Documents (to be submitted by the Project Sponsors and retained by NVT A) evidencing the use and ownership of the bond financed property, including contracts for the use of such property, and documents evidencing the sale or other disposition of the bond financed property; and
- (e) Copies of the documentation with respect to any remedial actions.

Required Retention Periods. NVT A will retain the Records until the date that is six years after the complete retirement of the related issue of Tax-Exempt Bonds and any Tax-Exempt Bonds issued to refund such issue in whole or in part.

Form of Records. NVT A will keep all records in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652 (or subsequent guidance provided by the Internal Revenue Service), which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records

or transfers their computerized books and records to an electronic storage media (*e.g.*, an electronic data compression system).

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DEFINITIONS OF PRIVATE PAYMENTS AND PRIVATE BUSINESS USE

Definition of Private Payments. For purposes of these Policies, "Private Payments" means payments derived, directly or indirectly, in respect of property used or to be used for Private Business Use. As an example, if there is Private Business Use with regard to a facility of NVTAs as a result of a non-complying management contract and NVTAs customers make payments with respect to such facility, such payments may be treated as Private Payments.

Definition of Private Business Use. For purposes of these Policies, the term "Private Business Use" means any activity that constitutes a trade or business that is carried on by persons or entities other than state or local governmental entities ("Nongovernmental Entities"). State or local governmental entities are referred to herein as "Governmental Entity." The United States of America is not treated as a Governmental Entity. Any activity carried on by a person or an entity other than a natural person is treated as a trade or business. Any asset financed with Tax- Exempt Bonds not owned by a Governmental Entity will be considered to be used in a Private Business Use.

In most cases, Private Business Use will occur only if a Nongovernmental Entity has a special legal entitlement to use the bond financed property. Such a special legal entitlement includes ownership or actual or beneficial use pursuant to a lease, management, service or incentive payment contract, output contract, research agreement or similar arrangement. Private Business Use may also be established solely on the basis of a special economic benefit to one or more Nongovernmental Entities.

Management and Service Contracts. With respect to management and service contracts, the determination of whether a particular contract results in Private Business Use shall be based on the application of the Code and Treasury Regulations, including particularly Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 39, and amplified by Notice 2014-67, issued on October 24, 2014 (collectively, "Revenue Procedure 97-13"). An updated summary of Revenue Procedure 97-13 is typically attached to the Tax Certificate executed in connection with each issue of Tax-Exempt Bonds. Such management and service contracts include, but are not limited to, operating agreements, construction management agreements, business services agreements, technical consulting services agreements and other similar agreements. Further, for purposes of determining the nature of a Private Business Use, any management or service contract that is properly characterized as a lease for federal income tax purposes is treated as a lease. Consequently, any such agreements, even though referred to as a management or service contract may nevertheless be treated as a lease. In determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including the following factors: (i) the degree of control over the property that is exercised by a Nongovernmental Entity; and (ii) whether a Nongovernmental Entity bears risk of loss of the financed or refinanced property.

Short-Term Use Exception. Arrangements fitting within either of the following two exceptions will not result in Private Business Use.

- **Use Pursuant to Generally Applicable and Uniformly Applied Rates.** Use pursuant to an arrangement will not result in Private Business Use if (A) the arrangement does not transfer ownership of the property to a Nongovernmental Entity, (B) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, and (C) compensation under the arrangement is based on generally applicable and uniformly applied rates.
- **Use Pursuant to Negotiated Arm's Length Arrangements.** Use pursuant to an arrangement will not result in Private Business Use if (A) the arrangement does not transfer ownership of the property

to a Nongovernmental Entity, (B) the term of the use under the arrangement, including all renewal options, is not longer than 50 days, and (C) the arrangement is a negotiated arm's-length arrangement and compensation under the arrangement is at fair market value.

Construction Contracts and Other Purchases of Capital Assets. A contract with a Nongovernmental Entity to construct capital assets or to sell capital assets to NVT A does not generally result in Private Business Use unless additional services are being provided by the Nongovernmental Entity in connection with such contract, e.g., construction management or consulting services. Such services with respect to bond financed property must be analyzed for Private Business Use under Revenue Procedure 97-13. Public-private partnerships should be carefully analyzed for this purpose.

Materials and Commodity Supply Contracts. A contract or purchase order for materials, commodities, inventory or other supplies from a Nongovernmental Entity does not generally result in Private Business Use unless there are additional services being provided by the Nongovernmental Entity in connection with the contracts, e.g., consulting services. Such service arrangements with respect to bond financed property must be analyzed for Private Business Use under Revenue Procedure 97-13. Public-private partnerships should be carefully analyzed for this purpose.

Ownership of bond financed property. If bond financed property is owned by a Nongovernmental Entity, such ownership will be considered Private Business Use of the asset for purposes of the Private Business Use rules.

Leases of bond financed property. All leases of bond financed property to a Nongovernmental Entity constitute Private Business Use of such property unless an exception for short term use is satisfied.

Non-possessory Incidental Use. Any non-possessory incidental use such as vending machines, bank machines and similar uses may be excluded from the Private Business Use rules to the extent of 2.5% of an issue of Tax-Exempt Bonds. Such use of bond financed property shall be tracked by Tax Compliance Designee.

Special Priority Rights or Special Economic Benefits. A contract which conveys special priority rights or special economic benefits in bond financed property to a Nongovernmental Entity may create Private Business Use. In determining whether special economic benefit gives rise to Private Business Use of bond financed property, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (a) whether the bond financed property is functionally related or physically proximate to property used in the trade or business of a Nongovernmental Entity; (b) whether only a small number of Nongovernmental Entities receive the economic benefit; and (c) whether the cost of the bond financed property is treated as depreciable by the Nongovernmental Entity. Such arrangements with respect to bond financed property must be reviewed by Counsel.

ARBITRAGE AND REBATE

The CFO of NVTA shall oversee the undertaking of the following actions.

- Refer to the Tax Certificate executed for a particular issue of Tax-Exempt Bonds for purposes of ascertaining the application of the Arbitrage Rules to such issue of Tax-Exempt Bonds.
- Consult with Counsel as appropriate for clarification and guidance with respect to application of the Arbitrage Rules.
- Review these Policies with Counsel periodically (at least annually) and refine and update the procedures as needed.
- Ensure that adequate records are established and maintained to set forth the date, amount and nature of each expenditure of the Bond Proceeds of each issue of Tax-Exempt Bonds and investment earnings thereon. Specifically, records of the following are to be established and maintain for each investment of Bond Proceeds: (i) the purchase date, (ii) the purchase price, (iii) information establishing that the purchase price is the fair market value as of such date (*e.g.*, the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) the face amount, (vi) the coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date.
- For each issue of fixed rate Tax-Exempt Bonds, if any, obtain a computation of the yield on such issue from NVTA's financial advisor, and obtain from Counsel the Tax Certificate and a listing of all arbitrage yield restrictions attributable to Bond Proceeds or amounts treated as Bond Proceeds of each such issue. The tax certificate will typically contain the information described in the preceding sentence.
- For each issue of variable rate Tax-Exempt Bonds, obtain from bond counsel the Tax Certificate and a listing of all arbitrage yield restrictions attributable to Bond Proceeds or amounts treated as Bond Proceeds of each such issue.
- Maintain with respect to each issue of Tax-Exempt Bonds a schedule setting forth the latest date the Bond Proceeds of each issue may be invested at an unrestricted yield;
- The benchmarks that must be satisfied in order to meet exceptions to the arbitrage rebate requirements (a general description of the rebate exceptions is set forth in Appendix F attached hereto); and
- The dates on which any arbitrage rebate computations are required to be completed and arbitrage rebate is required to be paid to the United States Treasury.
- Monitoring the expenditure of Bond Proceeds and any investment earnings, which monitoring shall include obtaining and reviewing monthly reports of the expenditure and investment of proceeds of each issue of Tax-Exempt Bonds.
- Maintain a procedure for the allocation of proceeds of each issue of Tax-Exempt Bonds and investment earnings to expenditures, including the reimbursement of pre- issuance expenditures.

- Consult with and seek the assistance of NVTAs financial advisor as needed to comply with and memorialize compliance with the requirements set forth in these Policies.
- Engage a firm with expertise in the area of arbitrage rebate compliance (the "Rebate Consultant") with respect Tax-Exempt Bonds to arrange, as necessary, for the monitoring of Bond Proceeds expenditure for compliance with various expenditure exceptions (described in Appendix F) and timely computation of arbitrage rebate or arbitrage yield reduction liability.
- If rebate or a yield reduction payment is due to the IRS, arrange for the timely filing of Form 8038-T and the payment of such rebate liability.

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REBATE EXCEPTIONS

Bona Fide Debt Service Fund Exceptions

Amounts earned on money in a bona fide debt service fund shall not be taken into account for a bond year for purposes of complying with the Rebate Requirement. For purposes of complying with the Rebate Requirement with respect to issues other than as described in the preceding sentence, amounts earned on money in a bona fide debt service Fund shall not be taken into account for a Bond Year if the gross earnings thereon are less than \$100,000; an issue with an average annual debt service not in excess of \$2,500,000 may be treated as satisfying this \$100,000 limitation. A bona fide debt service fund is defined as a fund that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year, and (b) is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of the earnings on the fund for the immediately preceding bond year or one-twelfth of the principal and interest payments on the issue for the immediately preceding bond year.

Expenditure Exceptions

The "Six-Month Exception" to rebate is set forth in subsection (a) below and the "Eighteen-Month Exception" to rebate is set forth in subsection (b) below. The "Two-Year Exception" to rebate, available only with respect "to available construction proceeds," is set forth in subsections (c) and (d) below).

(a) Six-Month Exception.

- (i) **In General:** The Six-Month Exception will be treated as having been satisfied if (A) all "**Gross Proceeds**"² of the Tax-Exempt Bonds are allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds no later than the date that is six months after the date of issuance of the Tax-Exempt Bonds, and (B) the Rebate Requirement is satisfied with respect to [1] other Gross Proceeds that arise after six months from the date of issue but that are not reasonably anticipated to arise as of the date of issue, [2] repayment of any grants made with proceeds of the Tax-Exempt Bonds, [3] sale or investment proceeds on payments under a purpose investment and [4] amounts on deposit in a reasonably required reserve or replacement fund, if any.
- (ii) **Gross Proceeds.** For purposes of meeting clause (i) above, the term Gross Proceeds excludes (A) amounts on deposit in the Debt Service Fund, (B) other Gross Proceeds that arise after six months from the date of issue but that are not reasonably anticipated to arise as of the date of issue, (C) repayment of any grants made with proceeds of the Tax-Exempt Bonds, (D) sale or investment proceeds on payments under any purpose

² Gross Proceeds means proceeds and replacement proceeds, within the meaning of Treasury Regulation Section 1.148-1. Under Section 1.148-1 of the Treasury Regulations, proceeds are amounts derived from the sale of the Tax Exempt Bonds, investment earnings thereon and transferred proceeds of an issue. Under Section 1.148-1 of the Treasury Regulations, amounts are replacement proceeds of an issue if the amounts have a sufficiently direct nexus to the issue or to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement proceeds are more fully described in Section 1.148-1(c) and include, but are not limited to, sinking funds, pledged funds, and "other replacement proceeds."

investment, and (E) amounts on deposit (if any) in a reasonably required reserve or replacement fund, as defined in Treasury Regulation Section 1.148-7(b)(5).

- (iii) **Additional Six Months for Non-Private Activity Bonds.** The Six-Month Exception will be treated as satisfied if, in addition to satisfying subparagraph (ii) of this subsection (a), all Gross Proceeds of the Tax-Exempt Bonds are expended as provided in paragraph (i) of this subsection (a) except for an amount of Gross Proceeds that does not exceed the lesser of five percent (5%) of the proceeds of the Tax-Exempt Bonds and \$100,000 and such unexpended amount of Gross Proceeds is expended within one year from the date of issuance of the Tax-Exempt Bonds.

(b) **Eighteen-Month Exception.**

- (i) **In General.** The Eighteen-Month Exception will be treated as having been satisfied if (A) all Eighteen-Month Moneys (as defined in paragraph (ii) below) meet the Eighteen-Month Test, (B) the Rebate Requirement is satisfied with respect to all Gross Proceeds of the Tax-Exempt Bonds other than Eighteen-Month Moneys and amounts on deposit in a bona fide debt service fund for the Tax-Exempt Bonds, and (C) all Eighteen-Month Moneys qualify for the three (3) year temporary period set forth in Treasury Regulations Section 1.148-2(e)(2).
- (ii) **Eighteen-Month Moneys.** For purposes of meeting paragraph (b)(iii) below, the term "Eighteen-Month Moneys" means all Gross Proceeds of the Tax-Exempt Bonds other than (A) amounts on deposit in a bona fide debt service fund, (B) Gross Proceeds of the Tax-Exempt Bonds that arise after eighteen (18) months from the date of issue but are not reasonably anticipated to arise as of the date of issue, (C) repayment of grants financed with proceeds of the Tax-Exempt Bonds, (D) sale or investment proceeds derived from payments under any purpose investment of the Tax-Exempt Bonds, and (E) any amounts on deposit in a reasonably required reserve or replacement fund, as defined in Treasury Regulations Section 1.148-7(b)(5). For purposes of complying with the first two spending periods set forth in paragraph (b) (iii) below, above, the estimated amount of investment earnings as of the issue date (based on reasonable expectations) are to be included in the gross proceeds of the issue.
- (iii) **Eighteen-Month Test.** To meet the Eighteen-Month Test, (A) at least fifteen percent (15%) of the Eighteen-Month Moneys have been allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds within the six (6) month period beginning on the date of issuance of the Tax-Exempt Bonds, (B) at least sixty percent (60%) of the Eighteen-Month Moneys have been allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds within the one (1) year period beginning on the date of issuance of the Tax-Exempt Bonds and (C) all of the Eighteen-Month Moneys have been expended for the governmental purposes of the Tax-Exempt Bonds within the eighteen (18) month period beginning on the date of issuance of the Tax-Exempt Bonds.
- (iv) **Reasonable Retainage.** For purposes of paragraph (iii) of this subsection (b), an issue will not fail to satisfy the spending requirement for the third spending period as a result of a reasonable retainage if such amount is allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds within thirty (30) months from the date of issuance of the Tax-Exempt Bonds. For purposes of this paragraph (iv), a reasonable retainage is an amount retained for reasonable business purposes relating to the property financed with

the proceeds of the Tax-Exempt Bonds, e.g., a retention to ensure compliance with a construction contract in circumstances in which the amount retained is not yet payable or in which NVTa reasonably determines that a dispute exists regarding completion of payment, and shall not exceed five percent (5%) of the net sale proceeds of the Tax-Exempt Bonds minus \$100,000.

- (v) **De Minimis Exception.** Any failure to satisfy the final spending requirement of the Eighteen-Month Exception is disregarded if NVTa exercises due diligence to complete the project and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price of the Tax Exempt Bonds and \$250,000.

(c) **Two-Year Exception.**

- (i) **75 Percent Test.** The Issuer reasonably expects as of the issue date of the Tax-Exempt Bonds that at least seventy-five percent (75%) of the "available construction proceeds" (defined below) of the Tax-Exempt Bonds will be allocated to construction expenditures (including reconstruction and rehabilitation) with respect to property that is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code.
- (ii) **Two Year Test.** To meet the Two Year Exception, (A) at least ten percent (10%) of the available construction proceeds of the Tax-Exempt Bonds have been allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds within the six (6) month period beginning on the date of issuance of the Tax-Exempt Bonds, (B) at least forty- five percent (45%) of the available construction proceeds have been allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds within the one (1) year period beginning on the date of issuance of the Tax-Exempt Bonds, (C) at least seventy-five percent (75%) of the available construction proceeds of the Tax-Exempt Bonds have been allocated to expenditures for the governmental purposes of the Tax-Exempt Bonds within the eighteen (18) month period beginning on the date of issuance of the Tax-Exempt Bonds, and (D) all of the available construction proceeds of the Tax-Exempt Bonds have been allocated to expenditures for the governmental purposes of the Tax -Exempt Bonds within the two (2) year period beginning on the date of issuance of the Tax-Exempt Bonds. For purposes of determining compliance with the first three spending periods described above, the estimated amount of investment earnings as of the issue date (based on reasonable expectations) are to be included in the gross proceeds of the issue.

(d) **Available Construction Proceeds.**

- (i) **In General.** For purposes of subsection (c), the term "available construction proceeds" means an amount equal to the issue price of the Tax-Exempt Bonds (or the portion thereof at least seventy-five percent (75%) of the available construction proceeds of which are to be used for the purposes described in paragraph (i) of subsection (c) above), plus investment earnings on the Tax-Exempt Bonds or, where applicable, such portion thereof, plus investment earnings on any reasonably required reserve or replacement fund not funded from proceeds of the Tax-Exempt Bonds, plus investment earnings on all of the above described investment earnings, minus the amount of the issue price of the Tax-Exempt Bonds (or, where applicable, such portion thereof) deposited in the debt service reserve fund (if any) or to be applied to pay costs of issuance of the Tax-Exempt Bonds (if any), minus pre- issuance accrued interest. The term "available construction

proceeds," however, shall not include payments on any obligation acquired to carry out the governmental purpose of the issue or the investment earnings thereon, and shall not include investment earnings on amounts on deposit in a debt service reserve fund, if any, after the earlier of two years from the date of issue or the date on which construction of the project is substantially completed.

- (ii) **Reasonable Retainage.** For purposes of paragraph (ii) of subsection (c), all of the available construction proceeds of the Tax-Exempt Bonds shall be treated as expended for the governmental purposes of the Tax-Exempt Bonds within two (2) years from the date of issuance of the Tax-Exempt Bonds if all of such proceeds are expended for the governmental purposes of the Tax-Exempt Bonds within three (3) years from the date of issuance of the Tax-Exempt Bonds and such amounts would have been expended for such purposes within two (2) years from the date of issuance of the Tax-Exempt Bonds but for an amount that is retained for reasonable business purposes relating to property financed with the proceeds of the Tax-Exempt Bonds and that amount retained does not exceed five percent (5%) of the available construction proceeds of the Tax-Exempt Bonds as of the end of the fourth (4th) spending period referred to in paragraph (ii) of subsection (c) above. Reasonable retainage may include, for example, an amount retained to ensure compliance with the terms of a construction contract in circumstances in which the amount retained is not yet payable, or in which NVTB reasonably determines that a dispute exists regarding either completion of construction or payment.
- (iii) **De Minimis Exception.** Any failure to satisfy the final spending requirement of the Two-Year Exception is disregarded if the Issuer exercises due diligence to complete the project and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price of the Tax-Exempt Bonds and \$250,000.

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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Scott York, Chair Finance Committee

DATE: December 8, 2014

SUBJECT: Establish NVTa Employee Handbook

1. **Recommendation.** Approval of proposed NVTa Employee Handbook as approved and recommended by the Finance Committee.
2. **Suggested motion.** *I move approval the NVTa Employee Handbook.*
3. **Background.** The Authority staff have worked to develop an employee handbook. Best practices call for a handbook even in small organizations as a ready tool for staff and to foster a clear understanding of expectations. The Council of Counsels has reviewed the proposed Handbook. The handbook remains under legal review and it is expected that substantive edits may be made to ethics related policies in light of amendments to the State and Local Conflict of Interests Act. Topics in the handbook include, but are not limited to:
 - a. Employment Procedures
 - b. Employee Pay
 - c. Employee Leave
 - d. Employee Benefits (sections to be finished as the benefit package is finalized).
 - e. Employee Performance Reviews
 - f. Employee Code of Conduct
 - g. Public Relations
 - h. Employee Expenses
 - i. Employee Safety and Security
4. **Next Steps.** This is envisioned as a living document. Updates will occur as employee benefits are finalized. Additional updates will occur thereafter as events warrant.

Attachment: NVTa Employee Handbook

Coordination: Finance Committee
Council of Counsels



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

EMPLOYEE HANDBOOK

DRAFT 12.4.14

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SECTION 1. GENERAL

1.1 Purpose

This Employee Handbook contains information about the employment practices, procedures and policies of the Northern Virginia Transportation Authority (NVTa or the Authority). It describes how the NVTa is managed and provides a reference for NVTa's employees on how to conduct business in support of the smooth operation of the Authority.

1.2 Role of the NVTa

The Authority was created by the General Assembly on July 1, 2002 (SB 576), to offer a common voice for Northern Virginia on transportation and other issues that confront the region. The Authority embraces nine jurisdictions including: the counties of Arlington, Fairfax, Loudoun and Prince William; as well as the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The Authority membership is made up of seventeen (17) members as follows:

- a. The chief elected officer of the governing body of each of the counties and cities embraced by the Authority, or his or her designee.
- b. Two members of the House of Delegates who reside in different counties or cities embraced by the Authority.
- c. One member of the state Senate who resides in a county or city embraced by the Authority.
- d. Two citizens appointed by the Governor, one of whom shall be a member of the Commonwealth Transportation Board, who reside in a county or city embraced by the Authority.
- e. The Director of the Virginia Department of Rail and Public Transportation, or his or her designee (non-voting).
- f. The Commonwealth Transportation Commissioner, or his or her designee (non-voting).
- g. The chief elected officer of one town in a county which the Authority embraces (non-voting).

1.3 Updates

The NVTa reached an important milestone in 2013 when the General Assembly passed a transportation funding bill (HB 2313) that provided a dedicated funding stream for transportation in Northern Virginia. This legislation coupled with the successful bond validation suit (BVS) determination enabled the NVTa to become fully staffed in May 2014. In the years ahead, many of the NVTa's functions will become more routine. Until then, the Authority is in a 'start-up' mode of operations, where many actions are being undertaken for the first time. Consequently, it is anticipated that this Employee Handbook will be updated from time to time as necessary. Updates will be communicated with all employees via written amendments or a revised handbook.

SECTION 2. EMPLOYMENT PROCEDURES

2.1 General

The NVTa Executive Director is authorized to administer these employment policies as established by the Authority. The Executive Director will require the utilization of forms, processes and procedures necessary to administer and manage these personnel policies. Only the Executive Director has the authority and responsibility to hire employees. Aspects of the selection process may be delegated to other employees.

Consistent with Title VII of the Civil Rights Act of 1964, as amended, the NVTa does not discriminate against employees in any aspect of employment or applicants for employment based upon race, color, religion, sex, national origin, age, disability or genetic information. The NVTa does not discriminate against employees or applicants for employment based on political affiliation, sexual orientation or gender identity.

In compliance with Title I and Title V of the Americans with Disabilities Act of 1990, as amended, the NVTa is committed to protecting qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training and other aspects of employment. Disability discrimination includes not making reasonable accommodations to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship on the Authority.

The NVTa will make reasonable accommodations upon request for qualified individuals with disabilities who can perform the essential functions of the job as outlined in the job description as long as such accommodations do not require an undue hardship on the Authority.

2.2 Job Descriptions

Job descriptions will be developed for each NVTa position. Job descriptions will be approved by the Executive Director and serve as the basis for advertising positions, employment interviews and selection for employment.

2.3 Application for Position

Applicants are expected to submit a resume that responds to the advertised job description. A cover letter expressing an applicant's perspectives, interest and qualifications for the position should also be provided.

2.4 Selection Process

It is intended that the system of personnel selection and employment is based on objective procedures, these policies will be in compliance with applicable Federal, State and local regulations, and the policies will be administered on an equitable and non-

discriminatory basis. Recruitment for NVTAs positions will be conducted in a manner that assures open competition in that vacancies will be advertised publicly and filled through competition.

Employment applications are screened to assess whether candidates meet minimum position requirements as outlined in the job description. In the screening process, equivalent education and experience may substitute for one another on a year for year basis.

Expenses associated with any stage of the selection procedure (i.e. exams, tests, background, credit or license checks, etc.) will be the responsibility of the NVTAs. Candidates are typically responsible for travel expenses associated with the selection process, although reimbursement may be provided at the discretion of the Executive Director.

Employees are selected for positions based on relative ability, knowledge, skills and suitability for the position. The selection procedure will be relevant to the position, job-related and necessary to appropriately assess candidates. Selection procedures must be consistent with equal employment opportunity standards and should maximize validity, reliability and objectivity. Selection procedures are to be applied uniformly among candidates at each stage of the selection process. The selection process objective is to hire the most suitable person for the job. Applicants may be required to permit credit checks, background checks, driver's license records and/or verifications.

In accordance with The Americans with Disabilities Act, the NVTAs provides reasonable accommodation to enable a qualified disabled person to perform the job, unless the accommodation would pose an undue burden on the Authority.

2.5 Probationary Period

The probationary period is the final stage of the selection process during which job performance and suitability is evaluated. Supervisors are responsible for evaluating performance during probation.

The usual probationary period will be twelve (12) months beginning with the first day of employment. The Executive Director may impose, as a condition of employment, a longer or shorter period. The probationary period may be extended by the Executive Director, following discussions with the employee.

The Executive Director can terminate employees without cause, at any time and without prior notice before the end of the probationary period when it is deemed to be in the best interest of the NVTAs.

2.6 New Hire Documentation

Prior to, but no later than, an employee's first day, standard new hire employment documentation must be completed. Employees are paid by direct deposit only.

Documentation includes:

- Employment Eligibility Verification Form I-9 (Immigration Reform and Control Act)
- Federal Form W4 and Commonwealth of Virginia Form VA-4 (payroll exemptions)
- Authorization to pay employee by direct deposit
- Banking information for direct deposit
- Healthcare, dental & vision enrollment
- Retirement plan(s) enrollment
- Life insurance designation of beneficiary
- Optional life insurance enrollment
- FLEX & DCA Enrollment
- Emergency contact information

2.7 New Employee Orientation

Orientation will occur during the first week of employment, typically on the first day, and will consist of three components:

- Work responsibilities – conducted by the employee's supervisor
- The NVTa office procedures and policies – conducted by the Administrative Assistant/Clerk
- Office introductions and work station walk-through – conducted by the employee's supervisor and/or the Administrative Assistant/Clerk.

Any outstanding documentation will be collected as part of orientation.

2.8 Personnel Files

Official Personnel Files (including records of pay) are centrally maintained as prescribed by the Chief Financial Officer. The retention and destruction of these files are in accordance with applicable Federal and State laws. Official Personnel Files contain information and documents sufficient to fulfill administrative and legal requirements and enforcement of personnel policies. It is intended that Official Personnel Files provide a complete employment history of service with the NVTa.

The information may include, but is not limited to: employment applications, offer letters, Personnel Action Forms, performance related documents, formal disciplinary actions and documents related to any type of separation from the NVTa.

The NVTa complies with the Virginia Freedom of Information Act which requires all public records (with certain exceptions set forth in the Act) be open to the people of the Commonwealth of Virginia. This may include information about employees, except that which is protected by law.

Employees may have access to their personnel file with advanced notice during normal business hours.

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SECTION 3. EMPLOYEE PAY PLAN

3.1 General

The pay plan is intended to be competitive with the labor market and other public and private sector employers, especially those of member jurisdictions. The pay plan will be equitable in that classification and levels of allocated compensation reflect relative levels of work, duties, knowledge, skills, abilities, education and experience, difficulty and responsibility; and functional basis, in conjunction with the position job description. It is also intended that pay will be established on an equitable basis without discrimination; procedures and work records will be utilized as necessary to ensure equitable and uniform administration and accountability of pay. All policies and personnel actions will be in compliance with the Fair Labor Standards Act (FLSA) and all other applicable federal and state regulations. NVTAs employees are paid on a bi-weekly basis by direct deposit.

3.2 Full-time Employees

All NVTAs employees are subject to FLSA regulations, although some positions may be exempt from FLSA wage and hour provisions (including overtime). Exemptions are typically executive, administrative or professional in nature. (Please refer to the FLSA regulations for a complete listing.)

Employees meeting one of the FLSA exemptions are categorized as 'Exempt Employees'. Exempt employees work a standard five (5) day forty (40) hour work week. Absences for Exempt employees shall normally be charged in increments of full days. Exempt employees working less than four (4) hours during a work day, shall submit the appropriate sick or vacation leave slip for the remaining non-worked hours.

Employees not specifically characterized as exempt under FLSA are categorized as 'Non-exempt'. Non-exempt employees work a schedule specified by their supervisor based on their position and are paid for all hours worked. Leave for Non-exempt employees shall be reported in fifteen (15) minute increments.

3.3 Part-time, Temporary or Contract Employees

A part-time employee is defined as an employee with a routine work schedule that does not exceed twenty-nine (29) hours in a forty (40) hour work week. Acting within approved NVTAs budgets, the Executive Director may employ person(s) on a part-time, temporary or contract basis. Temporary and contract employees are not eligible for benefits.

3.4 Salary Increases

Annual salary increases are approved by the Executive Director based on performance evaluations, merit and the NVTAs operating budget.

3.5 Overtime and Compensatory Time

General

The NVTAs overtime policies comply with those established under the Fair Labor Standards Act (FLSA) and the Code of Virginia. All hours worked beyond the authorized workday, workweek or regularly scheduled hours must be pre-approved by the supervisor. It is the supervisor's responsibility to ensure any hours worked in excess of the authorized scheduled hours are necessary in order to provide or maintain services, the work could not be delayed until the next authorized workday or work schedules could not be flexed to accomplish the work. The supervisor exercises control and management of work activity so that only authorized and directed work is performed.

Non-Exempt Employees

All hours that a Non-Exempt employee is permitted to work are subject to compensation, pursuant to FLSA. Overtime or compensatory compensation is due for time worked over forty (40) hours during the established seven (7) day work week for employees. Overtime is compensated at one and one-half times employee's regular rate of pay. Compensatory time is awarded at the rate of one and one-half times the number of hours that the employee works (excluding vacation and sick leave) in excess of forty (40) hours in any one established work week. It is preferred that compensatory time be taken in the same work week overtime is incurred, however, it can be taken up to one month later, with Executive Director's approval. The Executive Director can choose to pay the employee in overtime or compensatory time as the needs of the Authority require.

Exempt Employees

Employees exempt from FLSA are not entitled to overtime or compensatory compensation for hours worked over the forty (40) hour work week. However, an Exempt employee, with the pre-approval of the Executive Director, may be awarded compensatory time at the equivalent of hours worked. No overtime payments will be made to exempt employees.

3.6 Separations

To resign in good standing, at least ten (10) working days' notice to the NVTAs from the employee is required. The Executive Director may withhold pay for one (1) day of vacation leave for each day of notice less than ten (10).

Employees who fail to report to work for three (3) consecutive days without authorized leave may be terminated. As many as ten (10) days of accrued vacation leave may be forfeited in such a case. Dismissal of an employee for poor performance, violation of administrative regulations or other causes requires a written notice to the employee which sets forth the reason(s). Appeals shall follow the procedure set forth in Section 11.3.

SECTION 4. EMPLOYEE LEAVE AND HOLIDAYS

4.1 General

The NVTAs provision for leave is intended to be competitive with the labor market, member jurisdictions and other public and private sector employers. All leave must be requested in advance and approved by the employee's supervisor, unless it is impractical to do so due to illness or sudden personal emergency. Approved forms shall be forwarded to the Administrative Assistant/Clerk and saved in the employee's personnel file. If the leave request is denied, the employee shall be notified.

With the limited staff available to the NVTAs, employees are requested to be understanding in their scheduling of leave so that mission essential functions are maintained. Supervisors shall evaluate requests for leave based on the need to properly staff the office and complete work assignments.

4.2 Holidays

The following days are regular NVTAs paid holidays (12.5 days):

- New Year's Day (January 1)
- Martin Luther King, Jr. Day (Third Monday in January)
- Presidents' Day (Third Monday in February)
- Memorial Day (Last Monday in May)
- Independence Day (July 4)
- Labor Day (First Monday in September)
- Columbus Day (Second Monday in October)
- Veterans Day (November 11)
- Thanksgiving Day (Fourth Thursday in November)
- Day after Thanksgiving (Fourth Friday in November)
- Holiday (December 24 – half day)
- Holiday (December 25)
- Floating Holiday/Inauguration Day

Dates of above may vary when holiday falls on a weekend. The Executive Director may grant additional hours of holiday leave in concurrence with Federal and Commonwealth changes. The Executive Director can flex holiday leave on an individual basis.

The floating holiday is on an annual basis and must be used by the end of each calendar year. An employee may not earn paid holidays while on unauthorized leave, leave without pay, or if working less than their scheduled hours.

4.3 Vacation Leave

Full-time permanent employees earn vacation at the rate of:

- 13 days annually with fewer than three (3) years of service;

- 19 ½ days annually with 3 – 15 years of service;
- 26 days annually with 15 or more years of service.

Vacation time for full-time employees may be accrued and carried over to next year at these rates:

- Zero (0) to ten (10) years of service, a maximum accumulation of 30 days or 240 hours
- More than ten (10) years of service, the maximum accumulation is up to 40 days or 320 hours

The cut-off date is the end of the first pay period after January 1. Upon initial employment or at separation, no leave shall be earned for less than a full week of work.

No leave shall be earned for a week in which an employee is on leave without pay for more than one (1) day.

If a minimum resignation notice of two (2) weeks is given, upon separation an employee shall be paid for unpaid vacation leave in a lump sum. If the employee has not given proper notice or is terminated for cause, accrued leave is subject to forfeit.

4.4 Sick Leave

Sick leave will be earned by full-time, permanent employees at the rate of four (4) hours for each bi-monthly pay period or 13 days per year. There is no limit on sick leave accrual.

Upon termination of employment, employees will not receive payment for accrued sick leave.

No sick or vacation leave will be earned for less than a full week of work.

No sick leave will be earned during a week in which the employee is on leave without pay for more than one day.

Sick leave may be used in the following cases:

- Actual sickness or disability of the employee that prevents effective performance of his or her duties;
- Necessary appointment with physicians, dentists or licensed practitioners and social workers;
- Illness in the immediate family, defined as spouse, son, daughter, adult dependent and elderly parents and any of these relations as a step.

A supervisor may require an employee to submit a certificate from a registered physician.

If the Executive Director determines that the sick leave request is not justified in accordance with these administrative regulations, he or she shall deduct the value of the absent time from the employees' accrued vacation leave or pay. For the employee to

receive compensation while absent on sick leave, notice shall be given no later than four (4) hours after the scheduled start of the work day on which the absence occurs, unless the employee provides evidence that it was impractical to do so.

When an employee has exhausted accrued sick leave, the Executive Director may advance sick leave up to an amount equal to the employee's accumulated vacation leave. The encumbered vacation leave may not be used until the sick leave account is in balance.

4.5 Donation of Vacation Leave for Use by Others as Sick Leave

NVTA employees may donate a portion of their accrued vacation leave to other employees who have exhausted their sick leave. Such donations are strictly voluntary and will be allocated to the receiving employee on a dollar value basis.

4.6 Civil Leave

Employees shall receive time off for jury duty or emergency civilian duty in connection with national defense, up to fifteen (15) days annually. Employees who are requesting Civil Leave will be required to furnish a copy of the official summons for jury duty or witness service when seeking approval. Employees are not required to reimburse the NVTA for any court-provided expense reimbursement while on Civil Leave. Employees appearing in court either as defendant or plaintiff in a non-work related case are not eligible for Civil Leave.

4.7 Military Leave

Any permanent employee who is a member of the Armed Forces of the United States will be allowed leave with pay to the extent the NVTA pay exceeds military pay up to a maximum of fifteen (15) days annually for official training or active service. If the employee is involuntarily called to active duty, the Executive Director shall endeavor to provide the employee his or her same position or a comparable position upon return to work.

4.8 Bereavement Leave

Up to three (3) days of bereavement leave are provided for a death in the employee's extended family (defined as employee's spouse and either the employee's or employee's spouse's son, daughter, grandchild, brother, sister, parent, grandparent, or guardian) or others that, in the judgment of the Executive Director, comprise "extended family."

An additional two (2) days of bereavement leave are provided for a death of an immediate family member who resides outside the local area (outside local area is defined as more than 50 miles outside the Washington DC Metropolitan area).

4.9 Adverse Weather/Emergency Leave

The NVTa Executive Director will consider the actions of member jurisdictions in declaring snow (or other) emergencies. For example, at the discretion of the Executive Director, employees may be granted “liberal leave,” in which they can take a vacation day after notifying their supervisor by telephone or email.

The Executive Director may declare an office closure, or send employees home early in the event of a major weather or other local emergency event. Such events may include loss of utility or HVAC services to the offices.

Whenever emergency conditions are forecast, employees should plan for the possibility of working remotely for the anticipated duration of the event. If employees work remotely, they shall notify the NVTa staff accordingly together with any others who may be affected by the employees’ absences from the office.

4.10 Absence without Leave

An employee absent for three (3) days or more without notice to their supervisor may be subject to termination.

4.11 Accrual of Leave by Part-Time Employees

Employees are categorized as part-time if they routinely work less than thirty (30) hours in a forty (40) hour work week. Part-time employees for any given length of service earn leave only in proportion to hours worked. Temporary or Contract employees are not eligible for paid leave.

Length of service is measured from the date of appointment to a permanent NVTa position (i.e. internships or other temporary positions do not contribute to the determination length of service).

Permanent employees working a part-time schedule will receive pay for all holidays, whether or not they fall on one of the employee’s scheduled workdays, in proportion to the number of actual work hours during an average pay period. For example, forty (40) hours worked in an average two-week pay period would comprise 50 percent of a full 80-hour pay period, or four (4) hours of an eight (8) hour holiday.

4.12 Family and Medical Leave Act (FMLA)

The FMLA entitles eligible employees to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. NVTa elects to observe FMLA guidance to align benefits with Member Jurisdictions. Eligible employees are entitled to:

Twelve (12) workweeks of leave in a 12-month period for:

- the birth of a child and to care for the newborn child within one (1) year of birth;

- the placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;
- to care for the employee's spouse, child, or parent who has a serious health condition;
- a serious health condition that makes the employee unable to perform the essential functions of his or her job;
- any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty;" **or**

Twenty-six (26) workweeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness if the eligible employee is the service member's spouse, son, daughter, parent, or next of kin (military caregiver leave).

Questions concerning an employee's eligibility under FMLA are to be directed to the Chief Financial Officer. Additional information concerning FMLA is available at the United States Department of Labor website.

SECTION 5. EMPLOYEE BENEFITS

5.1 General

The NVTAs benefit plan is intended to be provided on an equitable, uniform and non-discriminatory basis and to be competitive with the labor market, member jurisdictions and other public and private sector employers. The NVTAs offers health care, dental, vision, wellness, retirement, life insurance and other benefits.

5.2 Healthcare (including dental, vision, behavioral health and wellness services)

Healthcare coverage is provided through the Commonwealth of Virginia's *The Local Choice (TLC) Key Advantage with Expanded Benefits* program, administered by Anthem Blue Cross and Blue Shield. Full plan details can be found online at <http://www.thelocalchoice.virginia.gov/>.

In addition to medical care, healthcare coverage includes behavioral health, routine vision, eye glasses, contact lenses, well child, adult wellness & preventative care programs, dental and prescription benefits. The NVTAs funds 80 percent of the monthly cost of healthcare coverage. The employees' contribution is automatically deducted from pre-tax earnings.

Healthcare benefits are administered on a plan year basis from July 1 through June 30. Open enrollment for health benefits occurs annually in the month of May.

5.3 Retirement

The NVTAs' retirement plan is provided through the Commonwealth of Virginia's Virginia Retirement System (VRS). Employees with a VRS membership date before July 1, 2010 and vested as of January 1, 2013 are eligible for enrollment in Plan 1. Employees with a VRS membership date before July 1, 2010 and not vested as of January 1, 2013 or a membership date after July 1, 2010 are eligible for enrollment in Plan 2. Full plan details are available at <http://www.varetire.org/members/benefits/defined-benefit/index.asp>.

Full time employees with no previous VRS service credit whose membership date is on or after January 1, 2014 are eligible to participate in the Hybrid Retirement Plan. The Hybrid Plan combines a defined benefit plan with a defined contribution plan. Full plan details can be found at <http://www.varetirement.org/hybrid/publications.html>.

Participation in the Virginia Retirement Plan requires mandatory employee and employer contributions. Employee's mandatory retirement contribution is automatically deducted from pre-tax earnings.

5.4 Life Insurance

As participants in the Virginia Retirement System, employees are automatically enrolled in the VRS Group Life Insurance Program with coverage of two times salary at no cost to the employee.

Employees are eligible to participate in an optional life insurance plan at the employee's expense. Employee's optional life insurance premiums are automatically deducted from after tax earnings.

5.5 Short Term and Long Term Disability (Hold pending authorization)

5.6 Flexible Spending for Medical Costs & Dependent Care

An optional Flexible Medical Spending plan and a Dependent Care plan are administered through Choice Strategies at no additional cost to employees. Employee contributions to these plans are automatically deducted from pre-tax earnings. Full plan details are available at <https://www.mywealthcareonline.com/choice-strategies/Home.aspx>.

5.7 Professional Development

The NVTA provides financial support for licenses, certifications and professional development that are relevant to employees' work responsibilities. The NVTA also provides financial support for, and encourages employee participation in, the activities of professional and industry associations that are relevant to the NVTA's mission. The level of support (reimbursement) is determined by the Executive Director based on the benefit to the Authority.

5.8 Other

Other benefits include free membership to the fitness center located at 3040 Williams Drive. A membership agreement, available from the Administrative Assistant/Clerk, must be completed and signed before using the facility, which is unsupervised and shared with other tenants.

SECTION 6. EMPLOYEE PERFORMANCE REVIEWS

6.1 General

Performance reviews offer a mutually beneficial opportunity to provide feedback to, and receive suggestions from, an employee. The objective of performance reviews is to encourage high levels of performance and achievement, while identifying and mitigating any areas of under-performance. Performance reviews shall become part of the employee's official personnel file.

6.2 Annual Performance Review

Each employee will participate in a written annual performance review based on hire date. Additionally, a six-month performance evaluation may be conducted for new employees.

Performance reviews will be comprised of three components:

- Written self-assessment completed by each employee;
- Written review conducted by the employee's supervisor; and
- Face-to-face meeting between each employee and their supervisor, resulting in an agreed written action plan for the upcoming year.

The action plan will identify any employment-related goals and training requirements, and will serve as the basis for the employee's next annual performance review.

6.3 Ad hoc Performance Review

Employee performance review is a continuous process and may occur on an as-needed basis as determined by their supervisor at any time to supplement the written annual review.

SECTION 7. EMPLOYEE CODE OF CONDUCT

7.1 General

As a basic condition of employment, all employees have an obligation to conduct their official duties in a manner that serves the public interest, upholds the public trust and protects the NVTAs resources and reputation.

The NVTAs employees routinely interact with state and local elected officials, chief executives and staff of member jurisdictions, other transportation agencies, representatives from the financial sector, and the business community. Interaction may occur in formal committee meetings, large jurisdiction events and/or direct appointment settings to list a few.

Perceptions of the Authority may be influenced by the conduct of the NVTAs employees. Employees are expected to conduct themselves in a manner that demonstrates professionalism and integrity at all times.

7.2 No Smoking Policy

Smoking in the NVTAs offices, to include any hallways, elevators, reception or conference spaces, is prohibited. Any employee who smokes is encourage to use the Authority provided health insurance wellness program to quit.

7.3 Alcohol and Drug-Free Work Place

In an effort to provide a drug-free workplace and to comply with Federal and State regulations, the NVTAs prohibits employee consumption of alcohol and the use, distribution, manufacture or possession of illegal or controlled substances in any NVTAs worksite or work location, or while on duty or representing the Authority. Violation of this policy may result in immediate dismissal.

Employees at any time may request their Supervisor's assistance in accessing the counseling and/or treatment services available through the employee health insurance wellness plan. The NVTAs is not responsible for the costs of such counseling or treatment, beyond the medical insurance plan.

7.4 Sexual Harassment

The NVTAs is committed to providing a work environment free of any form of sexual harassment or related intimidation. Sexual harassment is prohibited within the workplace, viewed as serious misconduct and subject to disciplinary action, up to and including termination. Sexual harassment is defined as any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature by a manager, supervisor, co-worker or non-employee (third party).

7.5 Other Unlawful Harassment

Harassment on other grounds, including race, color, religion, national origin, age, disability, sexual orientation or gender identity is also prohibited. Harassment includes jokes, verbal abuse and epithets, degrading comments, the display of offensive objects, pictures, and other conduct that an individual might reasonably find to be offensive.

7.6 Reporting Complaint

If an employee has a harassment complaint, the employee should tell the offender to stop the inappropriate behavior and report the complaint without delay or fear of reprisal to their supervisor. The NVTa will not tolerate any form of retaliation directed against an employee or third party who either files a complaint about discrimination, harassment or retaliation or who participates in any investigation concerning misconduct.

7.7 Conflict of Interest

As a basic condition of employment, all employees have an obligation to conduct their official duties in a manner that serves the public interest, upholds the public trust and protects the NVTa's resources. Employees shall not engage in any behavior that provides a conflict of interest or the appearance of a conflict of interest. All NVTa employees will refer to the Authority's Conflict of Interest Policy. Request for interpretation of a possible conflict should be referred to the Chief Financial Officer.

7.8 Political Activity

Employees have a right to vote as they choose, to express their opinion and to join political organizations. NVTa employees have the right to not be forced to take a political position as a condition of employment. Political activities can not take place during work hours or adversely affect the employee's ability to do his/her job or adversely affect the employee's department or co workers. NVTa resources will not be used for any political activities.

7.9 Gifts and Gratuities

NVTa employees are subject to the provisions of the State and Local Governments Conflict of Interest Act which prohibits an NVTa employee from accepting money, gifts, gratuities, favor, service, business or professional opportunities that reasonably could influence performance of the employee's job duties, or loans from organizations, businesses, or individuals with whom he or she has official relationships regarding NVTa matters. These limitations are not intended to prohibit the acceptance of articles of negligible value that are distributed generally (e.g., a coffee mug), nor to prohibit employees from accepting conventional social courtesies that promote good public relations.

7.10 Electronic Communications

The NVTAs electronic systems (e.g., e-mail, Internet, computers, cell phones and voice mail) are the property of the NVTAs. Employees have no right or expectation to privacy with regard to anything sent or received on these systems, services or devices. These systems, services or devices shall not be used for personal use (e.g., computer games). Employees shall not install any personal software on the NVTAs computers or cell phones. All NVTAs electronic equipment is subject to monitoring. Employees receiving any messages they believe to be inappropriate on any NVTAs systems should notify their supervisor. Please refer to NVTAs Policy 14 - Computer and Electronic Systems Use for a copy of the Employee/User Agreement.

7.11 General Department

The NVTAs is a governmental organization with significant inter-action with elected and appointed officials, member agency staff, the general public and various advocacy and consulting groups. To provide the appropriate professional environment for the NVTAs operations and to enhance the working environment for the NVTAs staff, the following guidelines apply:

- Maintain offices and common areas in a clean and orderly manner;
- Minimize noise levels from conversations, radios and speaker phones so that other staff and conferees are not disturbed; and
- Dress in business or professional business casual attire appropriate for the context in which business is being conducted.

SECTION 8. External Contacts and Communication

8.1 General

As an employee, you represent the NVTA to the public and other government entities. When dealing with the public or other public entities, either in person, by telephone or in writing, you are expected to be professional, patient and courteous.

Contact/Communication between the NVTA staff and external entities/individuals will occur on a regular basis. It is important that any such contacts do not result in inconsistent or inaccurate communication, or are otherwise to the detriment of the NVTA or its ability to fulfill its mission.

Media contacts should be referred to the Executive Director or staff member designated to address specific areas. Requests for information or data which are non-routine or from outside the member jurisdictions should be referred to the Chief Financial Officer.

NVTA staff are not to make policy or other statements on behalf of the Authority unless specifically directed and approved by the Executive Director.

8.2 Communication with the NVTA Members

The Executive Director is the primary point of contact with the Authority members unless selected staff (e.g., Chief Financial Officer) are specifically designated to work with a member or members on specific projects/activities. It is not unusual for a specific staff member to be requested to assist an Authority member in response to an inquiry. The NVTA staff will refrain from initiating contact with Authority members, political or advocacy communities or the media unless directed by the Executive Director. Staff having contact(s) with the Authority members should always inform the Executive Director.

8.3 Contacts with Elected Officials (non-NVTA Members)

In general, contacts with non-NVTA elected officials will be conducted in the same manner as described for members of the Authority.

8.4 Contacts with Participating Organizations and Committees

The nature of the Authority's mission requires that the NVTA staff work with a myriad of organizations and committees. In doing so, it is essential that staff represent the NVTA's mission, policies and stated positions accurately.

Staff should not hesitate to defer questions to supervisors if they are unsure of the policy or procedural aspects in question. Issues that arise that may result in adverse perception of the NVTA or situations that are not supportive of the NVTA's role and policies should be reported with supporting documentation to the Executive Director as soon as possible.

8.5 Contacts with the Public

The NVTa is a taxpayer-supported public agency. The public is our ultimate “client”. Politeness, professionalism and respect are appropriate at all times. All requests for information whether in writing, in person, or by telephone are equally important, and must be treated as such. For requests that are complex in nature and may possibly require additional research and/or discussion, ask the requestor to put his or her request in writing.

Under the Virginia Freedom of Information Act (FOIA), all official records (with certain exceptions set forth in the Act) are open for inspection by Virginia residents or media. The NVTa honors all Freedom of Information Act requests within the time specified by law. Such requests must be coordinated through the NVTa's Chief Financial Officer and Executive Director.

8.6 Contacts with the Media

The NVTa's Executive Director is the primary lead for communications with the media. All media inquiries will be referred to the Executive Director. In the Executive Director's prolonged absence, inquiries should be forwarded to the Chief Financial Officer.

On a case by case basis, the Executive Director may direct staff to handle public and media inquiries.

8.7 Contacts with Contractors

Private sector firms provide the NVTa with specialized capabilities and other support. The NVTa will benefit from competitively priced proposals from well-qualified firms. The NVTa's approach to procurements is designed to encourage such activity. Employees must however be guarded in any contacts with contractors or potential contractors to avoid providing an unfair advantage.

SECTION 9. OFFICE HOURS AND LOCATION OF WORK

9.1 General

Common understanding of “work rules” is essential to fair and equitable management. The purpose of this section is to provide a framework for this understanding.

The normal place of work is the NVTa office. While NVRC offices are open to the public between 8:30 am and 5:00 pm, Monday through Friday except holidays, the NVTa employees have unrestricted access to the office at all times.

9.2 Hours of Work

The usual full-time paid workday of eight (8) hours is from 8:00 am to 5:00 pm, Monday through Friday, with one hour for lunch.

A supervisor may permit a work schedule other than the usual, if in his or her judgment it is in the best interest of the Authority and employee.

9.3 Telework

In order to support regional telework goals, the NVTa employees are encouraged to work from home one (1) day per month with the advance approval of their supervisor. The NVTa will make its best efforts to provide effective network connections but cannot guarantee success and cannot provide NVTa-owned second computers. The Executive Director shall consider the overall effectiveness of the NVTa’s workforce in determining whether work at home will be permitted on a more frequent basis.

SECTION 10. EMPLOYEE EXPENSES

10.1 Local Travel Expense Report

Employees should request reimbursement monthly. Requests for reimbursement not made within 45 days of expense may not be fulfilled. Local travel reimbursement requests must include the travel date, destination, reason for travel, method of travel, mileage for personal automobile and cost. Mileage will be reimbursed at the published IRS rate.

10.2 Non-Local Travel Expense Report

Non-local travel must be approved in advance by the Executive Director. Costs associated with non-routine travel outside the Washington metropolitan region should be reported on the appropriate form to include the reason for travel, location, description of costs and appropriate receipts. Receipts are required for airline, train, shuttles, hotels, restaurants, parking, tolls and miscellaneous items. Rental cars requested for non-local travel must be preapproved by the Chief Financial Officer. Reimbursement is not available for luxury cars. Airline travel shall be at the coach/business rates. Personal expenses should be designated on receipts.

Expense report should be submitted promptly after travel has been completed, but no later than a month thereafter. Approval is required by the employee supervisor and the Chief Financial Officer. Approved reports will be processed and forwarded to accounts payable.

10.3 Permitted Travel Expenses

Mileage to attend meetings outside of the NVTa office is permitted. Mileage is not allowed for travel between an employee's home and the NVTa office. Mileage from home to an appointment or from an appointment to home is not reimbursable unless the distance is substantially greater than the employee's normal commute.

Actual, reasonable, costs for food and lodging are allowed. The test of "reasonable" is general consistency with accepted Federal/State rates.

Travel shall be at coach rates. Any exception must be approved by the Executive Director in advance. Whenever it is available and advantageous to do so, employees should request the appropriate government rate for overnight lodging expenses.

The cost of meals should be consistent with Federal per diem rates. Customary gratuities are reimbursable at customary rates.

Personal care items and personal use items are not reimbursable.
Entertainment such as in-flight movies or hotel movies is not reimbursable.

Alcohol is not reimbursable.

Snacks and comfort items (unless a substitute for a meal or other expense) are not reimbursable.

The Executive Director may reduce the submitted reimbursement request to the Federal per diem rate.

10.4 Meal Expenses

Meals provided as part of a conference or travel package should be utilized.

Local meal costs shall not be reimbursed unless:

- Expenses are for a business meeting with one or more person(s) other than the NVTA staff, or
- Meal is a part of travel to or from a meeting outside of normal business hours, or
- Meal is part of a NVTA staff or Authority meeting that results in an inability to have normal meal and for which a meal has not been provided excluding routine scheduled meetings.

10.5 Mileage Reimbursement Rate

Mileage reimbursements shall be consistent with the current IRS rate.

10.6 Expenses for Guests of the Authority

Approval of the Executive Director or the Chief Financial Officer is required before a commitment is made to reimburse expenses of an NVTA guest. (Employees shall exercise good judgment in seeking reimbursement for expenses incurred on behalf of guests.) In no event shall the NVTA offer to pay/reimburse NVTA guest expenses when to do so may create a conflict of interest or the appearance of a conflict of interest.

10.7 Travel Advance

Travel Advances will be limited to the use of the office purchasing card for conference and ticket purchases. Employees who submit prompt expense reimbursement requests will typically have their reimbursement prior to their credit card invoice cycles.

Upon request by an employee, the Executive Director may authorize a travel advance on an infrequent basis for unique situations that are received in sufficient time to permit normal processing through accounts payable.

Upon completion of the trip, any excess funds must be returned, together with a completed non-local travel expense form and receipts within 14 Days.

SECTION 11. PERFORMANCE AND DISCIPLINARY ACTIONS

11.1 Disciplinary Actions

Clear and prompt communication is critical for effective resolution of any employee performance or disciplinary issues. Supervisors are encouraged to discuss any performance or disciplinary concerns immediately with staff. This communication may take the form of a one on one conversation, a performance review being presented earlier than the routine cycle or other written notice of performance.

The communication will not only inform the staff member of the actions requiring modification but will also solicit ideas on how the staff member can improve the situation. Part of the discussion must be how the NVTa can reasonably support needed change on the part of the employee.

11.2 Performance/Disciplinary Actions

It is the intention that all instances of the need for performance modifications be professionally communicated to the staff member by their supervisor with prompt and professional changes in behavior/conduct by the employee the expected result with a minimal amount of formality.

In situations where the desired change in behavior/conduct does not materialize, formal written notice will be provided to the employee. Such notice(s) will include a timeline for the correction to occur. Employee input will be requested as to any contributory factors preventing the required change in behavior/conduct.

If adequate progress towards resolution of the behavior/conduct is not observed within the timeline previously documented, management may issue a final notice of the need for a performance change. If after this notice the performance has not reached the level required, the Executive Director will consider whether employment separation is in the best interests of the Authority.

11.3 Grievances

Employees may bring a complaint or dispute in writing to the Executive Director regarding: disciplinary actions; the application of personnel policies, procedures, rules and regulations; acts of reprisal; or discrimination. Certain complaints or disputes are not eligible to be submitted under the grievance process, including, but not limited to: annual evaluations, work activities accepted by the employee as a condition of employment or work which is a reasonable part of the job description; methods, means and personnel by which such work activities are carried on; contents of established NVTa policies, procedures, rules and regulations; failure to promote; and provisions applied in an emergency. Grievances must be presented to the Executive Director in writing within ten (10) days of the event. The Executive Director shall respond to such a written grievance within twenty (20) days unless the grievance is a termination or other involuntary

separation of employment in which case the Executive Director will respond as soon as practical or within twenty (20) days.

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SECTION 12. EMPLOYEE SAFETY AND SECURITY

12.1 General

The Occupational Safety and Health Act of 1970 requires employers to provide a safe work place: a place free from hazards that might cause injury, disability or even death.

Since the NVTa leases office space from the NVRC, employees must be aware of and abide by the NVRC's approach to safety and security while in the office.

12.2 The NVTa Safety Policy

It is the policy of the NVTa that every employee is entitled to work under the safest conditions possible. To this end, every reasonable effort will be made to promote accident prevention for protection and health preservation. Preventable accidents which injure people, damage equipment or property or destroy materials cause personal suffering, inconvenience and expense.

The NVTa will endeavor to maintain a safe and healthful work place. The Authority will take reasonable steps to provide safe working equipment, necessary personal protection and, in the case of injury, access to the first aid and medical services provided to citizens in the jurisdiction in which the NVTa office is located.

Safety and loss control is a responsibility that must be shared by all. NVTa employees should all act safely and encourage safety at all times, so that healthy attitudes towards accident prevention, loss control and improved safety on the job can be achieved.

12.3 Safety Rules

- 1) Immediately report unsafe equipment or conditions to the NVTa Administrative Assistant/Clerk.
- 2) Place boxes/paper/objects out of the way and off the floor to avoid tripping.
- 3) Use extreme care in driving personal automobiles on NVTa business. Always wear seat belts and obey all traffic laws.
- 4) Keep offices and common areas clear of clutter and debris that may pose a fire hazard.
- 5) Always close file drawers.
- 6) Report all incidents to the NVTa Administrative Assistant/Clerk.

12.4 If an Injury Occurs at Work

- 1) First Aid Kit is located in the small hallway leading into the main kitchen, middle/small set of cabinets on the left.

- 2) Emergency Numbers:

AMBULANCE	911
FIRE	911
POLICE	911

- 3) Closest hospital is located at:

Inova Fairfax Hospital
703-776-4001
3300 Gallows Road
Falls Church, VA 22042

- 4) To be covered by the NVTAs Workers Compensation Insurance through the Virginia Municipal League, NVTAs employees must:

- A. Report the accident immediately to your supervisor.
- B. A physician chosen from the PANEL OF PHYSICIANS must be used if medical treatment is needed. The NVTAs Administrative Assistant/Clerk maintains a list.
- C. If a Panel Physician is unavailable at the time of an emergency, an emergency facility may treat you one time only. The physician chosen by you from the Panel of Physicians must conduct any and all follow-up which is necessary due to your injury.
- D. Your Panel Physician can refer you to a specialist if needed. You may not choose a specialist yourself.
- E. If you do not receive treatment from a Panel Physician, your Workers' Compensation benefits may be terminated and your medical bills will not be paid. If you sustain a compensable work injury, your Workers' Compensation benefits may be terminated and your medical bills will not be paid. If you sustain a compensable work injury, your Workers' Compensation Administrator will only be responsible for bills from the following:
 1. Panel Physicians
 2. Authorized treating specialist
 3. In a true emergency an emergency facility

12.5 Security

- 1) Security depends on the cooperation and interest of each individual.
- 2) Never leave purses, wallets or other valuable items on or under desks. Keep them out of sight.
- 3) Cash, stamps, parking stickers, etc., should be kept out of sight.
- 4) Immediately report all suspicious persons, peddlers, or solicitors, to management personnel or by calling the Police Department (non-emergency is 703-558-2222).
- 5) If upon entering the office suite an employee is surprised by an unauthorized person, the employee should quietly leave; then call the police.
- 6) If someone an employee does not know is attempting to follow the employee into the building during security hours (7pm – 7am), the employee should ask the person to use his or her own fob on the reader or instruct the person to use the Datawatch phone for assistance.
- 7) Report missing Datawatch fobs immediately to the NVTa Administrative Assistant/Clerk. The Administrative Assistant/Clerk will immediately notify the NVRC, Datawatch and building management so these fobs cannot be used by unauthorized persons trying to gain entry.
- 8) The last employee leaving the office each evening must ensure that the front door is securely locked.

SECTION 13. EMPLOYEE EXIT PROCESS

13.1 General

In order to ensure a smooth transition for the employee and the NVTA, the following steps will be taken. Except for the return of NVTA property, the Executive Director may modify these steps on a case by case basis to protect the interests of the Authority.

13.2 All Employees

On an employee's last day, all NVTA property must be returned and accounted for. This includes laptops with accessories, cell phones with accessories, building, suite, and office keys/access devices and any other data medium or devices as well as any business records or files in any medium. Final pay will not be released until all NVTA property is returned.

Departing employees will be informed of any outstanding pay and vacation due to them. Departing employees will be invited to participate in a voluntary exit interview. The purpose of the interview is for the employee to provide feedback on topics that may help the NVTA to enhance its performance as an employer.

Employees are advised that since the NVTA has less than twenty (20) employees, COBRA benefits for health care are not provided.

Approved by the Finance Committee: (Date)

Approved by Northern Virginia Transportation Authority: (Date)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 8, 2014

SUBJECT: Approval of Principals for the Determination Long-Term Benefit

1. **Purpose:** To seek NVTa approval of the principals to determine the Long-Term Benefit of projects funded by the Authority using the 70 percent funding that the Authority retains for regional projects.
2. **Suggested Motion:** *I move approval of the Principals to Determine Long-Term Benefits.*
3. **Background.** HB 2313 requires that when allocating the 70 percent regional revenues, the Authority must ensure that each locality's long-term benefit will be approximately equal to the proportion of the revenues raised by the three taxes and fees in the respective locality. Since April 2014, a subcommittee of the Financial Working Group and the Council of Counsels have been meeting to prepare recommendations for the Authority's consideration on how to determine the long-term benefit by locality of the investments that the Authority will make in transportation projects. These recommendations were presented to the Authority at its work session on October 24, 2014. As a result of the Authority's discussion, some modifications were made to the subcommittee's long-term benefit document, see Attachment.
4. **Recommendation.** To seek Authority endorsement of the following guiding principles in determining the Long-Term Benefit of projects funded by the Authority using the 70 percent funding that the Authority retains for regional projects:
 - a. The determination of benefit should be kept as simple and transparent as possible, while meeting the legislative intent as efficiently as possible.
 - b. Any project included in the regional transportation plan (currently TransAction2040) can be considered "regional," because the plan is considered as a whole and is modeled as a whole, rather than as isolated projects.
 - c. The Authority will maintain an on-going analysis of benefit with no specific end point. In addition, this determination will be reviewed retrospectively every ten years to ensure

that benefits are relatively in balance with the proportion of the total of the fees and taxes received by the Authority generated by or attributable to each member locality. After these reviews, if it is determined that the benefit is not as proportional as required by law, adjustments can be made in future project selections to address any under representation of benefit. Only completed projects should be included in this periodic determination. The frequency of the reviews should be assessed in the future.

- d.** The benefit of projects implemented by the Washington Metropolitan Area Transit Authority and the Virginia Railway Express should be generally measured as follows:
 - i. for system-wide projects, the benefits of the projects should be attributed to each of the nine localities based on the appropriate established cost-sharing formula (Metrorail, Metrobus, or VRE) for only those localities that are included in the formula who are also members of the Authority. This category would include the Alexandria and Crystal City stations for the VRE, since they are generally considered destination or system-wide stations. Improvements to these two stations are not the singular responsibility of Alexandria and Arlington, respectively. For Metrorail, the committee concluded that there are six stations which should be considered “core” station in Virginia. They are: Arlington Cemetery, Crystal City, Pentagon, Pentagon City, Ronald Reagan Washington National Airport, and Rosslyn. The benefits of improvements at these stations should be determined on a system-wide basis, rather than attributing all of the benefits to Arlington County. In the future, the Washington Dulles International Airport Station would also be considered a system-wide station. At some point, the Authority may also want to consider whether the East Falls Church Station should be considered a regional station.
 - ii. for specific station or transit center improvements (i.e. platform extensions, additional parking, expanded bus bays, better access, additional vertical circulation, etc.) the benefits should generally be attributed to the locality in which the facility is located.
- e.** The majority of the benefits of multi-locality transit projects will be attributed to the localities in which the project is located.
- f.** For investments in local transit systems, the benefits will generally be attributed to the locality in which the transit system is located.
- g.** Congestion relief will be used as one of the two ways to determine benefit of roadway, bicycle, pedestrian, or intelligent transportation system projects. However, these benefits should be determined by using the cumulative impact of a system of improvements from implemented projects, rather than on a project by project basis.
- h.** The location of a roadway, bicycle, pedestrian or intelligent transportation system project will be the other factor used in determining benefit.

In summary, the two methods for determining the benefits of roadway, bicycle, pedestrian or intelligent transportation system projects should be congestion relief, as modeled using the regional travel demand model (or state of the modeling practice in the future) for all of the projects selected, and the locations of the projects.

The Authority will generally focus on primary benefits.

Attachments: Measuring Long Term Benefits White Paper

Measuring Long-Term Benefit

Revised: December 8, 2014

Executive Summary

HB 2313 requires that when allocating the 70 percent regional revenues, the Authority must ensure that each locality's long-term benefit will be approximately equal to the proportion of the revenues raised by the three taxes and fees in the respective locality. Since April 2014, a subcommittee of the Financial Working Group and the Council of Counsels have been meeting to prepare recommendations for the Authority's consideration on how to determine the long-term benefit by locality of the investments that the Authority will make in transportation projects.

The subcommittee generally believes that this determination should be as simple and transparent as possible, while meeting the legislative intent as efficiently as possible.

Before addressing long-term benefit specifically, the subcommittee discussed how to determine whether a project is regional or not. The subcommittee recommends that the Authority consider any project included in its TransAction 2040 (and subsequent updates) as "regional," since the TransAction 2040 Plan is modeled as a whole, rather than by individual projects.

The subcommittee believes that the use of the word "approximately" equal in the statute provides some flexibility to the Authority, and leads to the conclusions that determination of benefit is not a mathematical or strictly financial calculation.

The subcommittee discussed the length of time that should be considered when determining benefit. It recommends that the Authority assess benefit on a retrospective basis every ten years, and use the results in subsequent project selection processes to address any inequities. The subcommittee also believes that "long-term" ultimately has no specific end, so that the benefit determination should continue to recur every ten years. The frequency of these determinations can be reassessed in the future.

For transit projects, the subcommittee recommends that the determination of benefit for system-wide Washington Metropolitan Area Transit Authority and Virginia Railway Express projects be based on subsidy allocation formulas for the Authority member localities that are also members of each of these agencies. Improvements to the core Virginia stations for each of these systems should also be included in the system-wide calculations. Other station improvements should primarily benefit the locality in which the station is located. For multi-locality transit projects, the benefit should primarily be to the localities involved. For local transit projects, the benefit should primarily be to the locality in which the project is located.

For roadway, bicycle, pedestrian and intelligent transportation system (ITS) projects, the subcommittee recommends that benefit be determined in two ways. First, using the regional travel demand model (or

future improved analysis tool), the congestion relief benefits of all Authority-funded the projects completed by the analysis year should be calculated by the jurisdiction of residence of the users of these completed facilities. Second, benefit should be assessed based on the localities in which the projects are located. The subcommittee believes that location of a project is a surrogate for many other benefits, such as economic development and safety. The subcommittee does not recommend that secondary benefits of project be assessed, since doing so would add significant complications and effort to the determination and probably would not produce significantly different results than using congestion relief and location.

Background

In approving HB 2313, the General Assembly authorized three new transportation revenue sources for Northern Virginia. They are: A 0.7 percent increase in the sales tax; a two percent increase in the transient occupancy (hotel) tax; and a ten cent increase in the grantor's tax (congestion relief fee). These taxes were effective on July 1, 2013, and apply in the nine cities and counties who are members of the Northern Virginia Transportation Authority.

Of these revenues, 30 percent are returned to the localities (assuming each individual locality has met specific conditions), based on the revenues generated in or attributable to each locality. This revenue can be used for "additional urban or secondary road construction; for other capital improvements that reduce congestion; for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the Authority; or for public transportation purposes".

The remaining 70 percent is to be used by the Authority "solely for transportation projects and purposes that benefit the counties and cities embraced by the Authority to fund (i) transportation projects selected by the Authority that are contained in the regional transportation plan or (ii) mass transit capital projects that increase capacity". HB 2313 also directs that the Authority "shall give priority to selecting projects that are expected to provide the greatest congestion reduction relative to the cost of the project and shall document this information for each project selected".

In addition, HB 2313 specifies that when allocating the 70 percent regional revenues, the Authority must ensure that each locality's long-term benefit will be approximately equal to the proportion of the revenues raised by the three taxes and fees in the respective locality [1]. The General Assembly did not define "long-term," "benefit" or "approximately equal." As a result, the Authority was left to determine how to apply these terms and how to determine benefit and attribute it to member localities. In addition, the Authority will need to track the revenues collected in each locality over time.

To implement HB 2313, the Authority re-established five working groups that were originally created in 2007 to implement HB 3202, and gave each working group a charge. The Authority's charge to the Financial Working Group included providing recommendations to that Authority, in conjunction with the

[1] Actual language from Code of Virginia: "With regard to the revenues distributed under subdivision 1, each locality's total long-term benefit shall be approximately equal to the proportion of the total of the fees and taxes received by the Authority that are generated by or attributable to the locality divided by the total of such fees and taxes received by the Authority."

Council of Counsels, on how to determine long-term benefit. The Financial Working Group established a Long-Term Benefit Subcommittee that has been meeting since April 2014 to address this portion of the Financial Working Group's charge. The Council of Counsels participated in the subcommittee meetings and provided legal advice as necessary, including review of this document. The subcommittee reviewed the "long-term benefit" language included in HB 2313, and the policy that was developed in 2007 to allocate revenues from HB 3202. As a tax statute, the constitutionality of HB 2313 depends on the ability of the Authority to ensure that the tax revenues benefit the entire region, rather than a specific area or locality. The statute also requires the Authority to ensure that the proportionality requirement contained in the legislation is satisfied. The Council noted that Judge Dennis Smith approved the way the Authority allocated its FY 2014 revenues in his ruling in the Authority's bond validation case. This concept of geographic balance is important to the constitutionality of the statute. As noted below, the determining benefit is not strictly a financial calculation, such as dollars spent in each locality, because "benefit" can be determined in different ways. Some of these ways are not easily monetized.

As the subcommittee began its discussions, **there was a general consensus that the Authority should try to keep the determination of benefit as simple and transparent as possible, while meeting the legislative intent as efficiently as possible.** There was concern that an elaborate method of measuring benefit could be costly, and such an approach would reduce the amount of funding that the Authority has to spend on projects. In addition, it was also recognized that the Authority has a very small staff. Whatever form of determination is developed cannot be overly labor intensive, because the staff resources are not available to continue to maintain a complicated analysis. The subcommittee also recognized that there are existing tools available (and in the future, better regional tools may be developed) to assist the Authority with this analysis. It is anticipated that the state of the practice for modeling tools will change over time.

The subcommittee noted that the Project Implementation Working Group and the Jurisdiction and Agency Coordinating Committee are focused on project selection, based on criteria established by the Authority. Also, the determination of benefit should not be a criterion used in allocating funding to projects, although "geographic balance" is a selection criterion. The qualitative criterion of geographic balance plays an important role in project selection on an annual basis, along with numerous other criteria. The subcommittee generally believed that if this criterion is reasonably applied at project selection, it increases the likelihood that long-term benefit will be achieved when it is determined in the future. The subcommittee also felt that it was important to clarify the definition of "regional projects."

The following summarizes the subcommittee's discussions and recommendations to address each of the major terms outlined in HB 2313.

Regional Projects

There was some discussion about the kinds of projects that should be considered "regional." The subcommittee recommends that the language used in HB 2313 should be used as the guide for

determining whether a project is “regional” or not. HB 2313 allows the Authority to use its portion of the regional funding for “transportation projects and purposes that benefit the counties and cities embraced by the Authority to fund (i) transportation projects selected by the Authority that are contained in the regional transportation plan or (ii) mass transit capital projects that increase capacity.” In keeping with this statutory direction, the **subcommittee recommends that any project included in the regional transportation plan (currently TransAction2040) can be considered “regional,” because the plan is considered as a whole and is modeled as a whole, rather than as isolated projects.** Each of the projects included in TransAction 2040 contribute to improving mobility in the region.

Approximately Equal

The subcommittee believes that the General Assembly’s inclusion of the word “approximately” is intended to provide flexibility to the Authority in terms of how benefit is determined. The General Assembly did not use the word “exactly” which is a reflection of the fact that any determination of benefit will not be an exact mathematical calculation. The word “approximately” is more appropriate, because revenues will fluctuate with the economy and travel patterns will change. This makes a strict calculation of benefit impractical.

Long-Term

Since HB 2313 did not define, “long-term,” the Authority has discretion in determining the duration to be determined. The dictionary defines “long-term” as “lasting for, relating to, or involving a long period of time.” The Long-Term Benefit Subcommittee of the Financial Working Group considered several durations for “long-term.” They included:

- five years,
- the length of a Six Year Program;
- ten years;
- 20 years; and
- the horizon of the long range transportation plan (currently TransAction 2040).

Initially, the subcommittee believed that the length of the Six Year Program would constitute a minimum and probably be sufficient. There was concern about keeping records for an extended period of time. For example, the Washington Metropolitan Area Transit Authority had difficulty reconciling the cost of the 103-mile Metrorail system. In that case, construction spanned 40 years. When the construction was complete, some of the records needed to conduct the reconciliation were no longer available. There was also concern that while TransAction 2040 has about a 30-year horizon, the plan is financially unconstrained, and, therefore, it isn’t clear that the entire plan will be funded. In addition, priorities and approaches could change over that period of time. There was general consensus that five years was too short. The Authority’s Technical Advisory Committee also discussed the definition of “long-term” and recommended to the Authority that this time frame should be no less than six years.

There was also consensus that determining benefit annually was impractical, since most projects will take multiple years to implement and large projects can take as many as ten years to complete. In addition, typically existing models focus on specific analysis years.

After discussion, the subcommittee was leaning toward recommending that “long-term” be defined as the length of the Six Year Program. However, based on additional conversations after the discussion of the definition of “benefit,” the subcommittee concluded that “long-term” in this context does not have an endpoint.

The subcommittee recommends that the Authority maintain an on-going determination of benefit with no specific end point. In addition, the subcommittee recommends that this determination be reviewed retrospectively every ten years to ensure that benefits are relatively in balance with tax collections. After these reviews, if it is determined that the benefit is not as proportional as required by law, adjustments can be made in future project selections to address any under representation of benefit. Also, the subcommittee recommends that only completed projects be included in this periodic determination. The frequency of the reviews should be assessed in the future.

Several members of the Technical Advisory Committee questioned whether ten years was too long and whether taxpayers and elected officials would want to see benefits before then. The subcommittee discussed these concerns and concluded that as a result of the annual project selection process, taxpayers and elected officials will know which projects are moving forward. In addition, public events like ground breakings, ribbon cuttings and actual construction are also ways to inform taxpayers and elected officials that the Authority’s funds are being used to benefit various parts of the region during the time between the formal assessments that are proposed for every ten years.

A member of the Technical Advisory Committee was also concerned that a project completed in year one might lose its benefit by year ten. The subcommittee did not believe that this would be the case. Most transportation projects have a useful life of at least 20 years. In addition, transit buses typically have a useful life of at least 12 years.

Two members of the Technical Advisory Committee also suggested the concept of a rolling analysis of beginning after six years and then undertaken annually. The subcommittee believes that this approach would be very labor intensive and not necessarily an effective use of the Authority’s resources.

The use of the benefit determination in subsequent project selection efforts was supported by a member of the Technical Advisory Committee.

Benefit

Since “benefit” is not defined in the statute, the subcommittee looked at numerous ways to determine benefit. The subcommittee reviewed the factors included in the Authority’s authorizing legislation, the factors used in TransAction 2040, and the factors included in HB 599 (2012). Although some

subcommittee members advocated the use of a simple calculation of dollars spent in each locality, the consensus of the subcommittee recognized that “benefit” should not be a strictly financial calculation, such as dollars spent in a locality or the conversion of benefit measures, like travel time savings, into monetary terms. The subcommittee believes that such a financial calculation would be inconsistent with both HB 2313 and the Fairfax County Circuit Court’s ruling on the Authority’s bond validation suit. The subcommittee further noted that by returning 30 percent of the revenues to the localities, based on collection, each locality that qualifies has the ability to determine how those funds are spent. While each locality has a vote on how the Authority spends the 70 percent funding it retains, the decisions about how these funds are spent rest with the Authority as a whole.

In trying to determine the benefits of projects, the subcommittee considered a variety of existing ways that the Authority or others are already employing. The rationale for this approach was to try to use work that is already being conducted to minimize the cost of determining benefit and allow more funding to be allocated to projects. This approach will also allow limited staff time to be employed to other more important activities. While the subcommittee considered multiple benefit measures, and the possibility of measuring benefit differently depending on the type of project, in the end the subcommittee opted for a more simplified methodology in which the benefits of all non-transit projects are determined in the same way.

Regional Transit Agencies

Some of the Authority’s funding will be allocated to projects associated with the Washington Metropolitan Area Transit Authority (WMATA) and the Virginia Railway Express (VRE). This category only affects projects being undertaken by these two agencies. Other transit projects that have benefits across localities are discussed in the “Multi-Locality Benefits” section below. The allocation of funds to these agencies presents some challenges based on the restrictions included in HB 2313. It was noted that both agencies have existing formulas for allocating local subsidies. The Metrorail formula takes into account population, population density, ridership and stations. The Metrobus formula includes population, population density, ridership, miles of service and hours of service. The current Authority members who are also members of WMATA Compact are: the City of Alexandria, Arlington County, the City of Fairfax, Fairfax County, the City of Falls Church, and Loudoun County. (Although Loudoun County is a member of the WMATA Compact, it will not become a contributing member until Phase 2 of the Silver Line opens in 2018. In the future, it is anticipated that Loudoun County will also be a member). The VRE formula is based on ridership for the Participating Jurisdictions (Fairfax, Manassas, Manassas Park and Prince William). (Arlington and Alexandria are Contributing Jurisdictions whose subsidies are calculated differently). While there was some sentiment that the benefits of projects implemented by these agencies should be determined similar to roadway projects, there was also concern that determining benefit differently than the funding formulas could lead to confusion and potentially inequity and/or conflict. In addition, the funding formulas for allocating local subsidies for these two regional providers have been designed with benefit in mind, rather than each locality paying for the projects constructed in that locality.

Accordingly, **the subcommittee recommends that the benefit of projects implemented by these two regional agencies be generally measured as follows:**

- **for system-wide projects, the benefits of the investments should be attributed to each of the nine localities based on the appropriate established cost-sharing formula (Metrorail, Metrobus, or VRE) for those localities that are included in the formula and are members of the Authority only. This category would include the Alexandria and Crystal City stations for the VRE, since they are generally considered destination or system-wide stations. Improvements to these two stations are not the singular responsibility of Alexandria and Arlington, respectively. For Metrorail, the committee concluded that there are six stations which should be considered “core” station in Virginia. They are: Arlington Cemetery, Crystal City, Pentagon, Pentagon City, Ronald Reagan Washington National Airport, and Rosslyn. The benefits of improvements at these stations should be determined on a system-wide basis, rather than attributing all of the benefits to Arlington County. In the future, the Washington Dulles International Airport Station would also be considered a system-wide station. At some point, the Authority may also want to consider whether the East Falls Church Station should be considered a regional station.**
- **for specific station or transit center improvements (i.e. platform extensions, additional parking, expanded bus bays, better access, additional vertical circulation, etc.) the benefits should generally be attributed to the locality in which the facility is located.**

Regarding the WMATA subsidy allocation, the Federal Transit Administration now requires transit agencies to conduct a ridership survey for each mode every five years. WMATA complies with this requirement. If this requirement or WMATA’s practice changes, it may be necessary for the Authority to work with WMATA to secure the availability of the most current ridership data. In this event, the Authority could consider funding a survey for the Virginia portions of the WMATA system. The survey would be conducted by WMATA in the same way it conducts its other periodic surveys.

A member of the Technical Advisory Committee suggested using Person Miles Traveled rather than the approach outlined above; however, the subcommittee believed that doing so could lead to contradictory results, and this alternative approach would require significant modeling resources.

Multi-locality Transit Projects

Multi-locality transit projects, such as the Crystal City-Potomac Yards Busway and the Columbia Pike Streetcar (if it had been implemented) are becoming more common in Northern Virginia. The benefits of these types of projects will need to be determined on a case by case basis. However, in general, **the subcommittee believes that the majority of the benefits of multi-locality projects will be attributed to the localities in which the project is located.**

Local Transit

For investments in local transit systems, the benefits will generally be attributed to the locality in which the transit system is located.

Roadway Projects

The existing measures considered for determining the benefit of roadway projects included measures from TransAction 2040, the HB 599 study being conducted by VDOT, and the Authority's FY 2014 Project Selection Process. The subcommittee also discussed the new Commonwealth Transportation Board project selection process stipulated by HB2. However, since the details of this selection process are still being developed, it probably will be some time before using parts of the HB 2 process can be considered. In addition, HB 2 does not include any requirements for determining the benefits of transportation investment by locality as HB 2313 does.

Factors from TransAction 2040, HB 599 and the FY 2014 Project Selection Process that the subcommittee considered for determining benefit include:

- Congestion Relief
- Safety
- Connections between Activity Centers
- Multimodal Choices
- Air Quality
- Freight Movement
- Intelligent Transportation Systems

Most of the subcommittee's discussions were focused on the congestion relief criteria, because this is a primary factor in HB 2313. There was unanimity that "congestion relief" is an important benefit factor. In this context "congestion relief" is measured by comparing the project level of congestion in a future analysis year with the Authority funded projects in the model to the level of congestion without the Authority funded projects in the model. It is acknowledged that even with the Authority funded projects, congestion in the future could be worse than it is today, due to population, employment and household growth in the future. The subcommittee recognized that the region has existing analysis tools (such as the regional travel demand model's selected link analysis) that can measure some congestion impacts of constructing a specific project or a group of projects on congestion. The travel demand model produces a number of different metrics, including travel time savings. The current tools can estimate the number of users of a highway facility or group of facilities by locality. If improvements are made to a group of facilities, then each of the jurisdictions who have users on these facilities will benefit. However, it is also true that the benefits are reduced as the distance from the locality increases. In general, the subcommittee believes that the combination on all the Authority funded projects completed at a certain point in time should be used in the travel demand model. Using a

network of improvements is a more practical way to determine benefit, rather than determining the benefit of each project individually and then trying to combine the benefits from a number of projects. This approach simplifies the analysis, but also provides more useful results. For example, if 15 Authority funded projects are completed by 2020, all of these projects would be added to the travel demand model, and the net congestion relief benefit of these projects would be determined, compared to congestion without these 15 projects. In this case, projects completed in the same time frame, but funded from other sources, would be included in the baseline, before the projects the Authority funded are added.

However, not all trips are correctly captured by existing models, especially in areas with heavy multimodal use. The subcommittee noted that some new analysis tools may be developed for the HB 2 analysis. It is anticipated that the state of the practice for modeling tools (and any other analysis tools the Authority deems appropriate) will change over time, and the most sophisticated regional modeling tools available should be used to assist the Authority with this analysis, if available. This concept was also supported by a member of the Technical Advisory Committee who noted that new forms of data collection and analysis are being developed.

One locality also suggested using “person capacity” and “travel time” as factors to determining congestion benefits. The locality stated that measuring changes in person capacity directly measures the ability of transportation system to carry more people. The subcommittee disagreed, because simply measuring added capacity does not take into account the congestion on a facility in the first place. This approach could lead to added capacity to facilities that aren’t congested. In addition, the subcommittee noted that the regional travel demand model does use travel time as a factor in the model, in addition to others.

A member of the Technical Advisory Committee pointed out that many travelers will not see congestion relief over the existing condition as a result of the implementation of the Authority-funded projects. The Authority funded projects will more likely ensure that congestion in the future will not be worse than it is today, despite continuing growth. The subcommittee acknowledges that this may be the case for some projects, and the point should be included. However, by modeling a group of Authority funded projects together, there likely will be improvement over the current condition on some parts of the network.

The Technical Advisory Committee member noted that individuals can often secure a congestion relief benefit by changing residences (i.e. locating closer to work), and as a result, public agencies should not be the only groups focused on congestion relief. In general, the subcommittee agreed that location of residence is a factor in achieving congestion relief, but this concept is outside the scope of determining the benefit of projects funded by the Authority.

The subcommittee recommends that the Authority use congestion relief as one of two ways to determine benefit. However, these benefits should be determined by using the cumulative impact of

a system of improvements on the transportation network from implemented projects, rather than on a project by project basis.

The subcommittee also did not believe that the following TransAction 2040 measures were practical for measuring benefit: Improved Bicycle and Pedestrian Travel Options, Urgency, Project Readiness, Reductions in Vehicle Miles Traveled, Person Throughput, Reduced Travel Time; Environmental Sensitivity, Land Use Supportive Investments, Management and Operations, and Cost Sharing. Measuring Economic Development was also discussed. Several of these items (such as Reductions in Vehicle Miles Traveled, Person Throughput, Reduced Travel Time) are addressed in measuring reduced congestion on roadways. Others are qualitative measures that result in benefits to the locality where the project is located. As a result, although strict “dollars spent in a locality” is not an appropriate way to determine benefit in this case, it is clear that the locality where a project is located does receive benefits beyond “Congestion Relief” from the implementation of a new investment.

As a result, **the subcommittee recommends that “location of a project” be a factor used in determining benefit.** Doing so is much easier than trying to measure the individual benefits of things like land use supportive investments, safety or economic development.

After discussing each of the other factors above, the subcommittee agreed that while Safety, Connections between Activity Centers, Multimodal Choices, and Freight Movement are important; they are more practically applied as selection criteria, rather than determination of benefit.

Air Quality is also an important consideration; however, it is determined regionally, and there is not an existing tool to segregate in the air quality benefits of a project by individual locality.

HB 599 includes two criteria, Congestion Relief and Emergency Evacuation. Congestion Relief has previously been addressed, and the subcommittee believes that Emergency Evacuation is more a selection criteria, than a determination of benefit. It is also something that is more appropriate in a regional context than it is by individual locality.

In reviewing the FY 2014 project selection criteria, the subcommittee did not find any additional criteria that should be considered for the determination of benefit. Most were either previously discussed or not appropriate (such as Project Readiness) for determining benefit.

The subcommittee discussed whether “benefit” should be determined over the life of a project, the end point or at some other fixed point. The travel demand model typically focuses on specific analysis years, such as 2020, 2030 and 2040. Data is typically not available to conduct the analysis for each individual year. The model can be run with and without a project or group of projects to determine the specific impact on travel of a specific improvement(s). This supports the concept of conducting a calculation of the Congestion Relief benefit at ten year intervals to determine whether the allocation of projects has been proportional or not.

Some of the outer localities were concerned that since they export commuters to the core of the region that the benefits that these localities are entitled to, could be “used up” by projects in the core of the region. It was noted that even in Fairfax County, almost 50 percent of the workers go to a job outside the County, so the concept of exporting workers is not unique to the outer localities. In addition, work trips only comprise about 20 percent of the trips taken every day. The other 80 percent of time are for shopping, education, recreation, dining etc. These trips are often taken closer to a person’s home. Finally, determining benefit for a system of project improvements, rather than individual projects, should also minimize this concern.

Some core jurisdictions were concerned that the Authority would allocate a large percentage of roadway funding to projects in the outer localities, because the core localities are largely built out and do not anticipate major roadway expansions in the future. Ultimately, the subcommittee concluded that the Authority’s project selection process is robust enough to address these concerns.

A member of the Technical Advisory Committee disagreed with the proposed approach of using location of a project as a factor for determining benefit. This member felt that congestion relief benefits should be credited to a jurisdiction regardless of where they occur. The subcommittee agrees for congestion relief benefits should be determined based on jurisdiction of residence of the users regardless of where they occur; however, the subcommittee also believes that the physical location of a project also has benefit to the specific locality, as outlined above. No changes were made to the recommended approach.

In summary, the subcommittee recommends that the two methods for determining the benefits of roadway projects be congestion relief, as modeled using the regional travel demand model (or state of the modeling practice in the future) for all of the projects selected, and the locations of the projects.

Primary and Secondary Benefits

In reviewing the criteria used in each of the various efforts (TransAction 2030, the HB 599 analysis and the FY 2014 project selection criteria), it was noted that some of the criteria are quantitative while others are qualitative. The subcommittee discussed whether to focus on primary benefits or also to include secondary benefits. Primary benefits include things like congestion relief. Secondary benefits may be things like economic development or job growth. For practical reasons and in the interest of keeping the determination as simple as possible, **the subcommittee recommends that the Authority generally focus on primary benefits.** Secondary benefits could be used as a qualitative way to compliment the results of determining primary benefits, if desired. There may be many secondary benefits from a project or group of projects, but it will be difficult to determine where/when these factors no longer apply. Those conclusions, coupled with the fact that including secondary benefits would add significant complexity and time to the process, are reasons why the subcommittee is recommending that secondary benefits be excluded. Moreover, the subcommittee did not believe that

the inclusion of secondary benefits would significantly change the overall outcome of the determination process.

Bike and Pedestrian Projects

The travel demand model can calculate the congestion relief benefits of bicycle and pedestrian investments on the adjacent roadway network. As a result, **the determination of benefit for bicycle and pedestrian projects does not need to be done differently than roadway projects.**

Intelligent Transportation Systems (ITS)

The subcommittee recognized that ITS projects, such as real time traffic signal controls, are significantly different than physical roadway improvements. Several methods of measurement were discussed, including person throughput, hours of person delay, response time to emergencies and safety. However, in the end, **the benefits of these types of improvements can be determined in terms of congestion relief (person through put and hours of delay) and benefits to the locality in which the ITS improvement is located** (emergency response times and safety).

Other Considerations

The subcommittee also discussed whether benefit should be determined prospectively or retrospectively. Initially, there was some support for determining benefit prospectively when project funding is allocated by the Authority. However, there was concern that projects will be completed at different times and the ultimate benefit could be different than projected benefit. This would still require a retrospective look at some point. There was also concern that the project selection process proceed independently from the benefit determination process at least initially. Although it was suggested that the Authority adopt a specific allocation of benefit at the time each project is selected, this concept was also rejected for similar reasons, including the fact that actual benefits may vary from the benefits identified at the time the project is approved.

It was also noted that the governing bodies of some localities might agree that there is significant benefit to roadway improvements made in an adjacent jurisdiction. For example, the Cities of Manassas and Manassas Park might agree that improvements to Route 28 south of I-66 in either Prince William or Fairfax County would generate a significant benefit for their localities.

The subcommittee also discussed a scenario where a locality might oppose a project even though it has a benefit to that locality. The subcommittee concluded that it is unlikely that the Authority will fund and implement a project in a locality that does not want the project. However, it is possible that a locality may benefit from a project in an adjacent locality, even if the locality doesn't support the project.

Manassas Park Resolution

During the subcommittee's discussions, the Manassas Park Governing Body passed a resolution saying that the variance between a dollar collected in a locality and dollar spent in a locality calculation should be no more than five percent.

This concept was discussed by the subcommittee; however, it was not included in the final recommendation for two primary reasons: 1) whether intended by the City or not, the nature of the resolution seems to indicate that each individual locality controls how the 70 percent funding collected in the locality is spent (or have significant input into whether benefit is assigned to a locality from a project outside the locality). The subcommittee believes this concept is inconsistent with HB 2313. HB 2313 returns 30 percent of the funding to the local governments and allows each governing body to determine how these funds are to be spent, within the requirements of the law. However, the 70 percent is retained by the Authority and decisions regarding these funds are to be made regionally. The Authority is also charged with determining the benefit of the projects it funds. Each of the nine localities will have the opportunity to participate in the Authority's decision making process.

2) As stated earlier the calculation of benefit, as outlined in HB 2313 is not envisioned to be a simple mathematic calculation. As a result, it would be difficult to abide by a five percent variance between dollars collected and dollars spent in a locality.

Other Concepts Discussed, but Not Included

A member of the Technical Advisory Committee expressed a concern that the benefit document does not include any discussion about expansion of the Authority's boundaries in the future and how an expansion could affect the determination of benefit. The subcommittee discussed this comment, but felt that if the Authority's boundaries are expanded in the future, there will be many different issues that would need to be addressed. Modifying the benefit determination approach would likely be one of these issues. The subcommittee believes that any boundary changes would take time to implement, and there would be sufficient time to address the need for changes to the benefit determination approach.

During the work session on October 24, 2014, Authority members expressed concerns about how the benefits of projects located on the western and southern edges of region will be determined, since the benefits of these projects might largely be to jurisdictions outside the Authority's boundary. In general, staff believes that projects that don't have a substantial benefit to at least one Authority member locality probably won't be funded by the Authority.

Conclusions

There was a general consensus that the Authority should try to keep the determination of benefit as simple and transparent as possible, while meeting the legislative intent as efficiently as possible.

Subcommittee recommends that any project included in the regional transportation plan (currently TransAction2040) can be considered “regional,” because the plan is considered a whole and is modeled as a whole, rather than as isolated projects.

The subcommittee recommends that any project included in the regional transportation plan (currently TransAction2040) can be considered “regional,” because the plan needs to be considered a whole and is modeled as a whole, rather than as isolated projects.

The subcommittee recommends that the Authority maintain an on-going determination of benefit with no specific end point. In addition, the subcommittee recommends that this determination be reviewed retrospectively every ten years to ensure that benefits are relatively in balance with tax collections. After these reviews, if it is determined that the benefit is not as proportional as required by law, adjustments can be made in future project selections to address any under representation of benefit. Also, the subcommittee recommends that only completed projects be included in this periodic determination. The frequency of the reviews should be assessed in the future.

The subcommittee recommends that the benefit of projects implemented by these two regional agencies be generally measured as follows:

- for system-wide projects, the benefits of the projects should be attributed to each of the nine localities based on the appropriate established cost-sharing formula (Metrorail, Metrobus, or VRE) for those localities that are included in the formula and are members of the Authority only. This category would include the Alexandria and Crystal City stations for the VRE, since they are generally considered destination or system-wide stations. Improvements to these two stations are not the singular responsibility of Alexandria and Arlington, respectively. For Metrorail, the committee concluded that there are six stations which should be considered “core” station in Virginia. They are: Arlington Cemetery, Crystal City, Pentagon, Pentagon City, Ronald Reagan Washington National Airport, and Rosslyn. The benefits of improvements at these stations should be determined on a system-wide basis, rather than attributing all of the benefits to Arlington County. In the future, the Washington Dulles International Airport Station would also be considered a system-wide station. At some point, the Authority may also want to consider whether the East Falls Church Station should be considered a regional station.
- for specific station or transit center improvements (i.e. platform extensions, additional parking, expanded bus bays, better access, additional vertical circulation, etc.) the benefits should generally be attributed to the locality in which the facility is located.

The subcommittee believes that the majority of the benefits of multi-locality projects will be attributed to the localities in which the project is located.

For investments in local transit systems, the benefits will generally be attributed to the locality in which the transit system is located.

The subcommittee recommends that the Authority use congestion relief as one of the ways to determine benefit of roadway, bicycle, pedestrian, or intelligent transportation system projects. However, these benefits should be determined by using the cumulative impact of a system of improvements from implemented projects, rather than on a project by project basis.

The subcommittee recommends that location of a roadway, bicycle, pedestrian or intelligent transportation system project be a factor used in determining benefit.

In summary, the subcommittee recommends that the two methods for determining the benefits of roadway, bicycle, pedestrian or intelligent transportation system projects be congestion relief, as modeled using the regional travel demand model (or state of the modeling practice in the future) for all of the projects selected, and the locations of the projects.

The subcommittee recommends that the Authority generally focus on primary benefits.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Members, Northern Virginia Transportation Authority

FROM: Chairman Martin E. Nohe, Chair, PIWG

DATE: December 3, 2014

SUBJECT: NVTa FY2015-16 Two Year Program Development

1. **Purpose.** To seek Northern Virginia Transportation Authority approval of the revised FY2015-16 Two Year Program schedule.
2. **Suggested Motion:** *I move approval of the proposed revised FY2015-16 Two Year Program schedule.*
3. **Background.** At its meeting on July 24, 2014, the Authority approved a schedule to develop and adopt the FY2015-16 Two Year Program. Consistent with this schedule, the Authority approved project selection criteria at its meeting on October 9, 2014. Since then, NVTa staff has worked with jurisdictional and agency staff to review its interim evaluations of candidate projects using the approved project selection criteria.
4. **Status.** It had been planned to discuss these evaluations with the Project Implementation Working Group (PIWG) at its meeting on December 3, 2014, after incorporating highway project ratings from the HB 599 Evaluation and Rating Study. However, VDOT required additional time to review the findings of this study with individual project sponsors. Consequently, it was agreed to reschedule the PIWG meeting to January 12, 2015, necessitating a revised schedule for development and adoption of the FY2015-16 Two Year Program.
5. **Proposed Revised Schedule.** PIWG will present a draft FY2015-16 Two Year Program to the Authority at its meeting in February 2015. The purpose of this will be to seek approval from the Authority to proceed with a Public Hearing on the draft program in March 2015. Based on comments received, the PIWG will make any needed changes to the draft FY2015-16 Two Year Program, and will present a recommendation for adoption by the Authority at its meeting in **April 2015**.

The proposed revised schedule reflects a one month delay in the schedule approved by the Authority in July 2014.

PIWG members and NVTa staff will be available at the October 9th, NVTa meeting to answer questions.

Coordination: Members, NVTa Project Implementation Working Group

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Noelle Dominguez, Chairman
Jurisdiction and Agency Coordinating Committee

SUBJECT: Approval of 2015 State and Federal Legislative Program

Date: December 5, 2014

RECOMMENDATION: *Authority approve the attached 2015 Legislative Program.*

Background: Attached is the draft 2015 Legislative Program. Although many items are similar to the Approved 2014 Program, some changes are proposed to address the Authority's continued efforts to implement HB 2313 (2013) as well as other issues that have arisen in the past year.

The proposed changes to the State Legislative Program include:

- Reorganizing the Transportation Funding Section to address the implementation of HB 2313, HB 599 (2012), and HB 2 (2014).
- A new position related to the expected substantial decline in statewide transit capital funding in 2018.
- Updating the WMATA Funding position to reflect the needs of the system.

Proposed changes to the Federal Legislative Program include:

- Adding language in the Federal Program regarding Surface Transportation Reauthorization noting the importance of the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Regional Surface Transportation Program (RSTP).
- A new position that supports maintaining the slot rule (limiting the takeoffs and landing) and the perimeter rule at Reagan Washington National Airport.

New or edited language is highlighted in the Draft.

Attachments:

DRAFT 2015 State and Federal Legislative Program

Coordination:

Jurisdiction and Agency Coordinating Committee

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STATE

TRANSPORTATION FUNDING

The passage of HB 2313 (2013) was the result of bipartisan cooperation throughout the Commonwealth. Of particular interest to Northern Virginia was the inclusion of a regional package generating approximately \$300 million annually in increased Northern Virginia revenues. This funding is a significant step towards addressing the transportation needs of Northern Virginia.

- Ongoing Coordination with the Commonwealth: The Authority is working diligently to implement the regional components of HB 2313. We must all continue to work together to ensure that we are able to fully utilize the resources provided to implement the necessary improvements to Northern Virginia's transportation infrastructure. This is especially important as VDOT continues work on the evaluation required by HB 599/SB 531 (2012), which directly impacts the Authority and its future action. Due to the large role that VDOT has in this process, with the congestion-related evaluation process as well as project implementation, it is essential that VDOT also has sufficient resources needed to participate in this effort.

Since the passage of HB 2313, the Commonwealth's Budget has included language authorizing the Department of Taxation to retain "sufficient revenues to recover its costs incurred administering these taxes." To date, the Department has retained approximately \$900,000 of the Authority's sales tax proceeds, in amounts that fluctuate significantly each month. While the Authority understands the importance of administering these taxes, it believes this funding should be capped, to allow more funds to be provided to projects needed throughout the region, that the amount retained should be fairly consistent, and that additional information should be provided on how these costs are attributed.

HB 2 (2014) requires the CTB to develop a statewide prioritization process for state transportation funds, in cooperation with the Authority and other metropolitan planning organizations in the Commonwealth. At the same time that the Commonwealth is working on this process, the Authority and VDOT are working on our own congestion-related evaluation process. Continued discussions and collaboration between us is essential, as projects may need to be evaluated by both to receive the local and regional funding they may need to move forward. Additionally, the two processes should be compatible.

- Allocation of Statewide Revenues: It is important that Northern Virginia continues to receive its fair share of statewide revenues, as required by HB 2313. This is especially important as various formulas for transportation funding are being created and/or modified.

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The Commonwealth Transportation Board has the authority to allocate up to \$500 million to priority projects before funds are provided to the construction fund. Due to this provision, the secondary and urban construction programs **are not expected to** receive new funds until **after FY 2020**. This is especially concerning as localities have not received funds for this program since FY 2010. The continued lack of funding to improve these roads will seriously impact our economy and compromise the movement of people and goods to and from Northern Virginia and other parts of the Commonwealth. It is recommended that this set aside be eliminated or modified to, at the very least, ensure equitable distribution of funds to each region.

During the 2013 Session, the General Assembly passed SB 1140, which changed the methodology for distribution of new transit funding. The Authority is concerned about implementation decisions that go beyond the intent of the legislation. In particular, the Authority remains opposed to DRPT's decision to change the allocation of state funds for capital costs from the non-federal cost of a project to the total project cost. As several Northern Virginia transit systems do not receive federal funds, this change increases the local share our localities must pay while reducing the share for those other systems in the Commonwealth that provide far less local funding.

- **Transit Capital Funding:** In 2018, state transit funding is expected to decline by over 60 percent, when bond funds authorized in 2007 are expected to be depleted. The Commonwealth should work to address the "bond cliff" issue to ensure that transit systems continue to receive the state resources needed to provide critical transit services.

A modern, efficient, multimodal transportation system is essential to the Commonwealth, and is intrinsically tied to continued economic development and the ability to compete in a global economy. We must all work together to maintain and build the multimodal infrastructure that Virginia needs to remain an active and dynamic participant in a 21st Century economy. *(Revises previous transportation funding position)*

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (WMATA) FUNDING
Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Funding: The Commonwealth must work with the Federal Government to ensure that it, too, provides sufficient resources to address transportation needs. The Commonwealth is a valuable partner in ensuring that WMATA continues to move ahead with important safety and infrastructure capital improvements in its system. As part of the federal Passenger Rail Investment and Improvement Act (PRIIA) of 2008, **WMATA received a total \$1.5B federal authorization from FY 2009 to FY 2018** to address urgent capital needs. The region matches these federal funds with \$50M each annually from DC, MD, and VA. The capital funding is used to support areas such as: meeting safety requirements of

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the NTSB, repairing aging rail track, investing in new rail cars, fixing broken escalators and elevators, rehabilitating decaying rail stations and platforms, modernizing the bus fleet, and improving bus facilities. *(Revises and reaffirms previous position)*

Momentum: The region is projected to continue to grow over the coming decades, placing more pressure on a Metro system already nearing capacity. To address this need, Metro developed Momentum, their strategic plan which will guide decisions over the next 10 years and ensure that the system continues to support the region's competitiveness in the future. Within Momentum, Metro proposes a set of capital initiatives called Metro 2025, including: enhancement of rush-hour capacity by upgrading to the use of all eight-car trains, resulting in the ability to move an additional 35,000 customers per hour; expansion of high-volume rail stations to ease congestion; and, completion of the bus Priority Corridor Network that includes a variety of improvements allowing buses to bypass traffic congestion. Continued support of Momentum and Metro 2025 will help keep Metro, Northern Virginia, and the Commonwealth moving forward. *(New position)*

SECONDARY ROAD DEVOLUTION/LOCAL MAINTENANCE PROGRAMS

The Authority opposes any legislation that would require the transfer of secondary road construction and maintenance responsibilities to counties, especially if these efforts are not accompanied with corresponding revenue enhancements. While there are insufficient resources to adequately meet the maintenance and improvement needs of secondary roads within the Commonwealth, the solution to this problem is not to simply transfer these responsibilities to local government that have neither the resources nor the expertise to fulfill them. Further, the Authority also opposes any legislative or regulatory moratorium on the transfer of newly constructed secondary roads to VDOT for the purposes of ongoing maintenance.

Additionally, the Authority is opposed to changes to maintenance allocation formulas detrimental to localities maintaining their own roads. Urban Construction Funds are already far below what is needed and localities must already find other ways to fund new construction initiatives and changing current formulas or requiring additional counties to maintain their roads could lead to a reduction in Urban Construction and Maintenance Funds, placing a huge extra burden on these localities. *(Reaffirms previous position)*

EQUAL TAXING AUTHORITY FOR COUNTIES, CITIES AND TOWNS

The Authority supports granting counties the authority cities and towns currently have to enact local excise taxes, including the cigarette tax, admissions tax, and meals tax. Doing so would allow counties to raise additional revenues for transportation projects. *(Reaffirms previous position)*

BASE REALIGNMENT AND CLOSURE (BRAC) RECOMMENDATIONS

The Authority supports the inclusion of sufficient funding to ensure significant fiscal resources to address the enormous planning and transportation issues associated with

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the Base Realignment and Closure Commission recommendations. This is particularly critical, because the BRAC relocations have occurred, and Northern Virginia localities are facing significant shortfalls in the capacity of current infrastructure to support the additional military and civilian jobs. *(Reaffirms previous position)*

PEDESTRIAN AND TRANSIT SAFETY

Safe access to transit facilities can be improved through infrastructure improvements and better traffic safety laws. The Authority supports revisions to Virginia's existing pedestrian legislation to clarify the responsibilities of drivers and pedestrians in order to reduce the number of pedestrian injuries and fatalities that occur each year. In particular, support legislation that would require motorists to stop for pedestrians in crosswalks at unsignalized intersections on roads where the speed is 35 mph or less and at unsignalized crosswalks in front of schools. This issue is of special importance for pedestrians with physical or sensory disabilities, who are at particular risk of injury when crossing streets. Further, strong safety records depend on strong safety practices and training and the Authority supports training programs for transit systems, pedestrians and bicyclists. *(Revises and reaffirms previous position)*

MAXIMIZING USE OF EXISTING FACILITIES

High performance, high capacity transit requires smart usage of existing road facilities. Localities in cooperation with the Commonwealth should ensure that urban design standards for transportation system components allow for the efficient movement of vehicles; accommodate safe pedestrian and bicyclist movement; and encourage user-friendly access to transit. More flexibility in the design of transit infrastructure and facilities that enhance safety should be provided. Additionally, localities, with cooperation of the Commonwealth, should identify existing facilities that can be flexed or used by transit vehicles on an as needed or scheduled basis in order to maximize the efficient use of roadways to expand capacity. Examples are:

- The conversion of shoulders for bus use during peak rush hour - with safety practices and improved infrastructure - will improve service and expand capacity on important corridors.
- Express Bus, Commuter Bus, and Bus Rapid Transit as well as Light Rail and Streetcar

(Revises and Reaffirms Previous Position)

LAND USE PLANNING

Land use provisions included in legislation during the 2012 Session changed transportation planning requirements for jurisdictions. Specifically, the Virginia Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB) can decide whether local transportation plans are consistent with their current priorities. If they decided this is not the case, they are able to withhold funding for transportation projects in counties. While the Authority is appreciative of efforts to better coordinate local and state transportation planning, it is also concerned that these provisions essentially transfer the responsibility for land use planning from local

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governments to the Commonwealth. Land use and zoning are fundamental local responsibilities and these provisions can override the work done by our local governments and our residents, property owners, and the local business communities on land use and transportation plans. *(Reaffirms previous position)*

COORDINATION DURING REGIONAL STUDIES

It is vital that the Commonwealth involve local and regional officials, **at the earliest possible time,** in any studies or audits related to funding, planning, operations, organizational structure and processes related to agencies in the Transportation Secretariat. Further, the Authority recommends that the Code of Virginia be amended to specify that transportation studies related to facilities wholly within one VDOT construction district should be managed by that construction district rather than the VDOT Central Office, as regional VDOT staff is better equipped to address the concern of the affected citizens and local governments. *(Revises and reaffirms previous position)*

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FEDERAL

SURFACE TRANSPORTATION PROGRAM REAUTHORIZATION

In July 2012, Congress passed a two-year transportation reauthorization bill, Moving Ahead for Progress in the 21st Century (MAP-21). The U.S. Department of Transportation (USDOT) is currently implementing MAP-21. In consultation with states, Metropolitan Planning Organizations (MPOs) and other stakeholders, USDOT is developing rules to establish performance measures and standards for numerous programs. Congress is also expected to begin considering the next transportation reauthorization bill soon. As discussions on the rulemaking and possible future legislation continue, the Authority believes that a number of significant issues should be considered, including:

- The level of Federal investment in the nation's transportation infrastructure, including both maintenance of the existing system and expansion, must increase significantly;
- The Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Regional Surface Transportation Program (RSTP) are essential to the region. They two programs are presently overextended and additional funding for both is crucial to address needs throughout the Country.
- Coordination with regional agencies, such as the Northern Virginia Transportation Authority, and local governments is important as USDOT develops rules to establish performance measures and standards for numerous programs;
- The time required to complete the federal review process of significant new transportation projects must be reduced, and the approval process must be consistent across all modal administrations;
- To recognize the uniqueness of metropolitan areas, greater decision-making authority for determining how transportation funding is spent should be given to local governments and regional agencies, such as the Northern Virginia Transportation Authority; and
- Safety and security must continue to be an important focus of transportation projects.

(Revises and reaffirms previous position)

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (WMATA) FUNDING
Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Funding: WMATA is the only major transit provider in the country without a permanent dedicated revenue source for a significant part of their revenue base. In 2008, Congress passed legislation that authorizes \$1.5 billion for WMATA ***between FY 2009 and FY 2018,*** if the region adopts a dedicated funding source(s) and provides an additional \$1.5 billion to match the federal funds. All three signatory jurisdictions have passed the compact amendments required to receive the federal funding, and the non-Federal matches are in place. This authorization must continue to be accompanied by annual appropriations.

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(Reaffirms previous position)

Momentum: The region is projected to continue to grow over the coming decades, placing more pressure on a Metro system already nearing capacity. To address this need, Metro developed Momentum, their strategic plan which will guide decisions over the next 10 years and ensure that the system continues to support the region's competitiveness in the future. Within Momentum, Metro proposes a set of capital initiatives called Metro 2025, including: enhancement of rush-hour capacity by upgrading to the use of all eight-car trains, resulting in the ability to move an additional 35,000 customers per hour; expansion of high-volume rail stations to ease congestion; and, completion of the bus Priority Corridor Network that includes a variety of improvements allowing buses to bypass traffic congestion. Continued support of Momentum and Metro 2025 will help keep Metro and the Washington Metropolitan region moving forward. *(New position)*

FUNDING FOR THE VIRGINIA RAILWAY EXPRESS

The Authority supports the Virginia Railway Express efforts to secure federal funding for the following capital projects: high capacity railcars, positive train control; train storage of rail equipment, station parking expansion, platform extensions and additions, and expansion of commuter rail service. *(Reaffirms previous position)*

LIMITS ON COMMUTER RAIL RELATED LIABILITY

The Authority calls upon Congress to approve legislation to broaden the applicability of existing statutory language in 49 USC, 28103 related to commuter rail related liability. The language should be amended to reflect the existing liability standard of a \$250M annual aggregate limit while broadening the cap beyond passenger rail related claims for property damage, bodily injury or death so that they apply to all claims brought by third parties. *(Reaffirms previous position)*

FUNDING FOR TRANSPORTATION EMERGENCY PREPAREDNESS

The Authority calls upon Congress to provide increased security funding to local and regional transportation agencies in the metropolitan Washington area. *(Reaffirms previous position)*

FUNDING FOR THE METROPOLITAN AREA TRANSPORTATION OPERATIONS COORDINATION (MATOC) PROGRAM

The MATOC program is a coordinated partnership between transportation agencies in D.C., Maryland, and Virginia that aims to improve safety and mobility in the region through information sharing, planning, and coordination. The Authority calls upon Congress to provide increased funding to transportation agencies in the metropolitan Washington area to continue funding for MATOC's operations. *(Revises and reaffirms previous position)*

COMMUTER PARITY

The Authority supports legislation that would permanently create parity between the

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level of tax-free transit benefits employers can provide to employees for transit and for parking benefits, as a way to make transit service more attractive to commuters who currently drive alone. In addition, the Authority supports legislation to permanently extend the current transit benefit to all branches of the federal government. (*Reaffirms previous position*)

MARKETPLACE FAIRNESS ACT

The Authority supports passage of the Marketplace Fairness Act, as it will directly impact our region's road capacity and transit needs. The Commonwealth of Virginia's recently passed transportation funding bill, HB2313, depends on federal passage of the Marketplace Fairness Act. Should Congress enact the legislation, the Commonwealth can begin collecting these taxes. Over half of the revenues generated from these sales taxes will be allocated to the Commonwealth's Transportation Trust Fund (construction and transit), with the remainder being provided for local needs and public education. If the Marketplace Fairness Act is not enacted by January 1, 2015, the Commonwealth's gas tax will increase by 1.6% per gallon, but these funds will be primarily toward road maintenance. (*Reaffirms previous position*)

FLIGHT OPERATIONS AT REAGAN WASHINGTON NATIONAL AIRPORT

The Authority agrees with other localities and regional bodies in opposing efforts to undermine regional and local authority over airports and supports maintaining the slot rule (limiting the takeoffs and landing) and the perimeter rule at Reagan Washington National Airport. Increasing the number of slots and changing the perimeter rules would have substantial negative impacts on congestion, efficiency, service and the surrounding community. Further, the region has encouraged air expansion at Dulles National Airport and Northern Virginia continues to significantly invest in transportation projects, such as the Metrorail Silver Line extension, that will provide greater accessibility to Dulles National Airport. (*New Position – Recommended by Planning Coordination Advisory Committee*)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Noelle Dominguez, Chairman
Jurisdiction and Agency Coordinating Committee

SUBJECT: Approval of Comments on Implementation of House Bill 2 (2014)

Date: December 5, 2014

1. **RECOMMENDATION:** Authority approve the attached letter to Virginia Secretary of Transportation Aubrey L. Layne, Jr., which provides comments on the process to implement HB 2.
2. **SUGGESTED MOTION:** *I move approval of the Attached Letter to Virginia Secretary of transportation Aubrey L. Layne, Jr., which provides comments on the process to implement HB 2.*
3. **BACKGROUND:** During the September 11, 2014 NVTa meeting, Virginia Deputy Secretary of Transportation, Nick Donohue, provided a briefing to the Authority and requested that the Authority provide comments on the developing HB 2 process. On October 14, 2014, Deputy Secretary Donohue gave a presentation to Commonwealth Transportation Board (CTB) on HB 2. During this presentation, three items were covered with the Office of the Secretary of Transportation offering recommendations. Items reviewed included:
 - a. Solicitation of Candidate Projects;
 - b. Geographic Scale of Weighting Areas with Weighting Frameworks;
 - c. Treatment of co-funded projects.

Below is a summary of the three issues, as well as summaries of the proposed comments included in the draft letter.

Solicitation of Candidate Projects: In order for projects to be analyzed through the HB 2 process, a determination must first be made on how projects will be solicited for consideration. The Office of the Secretary of Transportation developed options for the CTB to consider regarding the solicitation of candidate projects, including: any government entity may submit projects; only regional entities may submit projects; only local governments may submit projects; or a hybrid model.

Office of the Secretary of Transportation Recommendation:

- Vary types of projects an applicant can submit based on the type of capacity need being addressed.
 - Capacity needs on Corridors of Statewide Significance (COSS) – only regional entities may submit projects.
 - Capacity needs on Regional Networks – both regional entities and local governments may submit projects.
 - Improvements to promote Urban Development Areas (UDA) – only local governments may submit projects.

Summary of Proposed Comments:

- The Authority believes that local governments should have the ability to apply for projects within COSS. Requiring regional entities to submit projects raises questions over the role of the Authority in the process.
- The Authority requests clarification on what would occur if a project falls into multiple categories, such as being in both a COSS and an Urban Development Area (UDA).
- The Authority requests clarification on the area that the COSS covers for purposes of application submissions.
- The Authority requests clarification on how or whether a jurisdiction could submit a project for consideration if it does not have a UDA.
- The Authority also requests clarification on the definition of a regional entity for the purpose of project applicants.

Geographic Scale of Weighting Areas with Weighting Frameworks: HB 2 requires that the CTB establish different weighting factors for different areas of the state. Geographic options considered by the Office of the Secretary of Transportation included: VDOT district based weighting of the factors; urban and rural weighting of the factors; Planning District Commission (PDC) based weighting of the factors; or PDC and Metropolitan Planning Organization (MPO) based weighting of the factors.

Office of the Secretary of Transportation Recommendation:

- Develop 4-6 weighting frameworks based on analysis of relevant factors across the Commonwealth including population growth, density, safety, economic performance, pollution, etc.
- Allow MPOs and PDCs to select which one of the 4-6 weighting framework they would like to apply within their boundaries for projects.
- PDCs would not select weighting typology for areas covered by an MPO.

Summary of Proposed Comments:

- The Authority agrees that too many frameworks will subvert the entire process. At the same time, the frameworks should address the diverse needs and situations across the Commonwealth.

- While Northern Virginia and Hampton Roads are required to have congestion mitigation rated highest amongst the factors, there are other differences between the two regions. The Authority believes that there should be at least two frameworks weighting congestion the highest, as Northern Virginia and Hampton Roads should also be allowed the opportunity to have frameworks that address their differing needs.
- The Authority requests addition information on how a region may have the ability to have more than one framework to address its differences.
- The Authority requests clarification on how the Administration will reconcile the varying priorities assigned by each region to the criteria in deciding how funding will be programmed.

Treatment of Co-Funded Projects: HB 2 requires that the benefits produced by a project be analyzed on a basis of relative costs. The Office of the Secretary of Transportation presented several options for how the scope of projects should be considered, including: total cost of a project; cost of the project minus any non-state controlled funding; state cost to complete the project, excluding toll-based financing costs, and non-state controlled funding sources; or costs of a project minus non-state funding sources, toll-based financing costs, and exempt state funding sources.

Office of the Secretary of Transportation Recommendation:

- Staff recommends to the CTB that funds directly under the control of the Board be included and other funds be excluded from a project's cost for purposes of determining the project's relative benefits.
 - Excluded funds would include:
 - Non-state public funding (local and regional funds)
 - Private equity
 - Federal Regional Surface Transportation Program funds and Congestion Mitigation Air Quality funds controlled by MPOs
 - Included funds:
 - Federal Highway Safety Improvement Program
 - State revenue sharing program funds
 - No recommendation at this time on toll-based financing.

Summary of Proposed Comments:

- The Authority believes that the prioritization process should be based on the funds the Commonwealth is expending and not for the total costs of the project. The funds that the Authority and its member jurisdictions allocate should not be considered in any statewide cost-benefit analysis.
- The Authority appreciates the Administration's staff comments that note that projects in Northern Virginia and other urban areas throughout the Commonwealth may be more costly, due to differences in complexity, adjacent right-of-ways, utilities, wage rates, and other factors.

HB 2 Next Steps

- Office of the Secretary of Transportation will develop weighting typologies and potential measures October - December 2014.
- Recommendations will be brought to the CTB and public in January – March of 2015.
- Draft HB 2 process is due to be released in March 2015.
- Public comment solicitation and regional workshops will be held March – May 2015.
- Revised HB 2 process will be presented to the CTB in May 2015.
- Approval of HB 2 process by CTB in June 2015.

Attachments:

DRAFT Letter to Secretary Layne Providing Comments on HB 2

Coordination:

Jurisdiction and Agency Coordinating Committee



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

December 12, 2014

The Honorable Aubrey L. Layne, Jr.
 Secretary of Transportation
 Patrick Henry Building
 1111 East Broad Street, Third Floor
 Richmond, Virginia 23218

RE: Comments on House Bill 2 (2014)

Dear Secretary Layne:

On behalf of the Northern Virginia Transportation Authority (NVTA), I am transmitting comments on the implementation of HB 2 (2014). The Authority appreciates the opportunity to provide input on this new prioritization process.

As you are aware, at the same time that the Commonwealth is working on this process, the Authority and the Virginia Department of Transportation (VDOT) are working on our own congestion-related evaluation process (HB 599). Continued discussions and collaboration between us is essential, as projects may need to be evaluated by both to receive the local and regional funding they may need to move forward. The Authority believes that the two processes should be compatible. We would also like to thank Deputy Secretary Nick Donohue for attending our September 11th meeting to discuss the process with us.

Additionally, the Authority is aware that Deputy Secretary Donohue provided several staff recommendations to the Commonwealth Transportation Board (CTB) on October 14, 2014, for input and direction. The Authority has the following comments on the issues presented by the Deputy Secretary:

- Solicitation of Candidate Projects
 - The Authority believes that local governments should have the ability to apply for projects within the Corridor of Statewide Significance (COSS). Requiring regional entities to submit projects raises questions over the role of the Authority in the process. Further, localities need flexibility. In many cases, local projects that are on a COSS may not be considered as regional projects. These projects should still be considered for funding.
 - The Authority also requests clarification on what would occur if a project falls into multiple categories, such as being in both a COSS and an Urban Development Area (UDA)? Would applications be restricted to only regional entities? The Authority supports greater flexibility for applicants in situations like this.
 - The Authority requests clarification on the area that the COSS covers for purposes of application submissions. Specifically, do projects 1/3/5 miles from the Corridor fall under its purview and will localities be prohibited from submitting projects in those areas?
 - Jurisdictions are not required to create UDA's. The Authority requests clarification on how or whether a jurisdiction could submit a project for consideration if it does not have a UDA?
 - The Authority also requests clarification on the definition of a regional entity for the purpose of project applicants.

The Honorable Aubrey L. Layne, Jr.

- Weighting Framework

- The Authority agrees that too many frameworks will subvert the entire process. However, at the same time, the frameworks should address the diverse needs and situations across the Commonwealth.
- As you are aware, Northern Virginia and Hampton Roads are required to have congestion mitigation rated highest amongst the factors noted in HB 2. However, there continue to be other differences between the two regions. As such, the Authority believes that there should be at least two frameworks weighting congestion the highest, as Northern Virginia and Hampton Roads should also be allowed the opportunity to have frameworks that address their differing needs.
- Questions have also been raised as to whether the region may have the ability to have more than one framework to address its differences, such as one for jurisdictions closer to a city core and one for jurisdictions further from that core. The Authority requests addition information on how this may occur.
- Lastly, the Authority requests clarification on how the Administration will reconcile the varying priorities assigned by each region to the criteria in deciding how funding will be programmed.

- Co-Funded Projects

- The Authority believes that the prioritization process should be based on the funds the Commonwealth is expending and not for the total costs of the project. The funds that the Authority and its member jurisdictions allocate should not be considered in any statewide cost-benefit analysis. It is important to leverage various sources to complete the region's transportation needs, and penalizing these entities for providing funding could inhibit these efforts. Additionally, we ask that the Administration be mindful of the language in HB 2313 that states Northern Virginia's regional funds cannot be used to calculate or reduce the share of local, federal, or state revenues otherwise available to participating jurisdictions.
- The Authority also appreciates the Administration's staff comments that note that projects in Northern Virginia and other urban areas throughout the Commonwealth may be more costly, due to differences in complexity, adjacent right-of-ways, utilities, wage rates, and other factors.

The Authority appreciates the work undertaken to date and the opportunity to comment on the HB 2 Prioritization Process and looks forward to continue to work with the Administration on this issue. If you have any questions or would like to discuss any of the comments, please contact Monica Backmon at (703) 642-4650 or myself at (703) 792-4620.

Sincerely,

Martin E. Nohe
Chairman

Cc: Members, Northern Virginia Transportation Authority
Mr. Nick Donohue, Deputy Secretary of Transportation
Mr. James W. Dyke, Jr., At-Large Urban Board Member, Commonwealth Transportation Board (CTB)
Mr. E. Scott Kasprovicz, At-Large Urban Board Member, CTB

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Noelle Dominguez, Chairman, Jurisdiction and Agency Coordinating Committee
Denise Harris, Program Coordinator, NVTa

SUBJECT: Approval of Comments on Interstate 66 Corridor Improvements –
Route 15 to I-495

Date: December 8, 2014

1. **RECOMMENDATION:** Authority approve the attached letter to Virginia Secretary of Transportation Aubrey L. Layne, Jr., which provides comments on the I-66 Corridor Improvements.
2. **SUGGESTED MOTION:** *I move approval of the Attached Letter to Virginia Secretary of Transportation Aubrey L. Layne, Jr., which provides comments on the I-66 Corridor Improvements.*
3. **BACKGROUND:** The Virginia Department of Transportation (VDOT) began a Tier 1 Environmental Impact Statement (EIS) in summer 2011. The purpose of the EIS was to study potential improvements to address existing and future transportation needs in the I-66 corridor from the Beltway in Fairfax to Rt. 15 in Haymarket. During Tier 1, VDOT and the Department of Rail and Public Transportation (DRPT) identified ten concepts to increase capacity, provide multi-modal options, improve individual interchanges, and address safety and operations. The Federal Highway Administration approved the Tier 1 EIS Record of Decision (ROD) in November 2013.

Following the ROD, VDOT chose to move forward with Tier 2 Environmental Assessment, which focuses on site-specific details, including project impacts, costs, and mitigation. The Project Scope calls for two express lanes (converting the existing HOV lane and adding another), as well as three general purpose lanes in each direction. The Project Scope also provides for rapid bus service, which includes high frequency of service beyond peak hours and travel in express lanes for more predictable travel times.

VDOT sent a letter to the Authority on August 6, 2014, inviting comments and suggestions regarding important issues the Authority believes should be considered as part of the Tier 2 study. Additionally, VDOT staff provided a presentation on the project

to the Authority at its October 9, 2014, meeting.

The comments included in the Draft Letter are based on the presentation and discussion from the October Authority meeting, along with materials that have been provided at various meetings held within the region. The Draft Letter, as summarized below, states that the Authority:

- Thanks the Administration for their efforts to manage this project in Northern Virginia.
- Notes appreciation for efforts to engage local and regional officials during this effort. The letter also requests that VDOT conduct substantial outreach efforts to the communities in the corridor, as many residents and businesses will be significantly impacted by this project.
- Believes that the alternatives considered must not preclude or render cost prohibitive any future rail or other high-capacity transit projects within the median, in the corridor's right-of-way, or adjacent to the interstate.
- Believes that the alternatives the Administration is considering should be consistent with local comprehensive plans, inclusive of transportation and trail plans. The letter notes the importance of coordinating planning and transportation in the affected localities; concentrating development in activity centers, as desired by those localities; and minimizing impacts to residential areas.
- Believes that the Administration must be mindful of the right-of-way impacts of the project. Many homes and businesses, as well as Norfolk-Southern railroad right-of-way, are located along the I-66 corridor and the Authority would like to see that VDOT select alternatives that minimize or eliminate the need to relocate any residential properties or businesses and avoiding impacts to the rail corridor.
- Believes that the Administration must closely coordinate with localities and transit providers regarding the location selection of access points to the managed lanes, Park and Ride lots, and transit stations.
- Believes that greater explanation on how rapid bus service will be provided, funded and who will operate it is needed.
- Supports efforts to incorporate TDM programs as part of the I-66 corridor project.
- Believes additional information and explanation on how the project alternatives are expected to be funded is needed.
- Ultimately, the Authority believes the selected alternative needs to ensure flexibility for future needs and growth.

Attachments:

DRAFT Letter to Secretary Layne Providing Comments on the Interstate 66 Corridor Improvements

Coordination:

Jurisdiction and Agency Coordinating Committee



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

December 12, 2014

The Honorable Secretary Aubrey L. Layne, Jr
 Secretary of Transportation
 Patrick Henry Building
 1111 East Broad Street, Third Floor
 Richmond, Virginia 23218

RE: Comments on Interstate-66 Corridor Improvements – Route 15 to I-495

Dear Secretary Layne:

On behalf of the Northern Virginia Transportation Authority (NVTA), I am transmitting the Authority's comments on the I-66 Corridor Improvements. As you are aware, I-66 is one of the major transportation corridors in Northern Virginia, carrying well over 100,000 vehicles per day. As such, any transportation improvements on I-66 will have a significant impact on the daily lives of not only those who live and work along the corridor, but on the region as a whole. The Authority's comments are as follows:

- First, the Authority would like to thank the Administration for their efforts to manage this project in Northern Virginia. The Authority has long supported transportation studies related to facilities wholly within one Virginia Department of Transportation (VDOT) construction district being managed by that construction district rather than the VDOT Central Office, as regional VDOT staff is better equipped to address the concern of the affected citizens and local governments.
- The Authority also appreciates the Administration's efforts to engage local and regional officials during this process. It is vital that the Commonwealth involve local and regional bodies in any studies or audits related to funding, planning, operations, organizational structure and processes related to agencies in the Transportation Secretariat. The Authority also requests that VDOT conduct substantial outreach efforts to the communities in the corridor, as many residents and businesses will be significantly impacted by this project.
- The Authority believes that the alternatives considered must not preclude or render cost prohibitive any future rail or other high-capacity transit projects within the median, in the corridor's right-of-way, or adjacent to the interstate. We believe that the following comments, which were part of the Authority's April 2013 comments to VDOT regarding the Tier 1 EIS, are still applicable:

- "One of the key findings of this study noted in Section 3.9 is that multimodal solutions are the most effective in addressing the transportation needs in the corridor. As such, the NVTA supports advancing the VRE and Metrorail

The Honorable Aubrey L. Layne, Jr.

Orange Line concepts to a Tier 2 level analysis. Further, while these extensions will provide a long term solution for the corridor, the results of the DEIS clearly support the need for a short term solution to provide relief to the current congestion. This solution should include features that provide reliable transit times, congestion relief, travel time savings, improved safety, efficient connection with the overall transit and highway network for improved regional mobility, expanded travel options, effective enforcement of HOV, affordability, and improved driver information.”

- The Authority believes that the alternatives the Administration is considering should be consistent with local comprehensive plans, inclusive of transportation and trail plans. While the Authority understands the importance of coordinating local and state transportation planning, it is also important to be mindful that land use and zoning are fundamental local responsibilities. It is the localities who work with the region’s residents, property owners, and the local business communities on land use and transportation plans, as they will be the most impacted by the recommendations that are implemented. As such, during this process, it is important to coordinate planning and transportation in the affected localities, concentrate development in activity centers, as desired by those localities, and minimize impacts to residential areas.
- The Authority believes that the Administration must be mindful of the right-of-way impacts of the project. Many homes and businesses, as well as Norfolk-Southern railroad right-of-way, are located along the I-66 corridor. The Authority would like to see that VDOT select alternatives or permutations of alternatives that work to the most feasible extent within the existing right-of-way of the corridor, minimizing or eliminating the need to relocate any residential properties or businesses and avoiding impacts to the rail corridor.
- The Authority believes that the Administration must closely coordinate with localities and transit providers regarding the location selection of access points to the managed lanes, Park and Ride lots, and transit stations.
- The I-66 Project Scope calls for rapid bus service along I-66 with high frequency of service beyond peak hours and travel in express lanes for predictable travel times. The Authority believes that greater explanation on how transit service will be provided, funded, and who will operate it is needed. Additionally, it is important to strengthen coordination with jurisdictions where rapid bus is expected to serve, both inside and outside the immediate project area, where rapid bus is expected to serve, and to coordinate and document impacts on destination stations and Metrorail capacity.
- The Authority understands the importance of Transportation Demand Management (TDM) strategies in optimizing the use of transportation facilities and supports efforts to incorporate specific TDM programs, such as carpool and vanpool services and employer outreach, as part of the I-66 corridor project.

The Honorable Aubrey L. Layne, Jr.

December 12, 2014

Page 3 of 3

- The I-66 Corridor Improvements are expected to cost \$2 to \$3 billion. The Authority believes additional information and explanation on how the project alternatives are expected to be funded is needed.
- Ultimately, the Authority believes the selected alternative needs to ensure flexibility for future needs and growth. The configuration of access ramps and managed lanes should not be engineered in a way that hinders future linkages within the region.

The Authority appreciates the work undertaken to date and the opportunity to comment on the I-66 Corridor Improvements. If you have any questions or would like to discuss any of the comments, please contact Monica Backmon at (703) 642-4652 or myself at (703) 792-4620.

Sincerely,

Martin E. Nohe
Chairman

Cc: Members, Northern Virginia Transportation Authority
Mr. James W. Dyke, Jr, At-Large Urban Board Member, CTB
Mr. E. Scott Kasprovicz, At-Large Urban Board Member, CTB
Ms. Susan Shaw, Virginia Department of Transportation, Northern Virginia District
Ms. Amy Inman, Virginia Department of Rail and Public Transportation
Mr. Todd Horsley, Virginia Department of Rail and Public Transportation
Mr. Ho Chang, ATCS, P.L.C.
Mr. Stuart Tyler, I-66 Corridor Improvements Project Manager, Parsons Transportation

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Approval of the NVTa 2015 Calendar Year Meeting Schedule

1. **Purpose:** To seek NVTa approval of the CY2015 Meeting Schedule.
2. **Background:** Now that the Authority is fully staffed and working diligently to implement HB 2313, the Authority will need to continue meeting on a monthly basis. As was recommended as part of the Efficiency and Consolidation Task Force Report, it is recommended that for Calendar Year 2015, the Authority meets on a monthly basis, convening on the 4th Thursday of the month at 6:30pm.
 - a. The proposed meeting dates are prior to the Northern Virginia Regional Commission (NVRC) meetings. This meeting schedule is consistent with the recommendation made as part of the Efficiency and Consolidation Task Force Report, to ensure that meetings of regional entities are more efficient.
 - b. The noted exceptions to proposed meeting schedule:
 - i. August - NO MEETING
 - ii. November - Meet the 2nd Thursday of the month due to the Thanksgiving holiday
 - iii. December - Meet the 2nd Thursday of the month due to the Christmas holiday
 - c. No NVTa VaCo/VML Meeting in Richmond - This year VaCo/VML will not hold a joint meeting. As such, no NVTa meeting in Richmond is recommended this year.

As in years past, the schedule includes one public forum in January 2015 to give the public the opportunity to comment on the NVTa's 2015 Work Program and transportation issues.

Attachment: Draft CY2015 Northern Virginia Transportation Authority Meeting Calendar

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**Meeting Schedule CY2015****Authority Meetings**

January 22*	6:00 pm	NVTA – Conference Room
February 26	6:30 pm	NVTA – Conference Room
March 26	6:30 pm	NVTA – Conference Room
April 23	6:30 pm	NVTA – Conference Room
May 28	6:30 pm	NVTA – Conference Room
June 25	6:30 pm	NVTA – Conference Room
July 23	6:30 pm	NVTA – Conference Room
August	No meeting	
September 24	6:30 pm	NVTA – Conference Room
October 22	6:30 pm	NVTA – Conference Room
November 12	6:30 pm	NVTA – Conference Room
December 10	6:30 pm	NVTA – Conference Room

*The recommended start time for the January meeting is 6:00 pm as it is anticipated that VDOT will give a presentation on HB 599.

Location

NVTA – Conference Room
3040 Williams Drive, Suite 200
Fairfax, VA 22031

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Dan Malouff, Chair, TransAction 2040 Update Subcommittee

DATE: December 1, 2014

SUBJECT: TransAction 2040 Update - Stakeholder Listening Session

- 1. Purpose.** To inform the Planning Coordination Advisory Committee (PCAC) of the outcome of the Transaction 2040 Update Subcommittee's Listening Session held on October 9, 2014, with an open comment period until November 6, 2014. The purpose of the Listening Session was to seek public input for consideration in the development of the scope of work for the update of TransAction 2040.
- 2. Background.** The Northern Virginia Transportation Authority (NVTA) updates its long range transportation plan every five (5) years. TransAction 2030 was adopted in 2007 and TransAction 2040 was adopted in December 2012, thus triggering the next update. As such, the TransAction 2040 Update Subcommittee met several times from July - September to discuss appropriate first steps. Recognizing that the NVTA places high importance on regional input throughout the planning process, the Subcommittee considered it prudent to engage the public and key stakeholders as early as possible. Invitations to the Listening Session were issued in September to the NVTA, NVTA Committees and key stakeholders within the region. The NVTA Public Information Officer (PIO) worked with local jurisdictional PIO's to ensure outreach was comprehensive. Stakeholders were encouraged to forward the invitation to other interested parties.
- 3. Listening Session Participation and Comments.** Below is a synopsis of the attendees and speakers for the October 9, 2014 Listening Session held at Fairfax City Hall in Fairfax, Virginia from 5:00 – 6:30 pm.
 - 41 people signed in
 - 15 people spoke, including in order of presentation:
 - Keith Meurlin, Washington Airports Task Force
 - Kimberly Alexander, City of Manassas Park
 - Delegate Jim LeMunyon, Virginia General Assembly
 - Douglas Stewart, Virginia Sierra Club
 - Rob Whitfield, Fairfax County Taxpayers Alliance
 - Brian Fauls, Loudoun County Chamber of Commerce
 - Nancy H. Smith, Northern Virginia Transportation Alliance

- Stewart Schwartz, Coalition for Smarter Growth
- Allen Muchnik, Virginia Bicycling Federation
- Steve Huntoon, Arlingtonians for Sensible Transit
- Delegate Vivian Watts, Virginia General Assembly
- Jenifer Joy Madden, Vienna Resident
- David Dixon, Mount Vernon Chapter of Sierra Club
- Carl Hampton, Fairfax Resident
- Councilman Jonathan Way, City of Manassas
- 4 responses were submitted online. All but one were from people who attended and spoke at the Listening Session. Written comments were submitted by:
 - Nancy H. Smith, Northern Virginia Transportation Alliance
 - Jeffrey Parnes (comments meant for CTB October 16th Public Workshop)
 - Chen Li, Citizen
 - Jenifer Joy Madden, Vienna Resident

4. Major themes of comments in the Listening Session. Several recurring themes were mentioned by multiple speakers during the Listening Session as important considerations for the scope of work in the TransAction 2040 Request for Proposal. Recurring themes included:

- *Regionalism*: comments ranged from defining regionalism to the importance of regionalism in transportation programming.
- *Congestion Relief*: many speakers spoke to the importance of congestion relief as the main goal; other speakers cautioned against the validity of congestion relief models.
- *Accessibility*: many speakers spoke to the need for accessibility by multiple modes.
- *Land Use*: speakers spoke to the need to consider current and future land use in transportation programming; both transit and highway advocates suggested land use scenario modeling could be beneficial.
- *Geographic Balance*: speakers commented on the need for geographic balance of transportation programming across the region.
- *Cost Effectiveness*: speakers spoke to the need to ensure investments achieve the greatest bang for the buck.
- *Accountability and Transparency*: speakers spoke to the need to continually publicize how transportation programming works and how taxpayer dollars are spent.
- *Multimodal*: speakers spoke to the need to consider and accurately measure the benefits of all modes in transportation programming.
- *Projects*: speakers spoke to the need for the plan to focus on the implementation of projects; this included implementing mega transportation projects, improving congestion on roadways, upgrading capacity and service on transit, and the need to implement bicycle/pedestrian projects.

Attachment: Listening Session Meeting Notes (Approved by the TransAction 2040 Update Subcommittee November 20, 2014)
Compilation of submitted written comments

XXIII.ATTACHMENT

TransAction 2040 Update Listening Session Meeting Notes

October 9, 2014

City Hall – Fairfax

10455 Armstrong Street, Fairfax, Virginia

5:00 P.M. – 6:30 P.M.

- Mayor Silverthorne welcomed attendees to the City of Fairfax.
- Northern Virginia Transportation Authority Chairman Marty Nohe opened the Listening Session and introduced other Authority members in attendance.
- Northern Virginia Transportation Authority Executive Director Monica Backmon introduced other elected officials in attendance and Dan Malouff, Chair of the TransAction 2040 Update Subcommittee.
- Dan Malouff, Chair of the TransAction 2040 Update Subcommittee, gave a powerpoint presentation which included an overview of the history of NVTa, TransAction 2040 goals, and the intent of the Listening Session. He ended the presentation by offering three suggested questions for speakers to consider in their remarks. The questions were:
 - *What do you believe should be the guiding principles for the update of TransAction?*
 - *What would you like to see included and/or addressed in the update of TransAction? For example, the 2040 Performance Evaluation Criteria included:*
 - *Provide an integrated, multimodal transportation system.*
 - *Provide responsive transportation service to customers.*
 - *Respect historical and environmental factors.*
 - *Maximize community connectivity by addressing transportation and land use together.*
 - *Incorporate the benefits of technology.*
 - *Identify funding and legislative initiatives needed to implement the Plan.*
 - *What methods, process, and/or topics are most important to you for inclusion in the update of TransAction 2040?*
- Kala Quintana, NVTa PIO, opened the floor to speakers by calling up each speaker by order in which they signed in. The Listening Session panel consisted of NVTa Chair Martin Nohe, NVTa member Sharon Bulova, NVTa Executive Director Monica Backmon, and NVTa TransAction 2040 Update Subcommittee Chair Dan Malouff.
- 41 attendees signed in; 14 requested to speak, 15 spoke.

Speaker Comments in Order of Presentation:

1. Keith Meurlin – Washington Airports Task Force. Mr. Meurlin stated regionalism needs to be looked at instead of pet projects. He also stated the federal government is no longer the key to economic vitality. He stated there needs to be a connection between the three region's airports to ensure economic growth, good access, and a diversity of airlines at airports. He offered that the

- plan should look at what is biggest bang for buck to allow movement north-south and east-west; if not, the region risks losing airlines. [Written comments submitted]
2. Kimberly Alexander – City of Manassas Park. Ms. Alexander stated the primary concern from citizens in her city is Route 28. She would like the plan to include identification of Route 28 in the TransAction update that reflects the recommendations from the Virginia Department of Transportation’s (VDOT) short-term study. Ms. Alexander stated funding from NVTa comes directly from taxpayers so projects in TransAction should be regionally and geographically balanced.
 3. Delegate Jim LeMunyon – Virginia General Assembly. Delegate LeMunyon stated this is an opportunity to do something different from the past plan updates. The principal objective should be to come up with map of Northern Virginia transportation system and determine what it will look like when transportation problems are solved. He stated this will enable taxpayers to visualize what can happen. The vision should be explicitly to congestion reduction and put projects in the plan that will reduce congestion on regional basis. He stated these are the kinds of projects that are required to be selected for funding. He also suggested looking at land use assumptions without preconceived ideas for the future. He further stated that projects should be rated with congestion reduction being the only criteria; other criteria should be tie-breakers. [Written comments submitted]
 4. Doug Stewart – Virginia Sierra Club. Mr. Stewart stated the plan should focus on accessibility, cost effectiveness and environmental stewardship. There should be accessibility within local activity centers and connecting activity centers. Additionally there should be a focus on shifting from Single Occupancy Vehicles (SOVs) to other modes; assessing cost-effectiveness at a finer grain level; understanding trips do not have to be long to be big to be regionally significant (e.g. benefit to building out street network in Tysons Corner); and that the unit of analysis should be people. The plan should also mesh with VTrans 2040. He offered that a consultant should develop a plan that is innovative in public outreach (e.g., social media, Mindmixer). [Written comments submitted]
 5. Rob Whitfield – Fairfax County Taxpayers Alliance. Mr. Whitfield stated he believes there has not been much transparency in the past year since the passage of HB 2313. He is looking for projects to be funded that solve regional problems. He criticized an Arlington project for serving an aquatic center. He stated there needs to be a proper definition of a regional project in terms of contribution to reduction of regional congestion. For transit, he believes there is a failure to tackle the issue of cost effectiveness. He would like to see the requirement of an evaluation on transit similar to that required of highway projects. He stated he is seeking legal opinion related to the Jurisdiction and Agency Coordinating Committee (JACC).

6. Brian Fauls – Loudoun County Chamber of Commerce. Mr. Fauls stated the guiding principle should be regional projects that contribute to regional congestion reduction. He believes the plan should look at large projects like I-66 widening, Route 28, Route 7, American Legion Bridge, a third Potomac River crossing, and other mega projects with the biggest bang for the buck. He stated economic development should be next as a guiding principle, followed by time savings. He supports evaluating public transportation investments in the same manner as highway investments. He offered there is no requirement to spend all money up front. Money should be banked for big regional projects. (Written comments submitted)
7. Nancy H. Smith – Northern Virginia Transportation Alliance. Ms. Smith stated projects from the Authority should focus on regional benefits, not simply jurisdictional boundaries. She stated there should be a top down approach to identifying strategic investments for region rather than funding the smaller scale projects. She stated NVTa should look at what is the best investment for the region in long term. She would like to move away from attempting to spend all the money collected in one year; instead she proposed saving up for big picture regional projects in combination with state, federal, and P3 funding (e.g. 8-car Metrorail trains, I-66, a new river crossing, and Fairfax County Parkway). She stated there should be a balanced investment based on documented needs and demand, not just modal balance. She would like to move the greatest number of people while reducing travel time and congestion. The process and methods should emphasize time savings and reducing congestion on primary roads that will have benefits throughout the network. People should be provided the same information on ratings for transit as highway. (Written comments emailed)
8. Stewart Schwartz – Coalition for Smarter Growth. Mr. Schwartz stated MWCOG's Region Forward is on the right track. He offered that 70% of Arlington and 37% of Fairfax commute trips are non-auto. He stated there are mixed use transit accessible communities, smart land use, street networks, and bicycle/pedestrian connections in the core. The middle suburbs have transit stations with mixed-use and interconnected activity centers. Accessibility is important. He believes elimination of congestion relief is not possible. The region needs to give people more choices which results in a network of choices. He stated there needs to be more choices in peak hour. He stated land use is the core of what needs to be addressed. He believes a sole criteria of congestion relief is a problem and prevents transit projects from being funded. There needs to be multiple criteria. Consequently, Mr. Schwartz stated HB 2 is better than HB 599. The plan must look at accessibility and competitiveness in new way.
9. Allan Muchnick – Virginia Bicycling Federation. Mr. Muchnick stated plans are often disconnected from their goals. He stated there is a disconnect of not tracking what has been implemented from plan update to plan update, especially pedestrian and bicycle improvements. Tracking shows accountability in spending. He is frustrated with the length of time to implement bike projects. The NVTa

- funds are paid for by non-motorists so they should fund transit, bicycle, and pedestrian projects with equity. He believes the region should encourage people to get out of cars by implementing, within each regional corridor, at least one high-quality bicycle route. The overarching theme of the plan update should be environmental and economic sustainability. (Written comments submitted)
10. Steve Huntoon – Arlingtonians for Sensible Transit. Mr. Huntoon stated support for bus rapid transit as he believes it is one fifth of the cost. He stated buses are faster and there is incompatibility with other streetcar projects. The Crystal City terminus on Blue Line is already overcrowded. As a general matter he supports cost effective congestion reduction as a primary principle. He spoke further about benefits of buses over streetcars. He supports the incorporation of public opinion in transportation planning decision making. (Written comments submitted)
 11. Delegate Vivian Watts – Virginia General Assembly. Delegate Watts stated congestion relief is a goal but that it is an end result that builds on other criteria. Taken alone it supports building more pavement, which may not achieve other goals such as Vehicle Miles Traveled (VMT) reduction. Vehicle reduction is important. Consistency and reliability of the transit systems are important. There should be a move from High Occupancy Vehicle (HOV) lanes to fixed transit routes. She stated all these components have the necessity of reliability. She further stated regionalism should have the best bang for buck in reducing vehicles on roads but consider neighborhoods, inner areas, and access for all people (e.g., Green Spring Village seniors). She concluded that regionalism is not just about bringing people in and around, but also quality of life issues for residents.
 12. Jenifer Madden – Vienna Resident. Ms. Madden stated there should be performance evaluation criterion of incorporating technology. She offered that there is a Virginia Tech study on the use of connected vehicles to create efficiency on highway and reduce accidents. In the next 5-10 years, vehicles that sense each other (not driverless vehicles) could revolutionize transportation. She stated NVTa should invite Virginia Tech to speak on the benefits of this technology and other technology solutions (e.g., platooning, on-call transit, public transit facilities, and dedicated lanes for connected vehicles).
 13. David Dickson – Sierra Club (Mount Vernon Chapter) and Arlington Resident. Mr. Dickson agreed with statements made by Mr. Stewart. He stated the vision and goals of TransAction 2040 are pretty good. He mentioned MWCOG's Region Forward as a sample plan and the need to sustainably connect activity centers. He disagreed with the Arlingtonians for Sensible Transit statement.
 14. Carl Hampton – Fairfax resident. Mr. Hampton stated he has not heard discussion anywhere about interconnection of traffic signals to help control traffic and improve the flow of traffic. He believes this could result in significant benefits, with considerable cost savings compared to building infrastructure.

Concluding the speakers registered to present, Chairman Nohe encouraged people to provide feedback by stating the comment period is open until November 6th. He then invited any further comments from attendees wishing to step forward.

1. Council Member Jonathan Way – City of Manassas. Council Member Way stated that the study needs close coordination with the Transportation Planning Board's CLRP.
2. Rob Whitfield – Fairfax County Taxpayers Alliance. Mr. Whitfield inquired about how the update of TransAction 2040 will coordinate with the update of VDOT's VTrans 2040.

No further speakers offered comments. The Listening Session concluded at 6:30 pm.

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The Honorable Anthony A. Williams

Properly City Council

Wendy Young

Architectural Record Company



Washington Airports Task Force

www.washingtonairports.com

October 8, 2014

The Honorable Marty Nohe
Chairman
Northern Virginia Transportation Authority
4031 University Drive, Suite 200
Fairfax, VA 22030

Dear Marty:

Our region is blessed with three major commercial airports that are critical to the economic vitality of our region. These assets must not be taken for granted. Recently, airlines have made it abundantly clear that they can and will relocate their service, or abandon markets altogether. Salt Lake City and Albuquerque are examples of markets no longer served from Washington Dulles International Airport (IAD). The federal government, through sequestration, is significantly reducing its footprint in our region, making us far more vulnerable to the fluctuations in the economy. Therefore, it is extremely important that actions taken, as they relate to regional transportation, be focused on access to and between our airports, in order to create an environment for growth at the airports and subsequent economic activity in the region.

The Washington Airports Task Force (WATF) is acutely aware of the increasing congestion in the region and the growing number of highway projects that are in critical need of prioritization and funding. We acknowledge the importance of the construction of the Silver Line, but recognize that it can not significantly alleviate the growing traffic congestion affecting our region.

Our focus needs to be on expediting the construction approved projects and assigning a priority to projects that have the greatest impact on reducing regional congestion. We can not sit back waiting for the Virginia Department of Transportation's (VDOT) response to the requirements of HB 2; we must continue to advance proposed projects to better position them for the evaluation process.

The WATF's primary concern is with improving access to our region's airports, including:

- 1) Completion of the Silver Line.
- 2) Completion of improvements to the Dulles Loop, and in particular, the current improvements planned for Route 606.
- 3) Elimination of the I-66/Route 28 congestion.
- 4) The proposed North-South Corridor to link other Corridors of Statewide Significance to IAD, to improve transportation between Prince William and Loudoun Counties, and in particular for the rapid construction of the North-South Corridor's missing link – the Bi-County Parkway between I-66 and the Dulles Loop.

The Honorable Marty Nohe

October 8, 2014

Page 2

- 5) Work to identify two new Potomac bridge locations between the American Legion and Point of Rocks bridges.
- 6) Improvements to address chokepoints in the Northern Virginia surface transportation network.

Most of these projects are beyond the scope of the Northern Virginia Transportation Authority's current priorities, but the WATF is encouraged by the fact that carefully screened 2014 Authority improvements will reduce congestion at many current chokepoints across Northern Virginia's surface transportation system, and this will provide incremental improvements in airport access for many Northern Virginia citizens.

The Washington Airports Task Force is a non-profit, 501(c)(3) Virginia Corporation that works to promote the expansion and enhancement of aviation services for Virginia and the National Capital region. As such, its views represent consumer, civic, and economic interests in a region whose tourism and high tech employment is closely tied to the proficiency of its scheduled air service. The WATF is goal oriented and its work has yielded hundreds of millions of dollars in economic return.

The WATF appreciates this opportunity to comment.

Thank you.

Sincerely,



Keith W. Meuplin

Remarks by James M. LeMunyon
Member, Virginia House of Delegates, 67th District
(Fairfax/Loudoun)

before the

Northern Virginia Transportation Authority

Regarding a Proposed Update to the TransAction 2040 Regional Transportation Plan

October 9, 2014

Mr. Chairman and members of the Authority, I appreciate your interest in obtaining comments related to updating TransAction 2040, the Authority's long term transportation plan. Your invitation requested ideas about guiding principles and concepts, rather than a discussion about specific projects, and my remarks aim to address the "big picture" issues.

In my view, the objective of the updated plan should be to create a map of what Northern Virginia's transportation system will look like when our congestion problems are solved. Implicit in this statement is defining what "solved" means. As long as our region ranks among the most congested regions of the United States, the NVTa, in my view, has no other purpose than to execute a strategy to solve our transportation congestion problems in the most efficient way possible in terms of time and tax dollars.

After all, if the Northern Virginia Transportation Authority isn't the entity that can present to the public a vision of what our transportation system should look like without chronic traffic congestion, and offer a plan to get there, then who is?

Taking this approach may represent a significant departure from the way NVTa has considered past TransAction updates. The current TransAction 2040 map seems to be a collection of transportation improvement ideas, which is careful to include something for advocates of various modes of transportation, something for all major corridors in the region, and something for all localities in our region—while offering little or no information about how much congestion would actually be reduced if the plan were implemented. In fact, the purpose, goals, and vision statements of the current TransAction 2040 plan do not explicitly mention congestion reduction at all. I respectfully ask that the NVTa not repeat this mistake.

Since the last TransAction update, significant changes have been made to the NVTa's responsibilities that are defined the Code of Virginia, as well as funding for transportation projects in our region. These changes emphasize that congestion reduction is the priority of the NVTa, and in particular, require most projects to be evaluated to establish each project's congestion reduction benefit.

With this in mind, it only makes sense that transportation projects that reduce congestion the most on a regional basis be included in the updated TransAction 2040 plan. The plan should present a justification for the need and timing of each project so that the traveling,

taxpaying public can be confident that the overall plan offers the fastest, most cost efficient way to solve the region's congestion problems. As the NVTa takes up this task, I recommend:

- NVTa consider regional land use assumptions, so that transportation and land use can be better synchronized. If certain land use assumptions are obstacles to reducing congestion in the fastest and most cost efficient way, this should be pointed out for public discussion;
- The updated TransAction 2040 plan should indicate the required amount and likely sources of funding for each project, and in particular which projects should be funded by the NVTa, the Commonwealth Transportation Board, or both. If funds that are reasonably expected to be available to fund the updated TransAction 2040 plan are not sufficient, then this should be pointed out for public discussion;
- NVTa should not give consideration to criteria other than congestion reduction, unless needed to break a "tie" between different projects of similar congestion reduction benefit. To do otherwise would only prolong the day that the region's congestion problems will be solved, while Northern Virginia residents continue to waste million of hours of time each year sitting in traffic.

Mr. Chairman, in summary the NVTa needs to use the opportunity to update the TransAction 2040 plan in a way that results in a picture of what our regional transportation system will look like when our congestion problems are solved, and then implement the plan.

To the extent there is any ambiguity or obstacles in the Code of Virginia that limit the ability of the NVTa to do so, or if any additional encouragement in the Code of Virginia is needed, I would welcome the opportunity to work with the NVTa on legislation to address those issues.

Thank you for this opportunity to testify. I'd be happy to answer any questions.

Virginia Sierra Club

Comments to Northern Virginia Transportation Authority on Transaction 2040 Update

Oct. 9, 2014

The Virginia Sierra Club supports the development of a balanced transportation system that provides people with more transportation choices. An integrated multimodal network will mitigate traffic congestion, reduce global warming emissions and save money. We have seen in our own region that communities which have focused growth in walkable activity centers while building out an integrated road, bicycle and pedestrian network around transit have experienced tremendous economic development without an increase in traffic congestion.

The guiding principles of the Transaction 2040 update should include accessibility, fiscal responsibility and environmental stewardship. A large share of the trips in our region are three miles or less. In Fairfax, these shorter trips account for one-third of all trips. Local governments are planning to focus growth in activity centers such as Tysons Corner and the Dulles Corridor. The National Capital Region Transportation Planning Board forecasts that most new trips in Northern Virginia and the metro region will begin and end in activity centers. Shifting a larger share of these trips to other modes besides driving alone will have regional impacts on mitigating congestion.

Cost-effectiveness of projects should be assessed through a finer grain of analysis that captures walking, bicycling and bus trips. A trip does not have to be long to be regionally significant. At Tysons Corner, for example, improvements such as building out the street grid and reducing curb radii at crosswalks will make it easier for the tens of thousands of people who live and work near the new Silver Line stations to get to their homes, offices and nearby services without having to drive, relieving one of the region's worst traffic bottlenecks.

The plan should be mindful of the metropolitan Washington region's adopted goals for reducing global warming emissions. In 2008 the Metropolitan Washington Regional Council of Governments approved a plan that calls for a 20% reduction in global warming emissions by 2020 and an 80% reduction by 2050. How will this plan contribute to reaching these benchmarks?

The modeling and congestion analysis in the long-range plan should take into account all travel modes. The unit of analysis should be people, not vehicles. The plan should model congestion mitigation and other impacts based on focused growth in activity centers as envisioned in the Council of Governments' Region Forward plan. The plan should also interact with the forecasting and trends analysis that Virginia is doing for its own update of its long-range transportation plan, VTRANS2040.

We appreciated NVTa's transparency and intense public involvement in its 2014 project selection process. NVTa did a huge amount of work with essentially no staff to engage the public in a series of meetings and hearings before approving the 2014 plan. For the development of the long-range plan, we hope that NVTa and the consultant will engage the public through a full range of methods and technologies. Public hearings and meetings only engage a tiny fraction of the interested public. Make sure that the consultant you choose has experience in getting input

from a full cross-section of the public and stakeholder groups in a wide variety of ways including social media, interactive tools such as MindMixer and public events. Look to the innovative things you as local and state government leaders have done in other planning processes, and the benchmarks for outreach that you have set in those RFPs, as models for how NVTa should develop this plan.

Douglas Stewart
Smart Growth and Transportation Chair, Virginia Sierra Club
10822 Maple Street
Fairfax City, VA 22030
703-407-2790
douglasbstewart@gmail.com



**Testimony to the Northern Virginia Transportation Authority
Re: The TransAction 2040 Long Range Transportation Plan
Brian Fauls, Loudoun County Chamber of Commerce
October 9, 2014**

Good evening Chairman Nohe and members of the Northern Virginia Transportation Authority. My name is Brian Fauls and I am the Government Affairs Manager for the Loudoun County Chamber of Commerce.

On behalf of the Chamber's Board of Directors and our more than 1,300 members, I thank you for the opportunity to speak this evening on NVTa's TransAction 2040 Long Range Transportation Plan.

Our Chamber was proud to play a vital role in the adoption of H.B. 2313, the historic transportation funding legislation adopted by the general Assembly in 2013. We are excited about the more than \$3 billion in new regional funds that will be available over the next decade to address northern Virginia's backlog of unfunded transportation projects.

The key now is to remain vigilant in adhering to the General Assembly's mandate that all regional funds associated with HB 2313 be dedicated to projects that will provide the most congestion relief.

To that end we believe the overriding guiding principle for the TransAction 2040 update must an emphasis on projects of greatest regional significance. The Chamber recognizes that drivers benefit when people are given other options to travel that take them off congested roads but we are concerned that using regional funding intended for congestion relief efforts on local bus shelters, buses, and trail lighting does not represent the best long time return on the taxpayers' investment.

The Chamber also believes it is important to establish regional priorities based upon performance-based criteria. Projects must be evaluated based their congestion reduction efforts, economic development, and time savings. Adhering to this strategy will not only protect the taxpayers' money, it will ensure the eligibility of additional critical congestion relief projects in the competition for the limited regional funding. Getting traffic off our neighborhood roads, making it easier for drivers to get to work, school, church, the grocery store and, ultimately, home to their families ultimately improves our economy and quality of life.

And we would urge the NVTa to evaluate public transit investments in the same manner as highway investments. Providing the public with the same rating information on public transit investments that is provided on highway investments ensures transparency and provides taxpayers a measure of confidence that their money is being spent wisely.

Finally, we would strongly urge the NVTa to keep in mind that there is no requirement to spend all of the available funding at once. NVTa has the flexibility to bank these funds for future needs rather than spend them on projects of limited value purely for the sake of spending money. Building up reserves and targeting those funds to projects of greatest regional significance such as improvements to I-66 and Route 7, the proposed Bi-County Parkway, and potential future Potomac River crossings, and eight car metro trains just to name a few.

Northern Virginia is home to the fastest growing, most economically vibrant communities in the Commonwealth and our transportation network is the foundation supporting that growth. The dispersed chaotic transportation planning of the past help create the transportation problems we are struggling to solve. Going forward we must ensure that transportation revenues are well invested on strategic priorities deemed most essential to our long-term prosperity, safety, security and quality of life. If we do that, Northern Virginia will continue to be a growing and vibrant place to live, work and play for decades to come.

Thank you for again for the opportunity to speak tonight and for considering the Loudoun County Chamber's position on this important topic.

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**Northern Virginia Transportation Alliance's comments
to the Northern Virginia Transportation Authority
on the TransAction2040 Update Process**
(Statement provided by Nancy Hiteshue Smith)

Firstly, the Alliance great appreciates Mayor Parrish being part of our *What You Need to Know* event last week on behalf of the Authority. We applauded the recognition in the presentation that projects must focus on improvements made throughout Northern Virginia based on regional benefits and not just jurisdictional boundaries.

In looking at the TransAction 2040 update, in terms of guiding principles, we strongly encourage you to truly focus on projects of regional benefit by taking a....

What do you believe should be the guiding principles for the TransAction 2040 update?

- Top down approach to identify strategic investments for the region
- Identify and implement projects of regional significance rather than local significance.
- Look at the bigger picture and the best return on investment in the long-term

What would you like to see included and/or addressed in the TransAction 2040 update?

- Understand that there are a backlog of projects from when had no money but as we move forward, there is no need to spend all available funds at once. The Alliance would encourage you to move away from a pay-go way of thinking and spending all funds collected annually on small/local projects and focus the regional funds, while leveraging P3, state and fed funds, on projects of large scale regional significance such as 8 car metro trains, I-66, a new Potomac River Bridge crossing, Bi-County Parkway, Fairfax County Parkway, Western Access to Dulles, Rt 28.
- It is important to have balanced investments based upon documented need and demand, not simply a balance of modes.
- Focus on projects that will move the greatest number of people, reduce travel time and increase reliability.
- Provide a network that provides the capacity that meets demand, reduces congestion and travel time.
- Much discussion on tying land use planning and transportation. In this region however, we don't have a lack of good land use planning, have a lack of capacity. Better land use planning requires a better regional transportation framework.

What methods, process, and/or topics are the most important to you for inclusion in the update of the TransAction 2040?

- More emphasis on time savings, reducing congestion throughout the entire network (that improvements to primary roads/large scale projects can relieve congestion secondary roads by providing more capacity), moving greater number of people and documented demand as well as the economic benefits of individual projects.
- Provide the public with the same rating information for public transit investment as provided for highway.



The Northern Virginia Transportation Authority

October 9, 2014

Listening Session Comment Form

Q1. What do you believe should be the guiding principles for the update of TransAction 2040?

Regional sustainability, environmental,
quality of life, fiscal, & economic
Equity, quality of life, and public health
and living
Achieving Regional Forward transportation
goals.

Q2. What would you like to see included and/or addressed in the update of TransAction 2040? For example, the 2040 Performance Evaluation Criteria (PECs) goals include:

- Provide an integrated, multimodal transportation system.
- Provide responsive transportation service to customers.
- Respect historical and environmental factors.
- Maximize community connectivity by addressing transportation and land use together.
- Incorporate the benefits of technology.
- Identify funding and legislative initiatives needed to implement the Plan.

Track & report project completions
at least annually - for every travel
mode.

Greater emphasis on funding pedestrian
and bicycle facilities, especially within
regional activity centers and at transit nodes.

Q3. What methods, process, and/or topics are most important to you for inclusion in the update of TransAction 2040?

Develop and implement an updated
regional bicycle plan focused on creating
at least one, continuous, high-quality,
bicycle route in each of the TransAction
2040 regional corridors.

Blank lined paper with horizontal ruling lines.

Would you like to be added to our e-mail list?

Name: Allen Muchnick

E-mail: allenmuchnick@yahoo.com

County (City) or Town where you live or work: Manassas VA 20108

THANK YOU!

STATEMENT OF ARLINGTONIANS FOR SENSIBLE TRANSIT REGARDING TRANSACTION 2040 LONG-RANGE TRANSPORTATION PLAN

OCTOBER 9, 2014

Arlingtonians for Sensible Transit (AST) is a large non-partisan citizens organization with more than 700 supporters from all parts of Arlington County. We appreciate the opportunity to present our views to the Northern Virginia Transportation Authority.

AST was organized in January 2013 to oppose a 5 mile streetcar line on Columbia Pike from the Skyline area of Fairfax County to Pentagon City in Arlington County. As an alternative, AST supports Bus Rapid Transit (BRT) service. A 2012 report for Arlington County by a consultant established that the capital cost for BRT service would be approximately *one-fifth* the capital cost for streetcar service, and annual operating costs would be millions less as well.

For more information about AST, including documentation for everything in this statement, please visit our website at www.sensibletransit.org.

AST responds to the questions suggested by NVTa as follows:

Q1. What do you believe should be the guiding principles for the update of TransAction 2040?

Q2. What would you like to see included and/or addressed in the update of TransAction 2040?

AST supports cost-effective congestion reduction as the primary guiding principle for long-range transportation planning, and believes this should be included in the update of TransAction 2040.

The Columbia Pike streetcar project is a prime example of failure to plan on the basis of this principle. The Board's basis for rejecting world-class bus service features a number of contra-factual assumptions, such as:

- Bigger bus vehicles couldn't be substituted for smaller bus vehicles – in fact existing ART and Metro buses could be replaced by larger buses.
- All bus vehicles are smaller than the streetcar vehicle – in fact Mercedes, Volvo and others make buses with *more* rider capacity than the Board's planned streetcar vehicle.
- Buses are as slow as streetcars – in fact buses on average are twice as fast as streetcars, which translates into double the system capacity vis-a-vis streetcar vehicles with the same rider capacity.

- Streetcar systems have more capacity than bus systems – in fact existing bus systems carry many more riders than streetcar systems.
- A Columbia Pike streetcar could be part of a regional streetcar network – in fact the County Board has designed in *incompatibility* with the D.C. streetcar, and the D.C. City Council on a 12-1 vote has disavowed any more streetcars in D.C. after the H Street/Benning Road fiasco.
- The Columbia Pike streetcar has an appropriate terminus – in fact the streetcar would dump 10,000s of commuters on to the already overloaded Blue Line at Pentagon City whereas BRT can seamlessly take commuters to all major D.C. employment centers.
- A streetcar is better for economic development – in fact independent studies show that BRT dollar-for-dollar is better for economic development.

Q3. What methods, process, and/or topics are most important to you for inclusion in the update of TransAction 2040?

AST supports objective study of potential transportation projects to ensure that taxpayer dollars are spent cost-effectively on congestion reduction.

Public opinion should of course be part of the process. The Columbia Pike streetcar project is a prime example of ignoring public opinion.

- Arlington County had two public input sessions after its study of the streetcar project was released, and at both sessions citizens were overwhelmingly against the project.
- Arlington also had a special election in April of this year that was effectively a referendum on the streetcar project ("[County Board Chair Jay] Fisette said the special election had 'become a referendum' on the \$310 million streetcar project...." *Washington Post*, 4/9/2014) and the streetcar was overwhelmingly rejected by Arlingtonians.

In summary, AST supports cost-effective congestion reduction as the primary guiding principle for long-range transportation planning. This principle precludes any funding for the Columbia Pike streetcar project. Instead, please fund a regional BRT plan among Arlington, Fairfax and Alexandria.

Respectfully submitted,

Steve Huntoon 703-627-9547
Peter Rousselot

Denise Harris

From: Jeff Parnes <jparnes@cox.net>
Sent: Thursday, October 23, 2014 10:05 AM
To: TA2040 Update
Cc: Calvin Lam; Jenifer Joy Madden
Subject: Post Listening Session Feedback

Good Day,

I attended and spoke before the Northern Virginia Transportation Authority's (NVTa) Listening Session held on Thursday, 16 October 2014, in Fairfax, Virginia. Although I spoke on several issues, I would like to have these slides which document my points entered into the formal record:

<http://www.sullydistrict.org/presentations/20141016JeffsTestimonytoCTPB.pdf>

Thank you for your kind attention to this matter.

Jeffrey M. Parnes
3153 Ramesses Ct
Oak Hill, VA 20171

(p) 703.424.2956
(f) 484.307.2552
jeff@parnes.net
@jeffparnes

<http://www.parnes.net>

All electrons used in this message - whether hand-crafted, organically-grown or recycled - were humanely treated

Testimony to the Commonwealth Transportation Planning Board's Outreach for the FY 2017-2021 SYIP

Jeff Parnes

Chair and Sully Representative to the Fairfax County Transportation Advisory Commission
CoChair of the Fairfax County Federation of Citizens Associations Transportation Committee
Member, MWCOG Transportation Planning Board Citizen Advisory Council
Chair, Sully District Council of Citizens Associations Land Use and Transportation Committee
but speaking for himself as a citizen

16 October 2014

It's been a long year

- ❖ Last year the key concern at this meeting was a small segment of the Bi-County Parkway
- ❖ Thankfully we're beyond that

Key Concerns

- ❖ The Rt 28 / I66 interchange needs to be fully funded and fully functional, allowing all movements between Rt 28 and I66 - north, south, east and west - with access provided to and from the Walney / Braddock roads intersection directly to the north of the highway interchange.
- ❖ The phase 2 US Rt 1 Multi-Model Analysis Study (Environmental and Engineering), the follow on to the phase 1 study just nearing completion, needs to be funded so that matching federal funds can be made available. There is a dire need for Mass transit in the RT 1 corridor, and the available federal funding should be pursued.

Key Concerns Cited

- ❖ Projects between Virginia and our neighboring jurisdictions need to be considered. Here are several:
- ❖ Additional crossings of the Potomac River are desperately needed north and south of the beltway. The commonwealth has multiple north/south roads built or in its plans to the north and west of the I495 American Legion Bridge. We need to build a bridge from one of them to Maryland. We need to make this happen.
- ❖ WMATA, the Washington Metropolitan Area Transit Authority, has developed plans for Metro capital improvements planned for 2025 and 2040. The Momentum 2025 plan is an interim goal with the ultimate improvements planned for 2040. I urge you to bypass the Momentum 2025 interim goal and support the Momentum 2040 plan with the ultimate construction of new Potomac River crossings.

Denise Harris

From: Li Chen <ChenLi1@post.com>
Sent: Thursday, October 16, 2014 7:45 AM
To: TA2040 Update
Subject: Transaction Northern Virginia

To whom it may concern the Transaction document needs to define regional and what makes up a regional project. Transaction should be regionally focused and include regional projects and have a heavy public transportation componet. As someone who has lived in Northern Virginia for over 20 years, specifically Fairfax County which we love, this area continues to urbanized and grow which is great because a lot of things are now either at my door step or within a quick drive, walk, or metro ride away. But there needs to be better and more transportation options inside of Fairfax and connecting to other counties and cities in Northern Virginia and to DC and to Maryland. So anything to improve rail service to other parts of Northern Virginia to DC and Maryland is something such as a new Rosslyn tunnel is what this Transaction needs to focus on instead of small projects. This is a big region and should focus on the big picture and not the small.

Chen Li

Denise Harris

From: Nash, Jacklyn (GOV) <Jacklyn.Nash@governor.virginia.gov>
Sent: Thursday, November 06, 2014 8:05 AM
To: Denise Harris
Subject: FW: Comments on TransAction 2040 Update and VTrans 2040 Fall Meetings

Denise,

I hope the data OIP shared was helpful! I have received a comment via our web comment form regarding Trans Action 2040. See below. Thanks!

-Kelli

From: viennatrails@aol.com [mailto:viennatrails@aol.com]
Sent: Wednesday, November 05, 2014 9:31 PM
To: Nash, Jacklyn (GOV)
Subject: Comments on TransAction 2040 Update and VTrans 2040 Fall Meetings

Dear Ms. Nash,

I am attempting to submit my comments before the November 6, 2014 deadline regarding the update of TransAction 2040 and the new procedure for assessing major transportation projects. Thank you in advance for forwarding my comments to the appropriate parties.

Understand the impact of technology

First, I would like to remind Commonwealth authorities about the important work that Virginia Tech Transportation Institute is doing on Connected Vehicles. With all the work VTTI is doing on the test bed in the Merrifield area of Fairfax County, it's important that you are fully briefed about the promise of their research studies. According to the federal Department of Transportation, connected vehicle technology, well applied, can drastically cut traffic accidents, which in turn will reduce traffic congestion. Since CV vehicles can travel safely much closer together on the roads, they will use the existing infrastructure much more efficiently, possibly precluding the need for additional pavement and the expenditure of potentially billions of dollars. The disruptive impact of CV technology is *right around the corner*. It is prudent that the state wait at least five years to see what develops before proceeding on any major widenings or infrastructure additions.

We are well into the 21st century and as such the Commonwealth must have new eyes in all future planning. While mass transit will continue to play a crucial role in the transportation picture, there is room for improvement in how infrastructure serves transit and SOV. For instance, transit and connected vehicles could share a dedicated lane on an interstate or other major highway because they move more efficiently and should be separated from traditional vehicle traffic.

Institutionalize multi-modal planning

VDOT should convert exclusively to multi-modal planning. Highways of all sizes should be improved with all modes in mind. Level of Service should not be limited to motorized vehicles in the vain hope that improvements will "trickle down" to other modes. From the start, road projects should be tested for how they affect, and hopefully improve, travel for drivers, cyclists, pedestrians and transit travelers.

Fairfax County has now broken the mold by doing multi-modal planning in Seven Corners. The same approach should be applied to activity centers all over the county and the state. This is clearly NOT happening in the so-called "livability showcase" of Tysons. Widenings are planned for both the major highways (7 and 123) that slice through the urbanizing area. While these widenings are supposed to improve "throughput" and LOS of motorized vehicles, they greatly will degrade the safety and mobility of pedestrians and cyclists.

It is not too late to stop these "Tysons Plan" widening projects from moving forward. As a private parking lot adjacent to the Silver Line sits almost empty, road diets are needed on Routes 7 and 123 more than road widenings.

The times they are a-changing and Virginia's land use and transportation planning should change along with them.

Sincerely,

Jenifer Joy Madden
9463 Coral Crest Lane
Vienna, VA 22182
Vice Chair, Fairfax County Transportation Advisory Commission (but my thoughts here are my own)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Draft Calendar Year 2015 Work Program

- 1. Purpose:** To inform the Authority of the proposed draft NVTa Work Program for Calendar Year (CY) 2015. NVTa will be asked to approve the Work Program at the January 2015 meeting.
- 2. Explanation:** The Executive Director developed a draft CY 2015 Work Program for the consideration and subsequent approval of the Authority. The draft Work Program will be reviewed by the Jurisdictional and Agency Coordinating Committee, the Technical Advisory Committee and the Planning Coordination Advisory Committee. In preparing the proposed CY2015 work program, the Executive Director reviewed the work program for CY2014 and noted progress made on each of the items included in the work program.

The proposed work program continues many of the activities undertaken by the NVTa during CY2014. Many of the activities undertaken in CY2014 were required for the initial implementation of HB 2313 and are now complete.

Other notable activities in the draft CY2015 Work Program include the update of the Authority's Long-Range Transportation Plan - TransAction 2040; approval of the FY2015/16 Two Year Program; Call for Projects for FY2017-19; CMAQ/RSTP programming recommendations; review of the HB 599 process; development of a Capital Improvement Plan; approval of Financial Statements; etc.

The CY2015 work program may be amended to include additional NVTa strategic initiatives and activities.

Attachment: Draft CY2015 Work Program

MONTH	ACTIVITY ¹	ACTION ITEM ²
3. I/R	1. Review proposed parameters for FY2016 Operations Budget. This includes review of VRS & Health costs.	1. HB599 Presentation of final ratings.
4. OT	2. Present White papers concerning financing of CIP to develop an NVTA Financing Plan.	2. Approval of CY 2015 Work Program.
5. OT	3. Review of 5 year Revenue Estimates.	3. Finance Committee (FC) recommendation and Authority approval.
2. R	4. Review of proposed contract renewal for Financial Consulting with PFM.	4. FC review.
3. OT	5. RFI for approved Depository List (CD's, CEDARS, MMA) solicited by invitation.	5. FC review.
4. I/R	6. RFI for approved Broker/Dealer List solicited by invitation.	6. Provide comments on HB 599 process to VDOT.
5. I/R	7. Review HB599 process.	7. Approve Draft FY2015-16 Two Year Program.
	8. Develop Draft FY2015-16 Two Year Program	8. Approve policy for NVTA Approved Projects not advancing.
	9. Finalize policy recommendation for projects not advancing.	
4. I/R	1. Review of CMAQ/RSTP Strawman.	1. Approval of CMAQ/RSTP Strawman for VDOT.
5. I/R	2. Review of Debt Policy revisions.	2. FC recommendation and Authority approval.
	3. Advertisement of Proposed Budget including notification of Budget Meeting.	3. Proper notification to FC and Authority regarding presentation of proposed budget for adoption at April Meeting.
	4. Develop budget for TA2040 update, including VDOT funds for scenario planning.	4. Approve budget for TA2040 update.
	5. Develop Draft FY2015-16 Program Public Hearing.	5. Public Hearing on Draft FY2015-16 Program.
	6. Deadline for Bond Post Compliance entry to E.M.M.A.	
April	1. Develop schedule for FY2017-19 Program and priorities for project selection.	1. Adopt CTB Testimony for Spring Public Hearing.
	2. Develop recommendations to CTB/VDOT re: enhancement of HB 599 process, including transit projects and measures.	2.

¹ Assumes all SPAs for FY2014 are approved in CY2014.

² Authority actions only; excludes information items.

NVTA CY2015 PROGRAM

MONTH		ACTIVITY ¹	ACTION ITEM ²
4. I/R 5. OT		<ol style="list-style-type: none"> 3. Review and update HB 599 project selection methodology. 4. Presentation of Proposed NVTA Budgets for approval. 5. General Ledger System Install. 6. Review of Final TransAction RFP – coordinate with TAC, PCAC, JACC. 7. Finalize FY2015-16 Two Year Program. 	<ol style="list-style-type: none"> 3. FC recommendation and Authority approval. 4. Approval of TransAction 2040 Update Request for Proposal for Issuance. 7. Approve Final FY2015-16 Two Year Program.
4. I/R 5. R	May	<ol style="list-style-type: none"> 1. Develop Call for Projects (FY2017-19 Program). 2. SPA Review (First ones for FY2015-16 Program). 3. Review and update project selection criteria(FY2017-19 Program). 4. Monthly reconciliation - Recap Package post General Ledger implementation for JMB, LGIP, SNAP. 5. Quarterly cash ladder/investment review (period ended March 31, 2015). 6. 7. 	<ol style="list-style-type: none"> 1. Approve Call for Projects. 2. Briefing on TPB Air Quality Initiatives. 3. Briefing to TPB on NVTA Planning and Programming Initiatives. 4. 5. FC review. 6. Approve schedule and priorities for FY2017-19 Program. 7. Approve HB 599 project selection methodology.
3. I/R	June	<ol style="list-style-type: none"> 1. Review projects for FY2017-19 Program, and develop recommendations for inclusion in HB 599. 2. SPA(s) FY2015-16 review. 3. Distribution of Annual 30% Certification Forms to Member Jurisdictions and notify Authority. 	<ol style="list-style-type: none"> 1. Approve projects for FY2017-19 Program, and develop recommendations for inclusion in HB599. 2. Approve Submitted SPA(s) FY2015-16. 3. Inform FC and Authority of the distribution of the Annual 30% Certification Forms and associated deadlines.

NVTA CY2015 PROGRAM

MONTH		ACTIVITY ¹	ACTION ITEM ²
	July	<ol style="list-style-type: none"> 1. Project selection criteria – coordinate with TAC, PCAC, JACC. 2. TransAction Update Contract Review. 3. SPA(s) FY2015-16 review. 	<ol style="list-style-type: none"> 1. Approve project selection criteria. 2. Authority approval. 3. Approve submitted SPA(s) FY2015-16.
	August		
3. I/R	September	<ol style="list-style-type: none"> 1. SPA(s) FY2015-16 review. 2. Rate projects for FY2017-19 Program. 3. Present recap of Member Jurisdictions' Annual 30% Certification forms. 4. Quarterly cash ladder/investment review (period ended June 30, 2015). 	<ol style="list-style-type: none"> 1. Approve submitted SPA(s) FY2015-16. 2. 3. FC review. 4. FC review.
3. R	October	<ol style="list-style-type: none"> 1. SPA(s) FY2015-16 review. 2. Review Joint Commission on Transportation Accountability report. 3. Distribution of Tax Compliance Certifications for Bond Funded Projects (deadline Nov. 30, 2015). 	<ol style="list-style-type: none"> 1. Approve Submitted SPA(s) FY2015-16. 2. 3. FC review.
4. R	November	<ol style="list-style-type: none"> 1. SPA(s) FY2015-16 review. 2. Review draft HB 599 ratings. 3. Review Annual Report. 4. Presentation of Annual Financial Statements. 	<ol style="list-style-type: none"> 1. Approve submitted SPA(s) FY2015-16. 2. 3. 4. Approval of Annual Financial Statements and Authority approval.
5. I/R 6. OT		<ol style="list-style-type: none"> 5. Annual review of Investment Policy. 6. Quarterly cash ladder/investment review (period ended September 30, 2015). 	<ol style="list-style-type: none"> 5. FC recommendation and Authority approval. 6. FC review.

MONTH	ACTIVITY ¹	ACTION ITEM ²
December	<ol style="list-style-type: none"> 1. SPA(s) FY2015-16 review. 2. Review final HB 599 ratings. 3. 2016 Legislative Program review. 4. Finalize Annual Report 5. 6. Review of Mid-Year Revenue Budget & proposed budget adjustments (if any). 7. Post Issuance Compliance Certification & submission of Audited Financial Statements to VA Auditor of Public Accounts. 8. Confirm Finance Committee meeting schedule for following year. 	<ol style="list-style-type: none"> 1. Approve submitted SPA(s) FY2015-16. 2. HB 599 Presentation of final ratings. 3. Approve 2016 Legislative Program. 4. 5. Establishing Nominating Committee for CY2016 NVTA Officers. 6. FC recommendation and Authority approval for budget adjustments. 7. Certificate of Compliance to FC for recommendation and Authority approval. Confirmation of Submission of F/S to VA Auditor of Public Accounts 8. FC approval.
6. I/R		
7. I/R		
8. I/R		

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Foreman, Chair, Planning Coordination Advisory Committee

DATE: December 11, 2014

SUBJECT: Report from the Planning Coordination Advisory Committee

1. **Purpose.** To provide a report on the activities of the Northern Virginia Transportation Authority's (NVTa) Planning Coordination Advisory Committee (PCAC) meeting.
2. **Comments.** The PCAC held a meeting on Thursday, November 20, 2014. There were no Action Items for consideration. However, the following items were Information/Discussion Items for the Committee:

- a. NVTa Executive Director's Report—Ms. Backmon informed the group that the NVTa received AA+, Aa1 and AA+ with a stable outlook from Fitch, Moody's and S& P respectively. She informed the PCAC that this AA+ credit rating was unusual for an organization's inaugural bond issuance and it speaks to the work done by the NVTa staff and member localities to ensure the success of the Authority.

Ms. Backmon also informed the Committee that although the Authority's FY2015/16 Two Year Program is scheduled for adoption in March, VDOT is seeing some anomalies in HB 599 results which may result in the need to revisit the schedule. Supervisor Letourneau (Loudoun County) asked the reason why VDOT cancelled the meetings with the member localities on the HB 599 results. Ms. Backmon stated that we will find out more information on Monday, November 23 which is the date of the principal's meeting with VDOT to discuss HB 599 tentative results.

Ms. Backmon informed the PCAC that she would like to meet with Chairman Foreman and Vice-Chairman Way to discuss the roles and responsibilities of the PCAC as the Authority develops its Two Year Program and updates its long range transportation plan. This meeting will clarify the role of the Project Implementation Working Group (PIWG) and the PCAC.

- b. Review of the draft Policy Framework for Projects Not Advancing. Mr. Jasper, Staff Coordinator for the PIWG, presented the draft Policy Framework for NVTAs funding projects that are not advancing. The Committee was informed that they will be given a more detailed briefing of the draft policy a future meeting.
- c. Review of the draft 2015 Legislative Program. Ms. Dominguez, Chair of the Jurisdiction and Agency Coordinating Committee, presented the draft 2015 Legislative Program to the PCAC. Ms. Dominguez noted areas in the program which were new or significantly different from the previous program. She informed the PCAC that comments they had on the draft program would be included for NVTAs consideration at the December 11 NVTAs meeting. Supervisor Letourneau requested that the PCAC include a position on the Federal Aviation Administration (FAA) Perimeter Rule consistent with that of member jurisdictions. The Committee unanimously approved a motion, made by Supervisor Letourneau and seconded by Mayor Foreman, supporting the inclusion of a position on the FAA Perimeter Rule. Supervisor Letourneau stated that he would work with staff to provide language on the Perimeter Rule to be included in the 2015 Legislative Program.
- d. Review of HB 2. Ms. Harris and Ms. Dominguez provided an overview of the HB 2 presentation given by the Virginia Office of the Secretary of Transportation at the October 16 Commonwealth Transportation Board meeting. The Committee provided questions and comments to be included in the draft HB 2 comments for consideration at the December 11 NVTAs meeting. Of note, concerns were raised about the coordination between HB 2 and HB 599 and what the two legislations mean for the NVTAs. Additionally, the question was raised that if a member jurisdiction choose not to adopt an Urban Development Area (UDA) would they then be eligible to submit local projects for consideration?
- e. TransAction 2040 Update Listening Session. Dan Malouff, Chair of the TransAction 2040 Update Subcommittee, provided an update on the October 9 TransAction 2040 Plan Update Listening Session. The PCAC discussed its advisory role in the plan update at key milestones.
- f. PCAC 2015 Meeting Schedule. The Committee discussed its meeting schedule for CY2015 to ensure it coordinates with the NVTAs meeting schedule as well as individual member schedules.

3. The next meeting of the PCAC is scheduled for December 18, 2014 at 6:30 pm.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

TECHNICAL ADVISORY COMMITTEE

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Randy Boice, Chair, Technical Advisory Committee

DATE: December 3, 2014

SUBJECT: Report from the Technical Advisory Committee

1. **Purpose.** To provide an update to the Authority on recent activities of the NVTA Technical Advisory Committee (TAC).
2. **Discussion.** At our meeting on October 15, we received an update from NVTA staff on two NVTA topics:
 - FY2015-16 Two Year Program; and
 - Long Term Benefits.
3. **FY2015-16 Two Year Program.** We received an update regarding the October 2 meeting of the Project Implementation Working Group, and subsequent Authority meeting on October 9, regarding the recommended project selection criteria for the Authority's upcoming Two Year Program. I am satisfied that appropriate consideration was given to our comments.
4. **Long Term Benefits.** We received an update on how the NVTA's Long Term Benefits Subcommittee had addressed the previously provided TAC members' observations for the Long Term Benefits Subcommittee report to the Authority. Again, I am satisfied that appropriate consideration was given to our comments.
5. **TransAction 2040 Update.** We were briefed on the Authority's 'Listening Session' on the update to the TransAction 2040 plan, held on October 9, and how NVTA staff planned to seek future inputs from the TAC regarding the development of a scope of work.
6. **Next steps.** Our meeting on November 19 was cancelled to allow VDOT more time to complete its review of the findings from the HB599 Evaluation and Rating Study. At our next meeting on December 17, I anticipate that we will receive a briefing on the measures of effectiveness that were used to evaluate each project.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Noelle Dominguez, Chairman
Jurisdiction and Agency Coordination Committee

SUBJECT: Approval of the Reallocation of Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds for the City of Alexandria, Fairfax County, Prince William County, and the Town of Herndon

DATE: December 5, 2014

- 1. Purpose.** To inform the Authority of Jurisdiction and Agency Coordinating Committee (JACC) approval of CMAQ Reallocation Request for the City of Alexandria, Regional Surface Transportation Program (RSTP) Reallocation Request.
- 2. Background:** On September 11, 2008, the Authority delegated the authority to approve requests to reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding between projects that were previously approved by the NVTa to the Jurisdiction and Agency Coordinating Committee (JACC).

On October 27, 2014, Fairfax County requested the following transfers:

- Transfer \$80,000 in RSTP funds from UPC 11395 (Route 29/Gallows Road Intersection Improvements) to UPC 103581 (I-495 Landscape Project)
- Transfer \$517,000 in RSTP funds from UPC 100471 (Columbia Pike Streetcar Project) to UPC 5559 (Rolling Road Widening Project)

On October 30, 2014, the City of Alexandria requested the following reallocations:

- Swap \$2,171,000 in FY 2018 and \$2,168,000 in FY 2019 PM 2.5 CMAQ funds with the Washington Metropolitan Area Transit Authority (WMATA) in exchange for WMATA general CMAQ funds, \$2,171,000 in FY 2018 and \$2,168,000 in FY 2018.
- \$400,000 in previous year CMAQ funds from UPC 82842 (Holmes Run Trail-Chambliss Crossing) to UPC 81077 (Duke Street Sidewalk at I-395)

The JACC approved these requests on October 30, 2014.

On November 17, 2014, the Town of Vienna requested the following reallocation:

- Transfer \$25,314 in CMAQ funds from UPC 954112 (Purchase Signal Equipment PE Only) to UPC 106524 (Traffic Signal Optimization)

On December 1, 2014, Prince William County requested the following reallocations:

- Transfer \$1,333,089 in RSTP funds from UPC 94904 (Route 1 South) to UPC 102931 (Gideon Drive Sidewalk Project)
- Transfer \$200,000 in FY 2015 RSTP funds from UPC 92080 (Route 28 Widening) to UPC 90519 (Aden Road Bridge)

The JACC approved these requests on December 4, 2014.

Attachment(s): DRAFT Letter to VDOT NOVA District Administrator Cuervo, transfer request Requests from the City of Alexandria, Fairfax County, Prince William County, and the Town of Vienna
Transfer Request Letters from the City of Alexandria, Fairfax County, Prince William County, and the Town of Vienna

Coordination: Jurisdiction and Agency Coordinating Committee



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

December 12, 2014

Ms. Helen Cuervo
 District Administrator
 Virginia Department of Transportation
 4975 Alliance Dr. Suite 4E-342
 Fairfax, Virginia 22030

Reference: Request to Reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds for the City of Alexandria, Fairfax County, Prince William County, and the Town of Herndon

Dear Ms. Cuervo:

On September 11, 2008, the Northern Virginia Transportation Authority (NVTA) delegated the authority to approve requests to reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding between projects that were previously approved by the NVTA to the Jurisdiction and Agency Coordinating Committee (JACC).

On October 27, 2014, Fairfax County requested the following transfers:

- Transfer \$80,000 in RSTP funds from UPC 11395 (Route 29/Gallows Road Intersection Improvements) to UPC 103581 (I-495 Landscape Project)
- Transfer \$517,000 in RSTP funds from UPC 100471 (Columbia Pike Streetcar Project) to UPC 5559 (Rolling Road Widening Project)

On October 30, 2014, the City of Alexandria requested the following reallocations:

- Swap \$2,171,000 in FY 2018 and \$2,168,000 in FY 2019 PM 2.5 CMAQ funds with the Washington Metropolitan Area Transit Authority (WMATA) in exchange for WMATA general CMAQ funds, \$2,171,000 in FY 2018 and \$2,168,000 in FY 2018.
- \$400,000 in previous year CMAQ funds from UPC 82842 (Holmes Run Trail-Chambliss Crossing) to UPC 81077 (Duke Street Sidewalk at I-395)

On November 17, 2014, the Town of Vienna requested the following reallocation:

- Transfer \$25,314 in CMAQ funds from UPC 954112 (Purchase Signal Equipment PE Only) to UPC 106524 (Traffic Signal Optimization)

On December 1, 2014, Prince William County requested the following reallocations:

- Transfer \$1,333,089 in RSTP funds from UPC 94904 (Route 1 South) to UPC 102931 (Gideon Drive Sidewalk Project)
- Transfer \$200,000 in FY 2015 RSTP funds from UPC 92080 (Route 28 Widening) to UPC 90519 (Aden Road Bridge)

Ms. Helen Cuervo
December 12, 2014
Page Two

NVTA's delegation requires that the JACC notify the NVTA of these requests. The JACC approved the requests from Fairfax County and City of Alexandria on October 30, 2014 and the requests from the Town of Vienna and Prince William County on December 4, 2014. The Authority was notified of the JACC's actions on December 11, 2014. The NVTA has not objected to this reallocation.

Please take the necessary steps to reallocate these funds in the Transportation Improvement Program and the State Transportation Improvement Program. Thank you very much.

Sincerely,

Noelle Dominguez
NVTA JACC Chairman

Cc: Martin E. Nohe, Chairman, NVTA
Monica Backmon, Executive Director, NVTA
Jan Vaughn, Transportation Planning Section, VDOT
Sandra Marks, AICP, Deputy Director of Transportation, City of Alexandria
Tom Biesiadny, Director of Transportation, Fairfax County
Thomas Blaser, Director of Transportation, Prince William County
Dennis Johnson, PE, Public Works Director, Town of Vienna



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

October 27, 2014

Ms. Noelle Dominguez, Chairman
Jurisdiction and Agency Coordinating Committee
Northern Virginia Transportation Authority
3060 Williams Drive, Suite 510
Fairfax, Virginia 22030

Re: Reallocation of Regional Surface Transportation Program (RSTP) Funds

Dear Ms. Dominguez:

Fairfax County requests the approval of the Jurisdiction and Agency Coordinating Committee (JACC) to transfer the following funds:

- \$80,000 in RSTP from Fairfax County's Route 29/Gallows Road Intersection Improvements project (UPC 11395) to the I-495 Landscape Project (UPC 103581). The landscaping contract that supports both projects is funded through the I-495 Landscape Project.
- \$517,000 in RSTP from Fairfax County's Columbia Pike Streetcar project (UPC 100471) to the Rolling Road Widening project (UPC 5559).

Also, attached for your convenience are completed CMAQ/RSTP Transfer Request Forms. If you have any questions or concerns about this request please contact Brent Riddle at (703) 877-5659.

Sincerely,

Tom Biesiadny
Director

cc Todd Wigglesworth, Fairfax County Department of Transportation (FCDOT)
Brent Riddle, FCDOT
Ray Johnson, FCDOT
Bethany Mathis, Virginia Department of Transportation (VDOT)
Jan Vaughn, VDOT

Fairfax County Department of Transportation

4050 Legato Road, Suite 400

Fairfax, VA 22033-2895

Phone: (703) 877-5600 TTY: 711

Fax: (703) 877-5723

www.fairfaxcounty.gov/fcdot





October 16, 2014

Noelle Dominguez, Chairperson
Jurisdiction and Agency Coordinating Committee (JACC)
Northern Virginia Transportation Authority (NVTA)
3060 Williams Drive,
Suite 510
Fairfax, Virginia 22031

Re: City of Alexandria's Request to Swap Congestion Mitigation and Air Quality
(CMAQ) Funds with WMATA

Dear Ms. Dominguez,

The City of Alexandria has contacted the Washington Metropolitan Area Transit Authority (WMATA) to notify us of a request to swap \$2,171,000 in FY2018 and \$2,168,000 in FY2019 PM 2.5 CMAQ funds with WMATA in exchange for WMATA general CMAQ funds, \$2,171,000 in FY2018 and \$2,168,000 in FY2019. WMATA is supportive of this request.

If you have any additional questions, please do not hesitate to contact Allison Davis at your earliest convenience at either 202.962.2056 or adavis5@wmata.com.

Best regards,

Thomas Webster
Managing Director
Office of Management and Budget Services

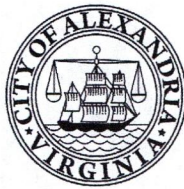
Cc: Sandra Marks, Deputy Director, T&ES
Monica Backmon, Executive Director, NVTA
Jan Vaughan, Prelim Engineering Section, VDOT

**Washington
Metropolitan Area
Transit Authority**

600 Fifth Street, NW
Washington, D.C. 20001
202/962-1234

By Metrorail:
Judiciary Square-Red Line
Gallery Place-Chinatown
Red, Green and
Yellow Lines

A District of Columbia
Maryland and Virginia
Transit Partnership



**DEPARTMENT OF TRANSPORTATION
AND ENVIRONMENTAL SERVICES**

P.O. Box 178 - City Hall
Alexandria, Virginia 22313
703-746-4025

alexandriava.gov

October 30, 2014

Noelle Dominguez, Chairperson
Jurisdiction and Agency Coordinating Committee (JACC)
Northern Virginia Transportation Authority (NVTA)
3060 Williams Drive, Suite 510
Fairfax, Virginia 22031

Dear Ms. Dominguez,

In recent years, the City of Alexandria used its CMAQ/RSTP request to transfer funds amongst already-approved projects in addition to adding an additional year of funding. Because of new requirements associated with the use of PM2.5 CMAQ funds to purchase transit buses, the City has decided to limit the use of PM2.5 CMAQ funds for DASH buses. The City has agreed with the Washington Metropolitan Area Transit Authority (WMATA) to do the following:

- The City will swap \$2,171,000 in FY2018 and \$2,168,000 in FY2019 PM 2.5 CMAQ funds with WMATA in exchange for WMATA general CMAQ funds, \$2,171,000 in FY2018 and \$2,168,000 in FY2019.

The City is requesting that VDOT take the necessary steps to reallocate these funds to complete this request.

If you have any questions, please contact Sandra Marks, Deputy Director for T&ES Transportation Planning at 703.746.4025 or sandra.marks@alexandriava.gov.

Sincerely,

Yon Lambert, AICP
Acting Director

cc: Sandra Marks, AICP, Deputy Director, Transportation Planning, T&ES
Monica Backmon, Executive Director, NVTA
Jan Vaughan, Prelim Engineering Section, VDOT



**DEPARTMENT OF TRANSPORTATION
AND ENVIRONMENTAL SERVICES**

**P.O. Box 178 - City Hall
Alexandria, Virginia 22313
703-746-4025**

alexandriava.gov

October 30, 2014

Noelle Dominguez, Chairperson
Jurisdiction and Agency Coordinating Committee (JACC)
Northern Virginia Transportation Authority (NVTA)
3060 Williams Drive,
Suite 510
Fairfax, Virginia 22031

Re: Reallocate Regional Surface Transportation Program (RSTP) & Congestion Mitigation and Air Quality (CMAQ) Funds

Dear Ms. Dominguez,

The City of Alexandria requests the approval of the Jurisdiction and Agency Coordinating Committee (JACC) to transfer the following funds:

- \$400,000 funds from Holmes Run Trail-Chambliss Crossing (UPC # 82842) to Duke Street Sidewalk at I-395 (UPC # 81077) which is an existing CMAQ project

Because the Holmes Run Trail-Chambliss Crossing project (UPC # 82842) was completed under budget, there were additional funds remaining on this project. The Duke Street Sidewalk at I-395 project (UPC # 81077) will require more funds to construct than was awarded in the original project agreement.

If you have any questions, please feel free to contact me at 703.746.4025 or sandra.marks@alexandriava.gov

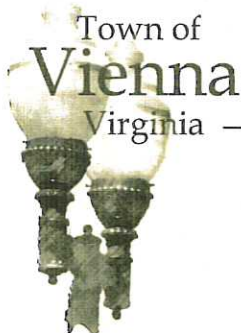
Sincerely,

A handwritten signature in blue ink that reads "Sandra Marks".

Sandra Marks, AICP
Deputy Director, Transportation
Transportation and Environmental Services

Attachment: CMAQ/RSTP Transfer Request Form

**cc: Yon Lambert, Acting Director, Transportation and Environmental Services
Carrie Sanders, Acting Division Chief/Transportation Planning, Transportation and
Environmental Services
Monica Backmon, Executive Director, NVT
Jan Vaughan, Prelim Engineering Section, VDOT**



Department of Public Works

Dennis Johnson, P.E.
Director

November 17, 2014

Noelle Dominguez, Legislative Liaison
Coordination and Funding Division
Fairfax County Department of Transportation
Northern Virginia Transportation Authority, JACC
4050 Legato Road, 4th Floor
Fairfax, VA 22030

RE: Reallocation of CMAQ funds, UPC 95412 to UPC 106524

Dear Ms. Dominguez,

The Town of Vienna requests NVTa JACC concurrence to move the remaining \$25,314 from UPC 95412 Purchase Signal Equipment PE Only to UPC 106524 Traffic Signal Optimization. We are now moving to collect data and retime our signals for maximum efficiency.

My contact information is 703-255-6386 or email at djohnson@viennava.gov.

Sincerely,

Dennis Johnson, PE
Public Works Director

Enclosure: CMAQ/RSTP Transfer Request Form

cc: Jan Vaughan, VDOT Urban Program Manager
Stephen A. Tyrrell, VDOT
Bud Siegel, VDOT



COUNTY OF PRINCE WILLIAM

5 County Complex Court, Suite 290, Prince William, Virginia 22192-9201
(703) 792-6825 Metro (703) 631-1703 Fax (703) 792-7159

DEPARTMENT OF
TRANSPORTATION

Thomas Blaser
Director

December 1, 2014

Noelle Dominguez, Chairman
Jurisdiction and Agency Coordinating Committee
3040 Williams Drive
Fairfax, VA 22031

Dear Chairman Dominguez:

Prince William County requests the approval of the Jurisdiction and Agency Coordinating Committee (JACC) to the following transfer of residual Regional Surface Transportation Program (RSTP) funds.

The first request is to transfer one million three hundred and thirty three thousand and eighty nine dollars (\$1,333,089) in residual (RSTP) Previous (FY05-09) funds from the Route 1 South project, UPC 94904 to the Gideon Drive Sidewalk Project UPC 102931. Since the Route 1 South project is fully funded, the transfer of these residual funds would allow the County to advance the Gideon Drive Sidewalk Project. Gideon Drive Sidewalk project already has RSTP funds; therefore only NVT A JACC approval is needed.

The second request is to transfer two hundred thousand dollars (\$200,000) in residual (RSTP) FY 2015 funds from Route 28 widening (UPC 92080) to the Aden Road Bridge Project (UPC 90519). Aden Rd bridge project already has RSTP funds; therefore only NVT A JACC approval is needed. This transfer will help timely project advertisement.

If you have any questions or comments on this request please contact me at (703) 792-6825.

Sincerely,

Thomas Blaser
Director of Transportation

cc: Brentsville District Supervisor
Neabsco District Supervisor
Dumfries District Supervisor
County Executive
Rick Canizales, Transportation Planning Manager
Claudia Llana, Prince William Preliminary Engineering Manager, VDOT
Norman Whitaker, Transportation Planning Manager, VDOT

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Scott York, Chair - Finance Committee

DATE: December 8, 2014

SUBJECT: December 2014 Finance Committee Report

1. **Purpose.** To provide a monthly report of the activities of the NVTa Finance Committee.
2. **Comments.** The Finance Committee last met on December 5, 2014. The next committee meeting is scheduled for January 16, 2015.
 - a. **There were three Action Items in October:**
 - i. Establish Organizational and Financial Policies. Best practices and the annual audit call for organizational and financial policies. The Council of Counsels, Authority's Independent Auditor as well as Bond Counsel and Financial Advisor (for debt related policies) have reviewed the proposed policies. Policy updates will be presented as warranted. The Finance Committee recommends Authority approval of the proposed policies.
 - ii. Establish Employee Handbook. Best practices call for an employee handbook as a ready tool for staff and to foster a clear understanding of expectations. The Council of Counsels has reviewed the proposed handbook. The handbook will be revised for amendments to the State Code as well as for changing operational, financial and accounting standards and practices. The Finance Committee recommends Authority approval of the proposed handbook.
 - iii. Establish Tax Exempt Bonds Post-Issuance Tax Compliance Policies and Procedures. NVTa must establish policies and procedures to assist in monitoring and maintaining compliance with the provisions of the Internal Revenue Code and the regulations of the U.S. Treasury applicable to Tax-Exempt Bonds in order to preserve their tax-exempt status. These Policies are intended to reflect best practices and to be revised periodically as NVTa's financing plans and other circumstances warrant. The Finance Committee recommendation is approval in substantial form so as to allow additional consideration and coordination related to the upcoming settlement of the Transportation Special Tax Revenue Bonds, Series 2014.

- b. Information/Discussion Items.** Update on the Series 2014 Bond Issuance. The Committee received a verbal report for the CFO which detailed the successful marketing of the Authority's inaugural bond issuance. The Authority's Financial Advisor (PFM) provided further transaction and market details. The Authority's Bond Counsel (McGuireWoods) participated to address any questions on related policies or the transaction settlement. Details of the transaction are:

 - i. Bonds were well received in the market at 2.5X subscribed.
 - ii. The bonds attracted a good variety of bidders.
 - iii. The true interest cost of the bonds is 3.09%
- c. NVTA Receipts Report.** The Committee received and reviewed a report of the FY2015 receipts and 30% jurisdiction funds distribution.
- d. NVTA Operating Budget Report.** The Committee received and reviewed a report of October operational expenditures.
- e. Meeting Schedule for 2015.** The meeting schedule for 2015 was determined as the third Friday of the month at 1:30PM.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Report of NVT A Receipts

DATE: December 8, 2014

1. **Purpose:** Update of HB 2313 receipts, revenue estimates and distributions.
2. **Background:** The attached reports reflect funding received or in process through November 2014.
3. **Comments:**
 - a. **FY 2015 Distribution to localities (Attachment A)**
 - i. The Authority has received approximately \$79.2 million through the November transfers from the Commonwealth.
 - ii. Actual to estimate comparison for revenues through November show a 26.23% positive variance in Grantors Tax receipts and a 1.21% positive variance in Sales Tax receipts. Due to the difference in business cycles amongst the jurisdictions, the Authority has not received a full quarter of Transient Occupancy Tax revenue, making comparison to budget unreliable.
 - b. **FY 2015 Distribution to localities (Attachment B)**
 - i. As of the preparation of this report, five jurisdictions had completed the HB2313 required annual certification process to receive FY2015 30% funds. Postponements of transfers have been discussed with jurisdictional staff where appropriate.
 - ii. Of the \$79.2 million received by the Authority for FY2015, approximately \$23.8 million represents 30% local funds.
 - c. **FY2014 to FY2015 Year to date Revenue Comparison (Attachment C).**
 - i. This chart reflects a month to month comparison of revenue by tax type and a year to year comparison of total revenues received through November.
 - ii. While the chart reflects positive growth in the three revenue types the year to year history for the Authority is very limited.
 - iii. No changes to the FY2015 revenue estimates are recommended at this time.

Attachments:

- A. Revenues Received By Tax Type, Compared to NVT A Estimates, Through November 2014
- B. FY2015 30% Distribution by Jurisdiction
- C. Month to Month Comparison By Tax Type and YTD Receipts Through November 2014 and 2013

Coordination:

Finance Committee

XXX. A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA BUDGET
Based on: Revenue Data Through November 2014
FYE June 30, 2015

Grantors Tax		Received		NVTA FY 2015		Annualized - Actual	Projected
Transaction Months	4	To Date	Annualized	Budget	To Budget		Variance
City of Alexandria		\$ 1,532,216	\$ 4,596,648	\$ 3,195,000	\$ 1,401,648		
Arlington County		\$ 1,446,824	\$ 4,340,471	\$ 4,574,287	\$ (233,816)		
City of Fairfax		\$ 100,339	\$ 301,016	\$ 290,799	\$ 10,217		
Fairfax County		\$ 6,771,049	\$ 20,313,146	\$ 15,169,980	\$ 5,143,166		
City of Falls Church		\$ 111,648	\$ 334,944	\$ 263,319	\$ 71,625		
Loudoun County		\$ 3,418,238	\$ 10,254,715	\$ 8,466,000	\$ 1,788,715		
City of Manassas		\$ 103,514	\$ 310,541	\$ 272,917	\$ 37,624		
City of Manassas Park		\$ 71,678	\$ 215,034	\$ 149,692	\$ 65,342		
Prince William County		\$ 1,972,443	\$ 5,917,330	\$ 4,521,672	\$ 1,395,658		
Total Grantors Tax Revenue		\$ 15,527,948	\$ 46,583,845	\$ 36,903,666	\$ 9,680,179		26.23%

Regional Sales Tax*		Received		FY 2015		Annualized - Actual	
Transaction Months	3	To Date	Annualized	Budget	To Budget		
City of Alexandria		\$3,185,323	\$ 12,741,291	\$ 14,891,000	\$ (2,149,709)		
Arlington County		\$5,898,067	\$ 23,592,268	\$ 23,984,390	\$ (392,122)		
City of Fairfax		\$1,831,615	\$ 7,326,459	\$ 6,536,626	\$ 789,833		
Fairfax County		\$26,297,190	\$ 105,188,760	\$ 100,596,000	\$ 4,592,760		
City of Falls Church		\$578,066	\$ 2,312,264	\$ 2,498,666	\$ (186,402)		
Loudoun County		\$9,918,754	\$ 39,675,016	\$ 40,086,000	\$ (410,984)		
City of Manassas		\$1,179,281	\$ 4,717,124	\$ 4,620,629	\$ 96,495		
City of Manassas Park		\$329,432	\$ 1,317,727	\$ 930,903	\$ 386,824		
Prince William County		\$8,488,502	\$ 33,954,008	\$ 33,928,982	\$ 25,026		
Total Sales Tax Revenue*		\$ 57,706,230	\$ 230,824,918	\$ 228,073,196	\$ 2,751,722		1.21%

Transient Occupancy Tax (TOT)		Received		FY 2015		Annualized - Actual	
Transaction Months	2.21	To Date	Annualized	Budget	To Budget		
City of Alexandria	3.00	\$ 900,836	\$ 3,603,345	\$ 3,364,000	\$ 239,345		
Arlington County	3.00	\$ 2,256,947	\$ 9,027,789	\$ 8,890,830	\$ 136,959		
City of Fairfax	3.00	\$ 101,649	\$ 135,532	\$ 349,526	\$ (213,994)		
Fairfax County	0.67	\$ 1,399,718	\$ 8,398,310	\$ 8,965,800	\$ (567,490)		
City of Falls Church	3.00	\$ 17,959	\$ 71,835	\$ 143,309	\$ (71,474)		
Loudoun County	1.00	\$ 877,551	\$ 3,510,202	\$ 2,020,000	\$ 1,490,202		
City of Manassas	3.00	\$ 16,362	\$ 65,447	\$ 78,546	\$ (13,099)		
City of Manassas Park		\$ -	\$ -	\$ -	\$ -		
Prince William County	1.00	\$ 424,603	\$ 1,698,414	\$ 1,446,000	\$ 252,414		
Total TOT Revenue		5,995,625	26,510,874	\$ 25,258,011	1,252,863		4.96%
Total Revenue Received		\$ 79,229,803	\$ 303,919,637	\$ 290,234,873	\$ 13,684,764		4.72%

*The Regional Sales Tax is reported net of the following fees:

August Receipt	\$ -
September Receipt	\$ -
October Receipt	\$ 22,065
November Receipt	\$ 1,035
	<u>\$ 23,101</u>

It is too early in the FY to annualize receipts since we haven't received the full 1st quarter receipts

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
FY 2015 30% DISTRIBUTION BY JURISDICTION

Based on: Receipts through November 2014

Jurisdiction	Grantor's Tax	Regional Sales Tax (1)	Transient Occupancy Tax (2)	Total	30% Funds	Accrued Interest (3)	Prior Distributions	Current Month Distribution	Total Funds Transferred
City of Alexandria	\$ 1,532,216.00	\$ 3,185,322.84	\$ 900,836.27	\$ 5,618,375.11	\$ 1,685,512.53	24.80		\$ 1,685,537.33	
Arlington County	\$ 1,446,823.65	\$ 5,898,066.99	\$ 2,256,947.24	\$ 9,601,837.88	\$ 2,880,551.36	42.51	\$ 1,927,667.05	\$ 952,926.82	\$ 2,880,593.87
City of Fairfax	\$ 100,338.75	\$ 1,831,614.77	\$ 101,649.10	\$ 2,033,602.62	\$ 610,080.79	10.63		\$ 610,091.42	
Fairfax County	\$ 6,771,048.75	\$ 26,297,190.01	\$ 1,399,718.36	\$ 34,467,957.12	\$ 10,340,387.14	148.79	\$ 6,809,104.44	\$ 3,531,431.49	\$ 10,340,535.93
City of Falls Church	\$ 111,648.05	\$ 578,066.00	\$ 17,958.71	\$ 707,672.76	\$ 212,301.83	3.54		\$ 212,305.37	
Loudoun County	\$ 3,418,238.36	\$ 9,918,753.98	\$ 877,550.62	\$ 14,214,542.96	\$ 4,264,362.89	63.77	\$ 2,868,974.54	\$ 1,395,452.12	\$ 4,264,426.66
City of Manassas	\$ 103,513.50	\$ 1,179,281.03	\$ 16,361.64	\$ 1,299,156.17	\$ 389,746.85	7.09	\$ 265,664.35	\$ 124,089.59	\$ 389,753.94
City of Manassas Park	\$ 71,678.10	\$ 329,431.87	\$ -	\$ 401,109.97	\$ 120,332.99	3.54	\$ 81,722.36	\$ 38,614.17	\$ 120,336.53
Prince William County	\$ 1,972,443.29	\$ 8,488,502.05	\$ 424,603.39	\$ 10,885,548.73	\$ 3,265,664.62	49.60		\$ 3,265,714.22	
Total Revenue	\$ 15,527,948.45	\$ 57,706,229.54	\$ 5,995,625.33	\$ 79,229,803.32	\$ 23,768,941.00	\$ 354.27	\$ 11,953,132.74	\$ 11,816,162.53	\$ 17,995,646.93

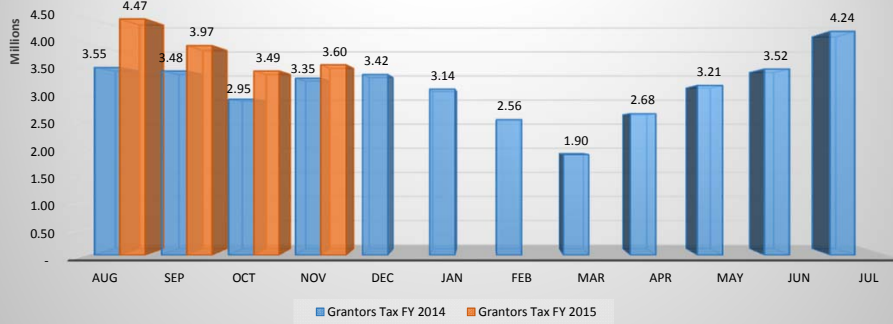
1 Net of Dept. of Taxation Fees

2 County TOT includes any town collections

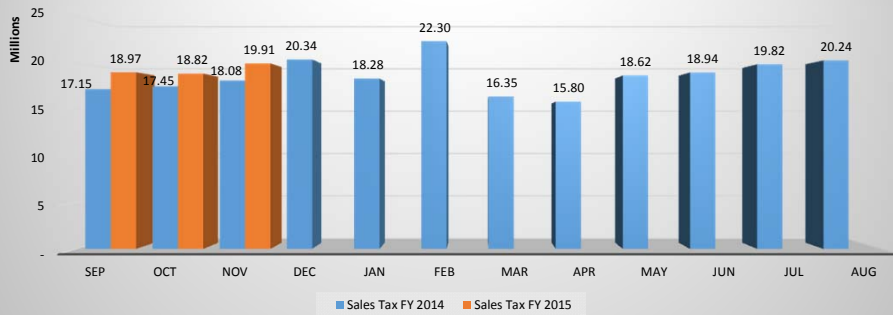
3 Interest earned through 9/30/2014

XXX.C

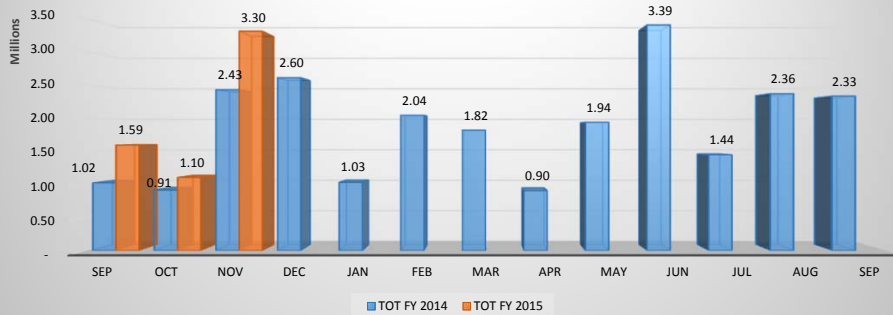
**Grantors Tax
(month received)**



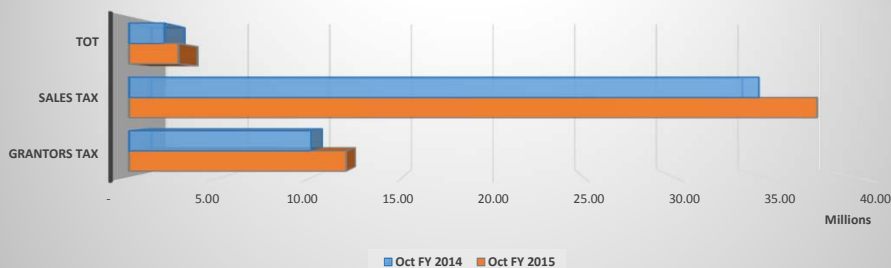
**Sales Tax
(month received)**



**Transient Occupancy Tax
(month received)**



**YTD Receipt Comparison
October FY2014 and FY2015**



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe, Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: NVTA Operating Budget

DATE: December 8, 2014

1. **Purpose:** To update the Authority on the NVTA Operating Budget for FY2015.
2. **Background:** The NVTA operating budget is funded through the participating jurisdictions. All jurisdictions have contributed their respective share of the FY2015 operating budget.
3. **Comments:**
 - a. The Authority ended FY2014 with a greater than expected budget surplus. The surplus amount of \$24,142(audited) is reflected in the income section of the attached report as a positive variance. Four months into FY2015, expenditures are in line with the budget.
 - b. October represents 33% of the fiscal year. Through October, the Authority has utilized 28.9% of its expenditure budget.

Attachment: FY2015 Operating Budget through October 31, 2014

Coordination: NVTA Finance Committee

Northern Virginia Transportation Authority FY 2015 Operating Budget October 31, 2014			
INCOME:	Approved Budget	Actual Receipts	Variance Budget to Actual
Budget Carryforward	\$ 270,000.00	\$ 294,142.00	\$ 24,142.00
Interest (70% Regional Revenues) *			-
Billed to Member Jurisdictions	1,149,473.00	1,149,473.00	-
Misc. Income			-
Reimbursement -LOC Cost of Issuance			-
Total Income	1,419,473.00	1,443,615.00	24,142.00
EXPENDITURES:	Approved Budget	Actual Expenditures	Variance Budget to Actual
Personnel Expenditures			
Salaries	\$ 611,290.00	\$ 212,431.74	\$ 398,858.26
Benefits	180,350.00	25,405.08	154,944.92
Taxes	48,100.00	15,918.40	32,181.60
Personnel Subtotal	839,740.00	253,755.22	585,984.78
Professional Service			
Audit/Accounting	27,500.00	14,500.00	13,000.00
Banking Services	1,000.00	129.57	870.43
Insurance	3,700.00	3,811.00	(111.00)
Payroll Services	2,000.00	311.14	1,688.86
Transaction Update Outreach	46,200.00	-	46,200.00
Public Outreach	23,800.00	6,407.80	17,392.20
Professional Subtotal	104,200.00	25,159.51	79,040.49
Technology/Communication			
Accounting & Financial Reporting System	25,000.00	5,031.25	19,968.75
Hardware Software & Peripherals Purchase	7,000.00	2,800.00	4,200.00
IT Support Services including Hosting	11,794.00	4,235.98	7,558.02
Phone Service	7,060.00	1,827.91	5,232.09
Web Development & Hosting	30,000.00	1,065.00	28,935.00
Subtotal Technology/Communication	80,854.00	14,960.14	65,893.86
Administrative Expenses			
Advertisements	6,000.00	-	6,000.00
Dues & Subscriptions	2,500.00	410.00	2,090.00
Duplication/Printing	15,000.00	1,006.00	13,994.00
Furniture/Fixtures	58,000.00	38,503.13	19,496.87
Meeting Expenses	3,600.00	448.61	3,151.39
Mileage/Transportation	7,200.00	623.52	6,576.48
Miscellaneous Expense (moving expense)	5,000.00	-	5,000.00
Office Lease	50,000.00	5,535.00	44,465.00
Office Supplies	5,200.00	1,078.83	4,121.17
Postage/Delivery	600.00	38.59	561.41
Professional Development/Training	5,000.00	310.00	4,690.00
Subtotal Administrative Expenses	158,100.00	47,953.68	110,146.32
Expenditure Subtotal	1,182,894.00	341,828.55	841,065.45
Operating Reserve (20%)	236,579.00	-	236,579.00
Total Expenditures	1,419,473.00	341,828.55	1,077,644.45
Budget Balance	\$ -	\$ 1,101,786.45	\$ 1,101,786.45
Member Jurisdiction Support			
Jurisdiction	2010 Population	FY 2015 Support Amounts	
City of Alexandria	6.30%	\$ 72,417	
Arlington County	9.40%	\$ 108,050	
City of Fairfax	1.00%	\$ 11,495	
Fairfax County	48.00%	\$ 551,747	
City of Falls Church	0.60%	\$ 6,897	
Loudoun County	14.20%	\$ 163,225	
City of Manassas	1.70%	\$ 19,541	
City of Manassas Park	0.60%	\$ 6,897	
Prince William County	18.20%	\$ 209,204	
		\$ 1,149,472	

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Euille, Chair, Financial Working Group

DATE: December 8, 2014

SUBJECT: Report of the Financial Working Group

1. **Purpose.** To provide a report on the activities of the Northern Virginia Transportation Authority's (NVTA) Financial Working Group (FWG).
2. **Comments.** Since the October 9, 2014, Authority meeting, the Financial Working Group has continued its efforts to implement the financial aspects of HB 2313. Several subcommittee meetings were also held during this period. The working group's significant activities are discussed below.
3. **Agreements.** A joint subcommittee of the Financial Working Group and the Council of Counsels prepared four agreements for the Authority's consideration. With the Authority's action on July 24, 2014, each of the four agreements has been approved. However, there is one agreement that required revision. Following the Authority's adoption of the Standard Project Agreement for projects funded with the 70 percent funding that the Authority is retaining, several issues with the agreement surfaced specifically as it affects projects that will be implemented directly by VDOT. The subcommittee and VDOT staff worked to resolve several inconsistencies between the requirements the General Assembly placed on the Authority and VDOT's statutory and policy requirements. The parties reached agreement, and the revised Standard Project Agreement for projects being implemented by VDOT was approved by the Authority on October 9, 2014. The agreement was subsequently approved by the Commonwealth Transportation Board on November 12, 2014. As a result of these approvals, the Secretary of Transportation has signed Standard Project Agreements for three projects on Route 28. These project agreements are on the Authority's December 11, 2014, agenda for consideration as Agenda Items X, XI, and XII.
4. **Series 2014 Bonds.** The Authority is implementing its FY2014 plan of finance by marketing the Series 2014 Bonds on December 4, 2014. The Authority will refinance the line of credit

established with the Bank of America through the issuance of the Series 2014 Bonds at a true interest rate of 3.09 percent.

- 5. Revenue Collections.** Through November 2014, the Commonwealth has transferred \$79.2 million in FY 2015 revenues to the Authority. The Authority has distributed 30 percent funding to five jurisdictions, and is working with the remaining four jurisdictions to assist their efforts in completing the FY 2014 certifications. Completion of the certifications will allow the Authority to distribute all FY 2015 30 percent revenues.
- 6. Measurement of Long-Term Benefit.** HB 2313 requires that each jurisdiction's long-term benefit from the implementation of the regional projects supported by the 70 percent of funding that the Authority will retain be proportional to its share of the revenues collected. To better determine "long-term benefit," the Working Group established a subcommittee to discuss alternatives. The subcommittee discussed alternative ways to measure benefit for both highway and transit projects, and prepared draft recommendations. These draft recommendations were discussed with the Authority's Technical Advisory Committee (TAC) on September 17 and the Jurisdiction and Agency Coordinating Committee (JACC). The TAC and the JACC provided several comments which the subcommittee incorporated into the recommendations. The Financial Working Group presented its recommendations to the Authority on October 24. Based on the Authority's input, some revisions have been made to the benefit documents, and its recommendations are on the Authority's December 11, 2014, meeting agenda for consideration as Agenda Item XVI.

Coordination: Members, NVTJ Jurisdiction and Agency Coordinating Committee
Members, NVTJ Financial Working Group
Members, NVTJ Council of Counsels
Ms. Backmon, Executive Director
Mr. Longhi, Chief Financial Officer

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: December 11, 2014

SUBJECT: Executive Director's Report

- 1. Purpose:** To inform the Authority of items of interest not addressed in other agenda items.
- 2. NVTA's Transportation Special Tax Revenue Bonds, Series 2014 totaling \$69,000,000:**
Fitch, Moody's and Standard & Poor's have given the NVTA's Transportation Special Tax Revenue Bonds, Series 2014 a highly coveted rating of AA+/Aa1/AA+ respectively. All ratings include a stable outlook. This is the first series of bonds issued by the Authority. Rating agencies cited a number of key rating drivers in their decision including: robust cash flow and capital needs, good revenue performance, strong service area, sound additional bond provisions, strong governance and no operating risk. These ratings allow the Authority to proceed with previously approved financing plans with a settlement in mid-December.
- 3. Advancing FY14 Projects:** As of the NVTA action on December 11th, the Authority has approved 26 Standard Project Agreements (SPAs) for the FY14 projects. Of the nine (9) SPAs approved tonight, three (3) represent the much anticipated Route 28 Project in Fairfax and Loudoun Counties which is being constructed by the Virginia Department of Transportation (VDOT). At the October 9th NVTA meeting, the Authority approved the SPA between NVTA and VDOT allowing NVTA projects fully funded by HB 2313 revenues to be constructed by VDOT.

The approval of these agreements is the first step to advancing the approved FY14 projects. The attached handout details the status of the projects with approved SPAs.
- 4. Mapping:** The NVTA staff has developed an interactive map of the FY14 approved projects using Google Earth. The map will be an important visual tool for the public and anyone interested in monitoring the progress of the NVTA funded projects. The map shows which corridor the project is located (per the corridors identified in TransAction 2040), the locality in which the project is located, project type, project description and the NVTA approved funding for the project. [Google Earth Map of FY14 Projects](#)

5. **NVTA FY15/16 Communication Plan:** As identified in the NVTA FY15/16 Communication Plan adopted at the October 9th Authority meeting, in addition to other outreach efforts as identified in the Plan, NVTA staff has developed an electronic newsletter designed to increase our grassroots communication. The newsletter will note all major accomplishments and milestones of the Authority.
6. **NVTA Annual Report:** The NVTA staff is in the process of developing the Authority's first Annual Report. This report will highlight the progress we've made in regional collaboration and transportation initiatives. Reviewing our accomplishments over the past year is a reminder to me that the work we do at the Authority affects every resident, business and visitor to our region in a very real way.

I anticipate presenting the Annual Report to the Authority in the winter of 2015 meeting.

Attachments:

- A. FY14 Transportation Projects Advancing as of December 11, 2014
- B. Press Release on NVTA's Transportation Special Tax Revenue Bonds, Series 2014
Total \$69,000,000



NVTA Project Funding Continues to Move XXXIV.A Forward!

26 Transportation Projects Funded as of December 2014

As of December 2014, eight additional projects will be advanced for funding including two projects for the Virginia Railway Express; three projects for the City of Alexandria; one project for the City of Falls Church; and three projects for the Virginia Department of Transportation.

ARLINGTON COUNTY

Blue/Silver Line Mitigation – Purchase of four new transit buses to introduce Silver Line connecting service. Arlington Transit will use the four 19 passenger buses to add capacity on the ART 43 Route between Crystal City, Rosslyn, and Court House.

- **NVTA Funds:** \$1 million
- **Status:** Buses acquired in March 2014. The service was initiated on March 31, 2014.

Boundary Channel Drive Interchange – Constructs two roundabouts at the terminus of the ramps from I-395 to Boundary Channel Drive, which eliminate redundant traffic ramps to/from I-395. In addition, the project will create multi-modal connections to/from the District of Columbia that will promote alternate modes of commuting into and out of the District.

- **NVTA Funds:** \$4,335,000
- **Status:** Planning and design underway.

Columbia Pike Multimodal Improvement – Includes a modified street cross-section with reconfigured travel and transit lanes, medians and left-turn lanes, utility undergrounding and other upgrades along Arlington's 3.5 mile Columbia Pike corridor from the Fairfax County line on the west end to Four Mile Run.

- **NVTA Funds:** \$12 million
- **Status:** Design underway.

Crystal City Multimodal Center – Provides four additional saw-tooth bus bays for commuter and local bus services, seating, dynamic information signage, lighting, additional bicycle parking, curbside management plan for parking, kiss and ride, and shuttles, and pedestrian safety improvements along 18th Street South between South Bell Street and South Eads Streets.

- **NVTA Funds:** \$1.5 million
- **Status:** Construction started in late October, with completion to coincide with opening of Arlington's portion of the Metroway dedicated facilities, scheduled for March 2015.

LOUDOUN COUNTY

Leesburg Park and Ride – Funding of land acquisition for a second Leesburg Park and Ride facility to accommodate a minimum of 300 spaces.

- **NVTA Funds:** \$1 million
- **Status:** In process of acquiring the identified property.

LC Transit Buses – New transit buses to introduce Silver Line connecting service.

- **NVTA Funds:** \$880,000
- **Status:** In process of ordering buses.

Belmont Ridge Road (North) – Widening of Belmont Ridge between Gloucester Parkway and Hay Road Segment, including a grade separation structure to carry the W&OD trail over Belmont Ridge Road.

- **NVTA Funds:** \$20 million
- **Status:** Contractor selection in process for Design/Build. VDOT will issue an RFP this fall.

PRINCE WILLIAM COUNTY

Route 1 Widening from Featherstone Road to Marys Way – Widen Route 1 from a 4 lane undivided highway to a 6 lane divided highway; including a multi-use trail on west side and a sidewalk on the east side.

- **NVTA Funds:** \$3 million
- **Status:** Currently is under design phase. RDA secured as the consultant.

Route 28 Widening from Linton Hall Road to Fitzwater Drive -- Widen from a 2-lane undivided roadway to a 4-lane divided highway. Project includes relocation and re-alignment of Route 215 (Vint Hill Road) and construction of a multi-use trails on the south side and a sidewalk on the north side.

- **NVTA Funds:** \$28 million
- **Status:** Currently under Right-of-Way acquisition and utility relocation.

CITY OF ALEXANDRIA

Potomac Yard Metrorail Station EIS – This project supports ongoing design and environmental activities associated with the development of a new Blue/Yellow Line Metrorail station at Potomac Yard, located between the existing Ronald Reagan Washington National Airport Station and Braddock Road Station.

- **NVTA Funds:** \$2 million
- **Status:** The City expects to make a decision on the Locally Preferred Alternative in the second quarter of 2015.

Shelters and Real Time Transit Information for DASH/WMATA – Constructs bus shelters and provides associated amenities such as real time information at high ridership stops.

- **NVTA Funds:** \$450,000
- **Status:** Installation is expected to commence in spring 2015 and be completed during winter 2016/2017.

Traffic Signal Upgrades/Transit Signal Priority – Includes design of transit priority systems on Route 1 and Duke Street, and purchase of equipment and software to install transit signal priority and upgrade traffic signals on Route 1.

- **NVTA Funds:** \$660,000
- **Status:** Design begins in spring 2015; completion of installation expected during winter 2016/2017.

CITY OF FAIRFAX

Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place – Widens Route 123 (Chain Bridge Road) to six lanes, improves the lane alignments of the roadway approaches for the intersection of Route 29/50 (Fairfax Boulevard) at Route 123 and improves pedestrian accommodations at all legs of the intersection. Includes extensive culvert improvements to eliminate roadway flooding caused by the inadequate culvert under Route 123.

- **NVTA Funds:** \$5 million
- **Status:** Right of Way acquisition.

CITY OF FALLS CHURCH

Bus Stops Changes – Includes the provision of shelters and pedestrian way-finding information. Also includes consolidation of existing stops, design, ROW acquisition, and construction for bus stop changes along Route 7, and provision of bus shelters.

- **NVTA Funds:** \$200,000
- **Status:** Final engineering review; procurement during winter 2014/15.

Pedestrian Access to Transit – Includes the provision of enhanced pedestrian connections to the Intermodal Plaza being designed for the intersection of South Washington Street and Hillwood Avenue. The Intermodal Plaza will serve as a focal point for bus transportation in the area when completed. Project includes design, ROW acquisition, and construction.

- **NVTA Funds:** \$700,000
- **Status:** Engineering/initial design.

POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION

Gainesville New Service Bus – Funding to acquire one commuter bus for new PRTC Gainesville Service.

- **NVTA Funds:** \$559,275.00
- **Status:** Delivery of bus in Spring 2014; approved for payment in August 2014.

VIRGINIA RAILWAY EXPRESS (VRE)

Gainesville to Haymarket Extension – Corridor study and preliminary development of an 11-mile VRE extension from Manassas to Gainesville-Haymarket.

- **NVTA Funds:** \$1.5 million
- **Status:** Target to issue an RFP in December 2014; awards in early 2015.

Alexandria Station Tunnel – This project includes a pedestrian tunnel connection between Alexandria Union Station/VRE Station and the King Street Metrorail Station, as well as the improvement of the VRE station east side platform to enable it to service trains on both sides.

- **NVTA Funds:** \$1.3 million
- **Status:** – Feasibility study and conceptual design studies complete. Ready to begin preliminary engineering.

Lorton Station Second Platform – This project includes final design and construction of a 650 foot second platform at the VRE Lorton Station in Fairfax County to accommodate trains up to 8 cars in length.

- **NVTA Funds:** \$7.9 million
- **Status:** Preliminary engineering underway.

VIRGINIA DEPARTMENT OF TRANSPORTATION (VDOT)

Route 28 Hot Spot Improvements (Loudoun Segment) – Loudoun segment of Route 28 improvements from Sterling Blvd. to the Dulles Toll Road.

- **NVTA Funds:** \$12.4 million
- **Status:** Agreement finalized and awaiting final signature. Anticipated Notice to Proceed January 2015, expected complete in mid-2016.

Route 28 Widening Dulles Toll Road to Route 50 – Widen Route 28 from 3 to 4 lanes Southbound from Dulles Toll Road to Route 50.

- **NVTA Funds:** \$20 million
- **Status:** Agreement finalized and awaiting final signature. Anticipated Notice to Proceed January 2015, expected complete at end of 2016.

Route 28 Widening McLearen Road to Dulles Toll Road – Widen Route 28 from 3 to 4 lanes Northbound from McLearen Road to Dulles Toll Road.

- **NVTA Funds:** \$11.1 million
- **Status:** Agreement finalized and awaiting final signature. Anticipated Notice to Proceed January 2015, expected complete in mid-2016.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Transit Alternatives Analysis (Route 7 Corridor Fairfax County/Falls Church/Arlington County/Alexandria) – Corridor study to study transit options on Route 7.

- **NVTA funds:** \$838,000 (100 percent of study cost)
- **Status:** Study underway, NVTC Issued the full Notice to Proceed in November; currently developing an outreach plan; expected complete in February 2016.

TOWN OF HERNDON

Intersection improvements (Herndon Parkway/Sterling Road) – Funding for street capacity improvements for congestion relief. Project includes ROW acquisition and construction.

- **NVTA funds:** \$500,000
- **Status** – Improvement became operational in November 2015; sidewalk improvements are expected during the first half of 2015.

Intersection improvements (Herndon Parkway/Van Buren Street)—Funding for street capacity improvements for congestion relief.

- **NVTA funds:** \$500,000
- **Status:** Procurement, award expected in January 2015.

Access improvements (Silver Line Phase II – Herndon Metrorail Station)

- **NVTA funds:** \$1.1 million
- **Status:** Procurement, award expected in January 2015.



XXIV.B MEDIA RELEASE

For Immediate Release
November 20, 2014

Contact: Kala Quintana
703-642-4651

kala.quintana@thenovaauthority.org

THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY AWARDED AA+/Aa1/AA+ BOND RATING BY TOP THREE BOND RATING AGENCIES; OUTLOOK STABLE

NVTA's Transportation Special Tax Revenue Bonds, Series 2014 Total \$69,000,000

NORTHERN VIRGINIA—As of November 24, 2014 **Fitch, Moody's and Standard & Poor's** have given the Northern Virginia Transportation Authority's Transportation Special Tax Revenue Bonds, Series 2014 a highly coveted rating of AA+, Aa1 and AA+ respectively. All ratings include a stable outlook.

This is the first series of bonds issued by the Authority. Rating agencies cited a number of key rating drivers in their decision including: robust cash flow and capital needs, good revenue performance, strong service area, sound additional bonds provision, strong governance and no operating risk.

What the Ratings Agencies Are Saying About NVTA

Fitch stated, "Fitch believes the NVTA will prudently manage execution of its capital plan and debt issuance in lock step with the strong financial and debt management practices demonstrated by the state and local governments represented on the NVTA board. Fitch rates the general obligation bonds of the Commonwealth and five of the nine NVTA member jurisdictions 'AAA'."

Moody's noted, "The Aa1 initial rating reflects the Authority's strong, diverse and wealthy economic base from which the pledged revenues are generated; a relatively stable historical trend of pledged revenues that support solid debt service coverage; and satisfactory legal provisions." Moody's added, "The stable outlook reflects the expectation that the Authority's economic base will remain strong, supporting continued growth in pledged revenues and solid debt service coverage."

Northern Virginia Transportation Authority Chairman **Marty Nohe** stated, "We are pleased by the ratings awarded to the Northern Virginia Transportation Authority by the bond rating agencies. These ratings pave the way for the Authority to continue to advance regional projects as quickly as possible, at low interest rates, achieving real congestion relief in Northern Virginia. The AA+/Aa1/AA+ ratings also affirm our promise to taxpayers that all financial activities of the Authority are conducted in a manner of utmost transparency and respect for our partner's excellent individual credit ratings."

The Authority funds a mix of transportation projects including regional, congestion-reducing, road and transit investments.

THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY (NVTA) was created by the General Assembly on July 1, 2002, to offer a common voice for Northern Virginia on transportation and other issues that confront the region. The Authority is made up of nine jurisdictions including: the counties of Arlington, Fairfax, Loudoun and Prince William; as well as the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The Authority is responsible for updating Northern Virginia's long-range transportation plan, TransAction, and manages approximately \$300 million annually in public funds for transportation projects designed to provide congestion relief throughout Northern Virginia.

##TheAuthority##

Correspondence Section



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

October 27, 2014

Ms. Wendy Block-Sanford
City of Fairfax
10455 Armstrong Street
Fairfax, VA. 22030

Dear Ms. Block-Sanford,

I am responding to your letter dated October 2, 2014, requesting a determination from the NVTA Council of Counsels about the eligibility of projects that the City of Fairfax is considering funding – either completely or as a match to Revenue Sharing funds - with 30 % NVTA HB 2313 revenues.

As identified in your letter, the City is seeking to fund the following projects with 30% HB 2313 revenues:

- Installation of back-up battery systems for traffic signals.
- Upgrade of a traffic signal (installation of new signal heads, wiring, span cable, controller cabinets, detector loops, signs, and service disconnect box).
- Construction of a new sidewalk (or trail).

Per the opinion of the NVTA Council of Counsels, the City's three projects fit the 30% funding eligibility criteria of "capital improvements that reduce congestion."

As stated in the HB 2313 legislation, 30% revenues can be used for the purposes identified below:

1. additional urban or secondary road construction,
2. for capital improvements that reduce congestion,
3. for other transportation improvements that have been approved by the most recent long range transportation plan adopted by the Authority,
4. or for public transportation purposes.

If you have any additional questions on the appropriateness of a specific intended use or expenditure, please let me know and I will be glad to work through the question with the City.

Best Regards,


Monica Backmon
Executive Director



City of Fairfax

***10455 Armstrong Street
Fairfax, Virginia 22030-3630***

October 2, 2014

Ms. Monica Backmon
Executive Director
Northern Virginia Transportation Authority
3060 Williams Drive, Suite 510
Fairfax, Virginia 22031

Re: Request for determination about Project Eligibility Utilizing 30% Funding

Dear Ms. Backmon:

The City of Fairfax requests a determination from the NVTa Council of Counsels about eligibility for the following projects that the City is considering funding – either completely or as a match to Revenue Sharing funds - with 30 percent NVTa funding.

- Installation of back-up battery systems for traffic signals
- Upgrade of a traffic signal (installation of new signal heads, wiring, span cable, controller cabinets, detector loops, signs, and service disconnect box)
- Construction of a new sidewalk (or trail)

The City believes these projects are eligible to be funded with the City's 30 percent funding since they meet the criterion of "public transportation purposes".

Sincerely,

Wendy Block Sanford

Wendy Block Sanford
Transportation Director

CC: Robert Sisson, City Manager
David Hodgkins, Assistant City Manager/CFO
Brian Lubkeman, City Attorney

Camela Speer

From: Alan Franks <guitar_guy@earthlink.net>
Sent: Wednesday, October 22, 2014 8:49 AM
To: The Authority
Subject: Relieving Traffic Congestion

Hi,

I've been reading (and hearing on the radio) about how much of our tax dollars will need to go towards building roads in order to keep up with growth in N. VA. I live in Fairfax county and work at a large Credit Union in Vienna, VA. It's no surprise that I, and my co-workers spend countless hours a year just sitting in traffic. Large organizations (like the one I work for) like to talk about how socially and environmentally conscious they are. But when it comes to the most obvious social and environmental gesture, allowing telework, they don't want to talk about it.

I feel that the state and/or local jurisdictions should publically request that employers to allow employees to telework. Other than "the old boys" not liking it because of old ways of thinking, it forces a much needed public conversation. This seems like the elephant in the room and the seems like the first step towards addressing our congestion issues.

Thanks
Alan



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

October 31, 2014

Mr. Jim Maslanka
Manager of Capital Programs
Transportation and Environmental Engineering Department
City of Alexandria
421 King Street, Suite 4000
Alexandria, VA 22314

Dear Mr. Maslanka,

I am responding to your October 16th email request for clarification on eligible uses of the Northern Virginia Transportation Authority (NVTA) HB 2313 30% revenues. Per your email, the City's Capital Improvement Program states that the NVTA 30% funds will be used for operation and maintenance of the Crystal City/Potomac Yard Transitway. The maintenance budget for the Transitway includes activities required to maintain the landscaping in the median of the Transitway, such as watering of plants and trees. Before expending funds for this maintenance, the City would like to clarify that maintenance of a public transportation facility (including landscaping) is an eligible use of the NVTA 30% fund.

Per the opinion of the NVTA Council of Counsels, the City's proposed use of 30% funding for activities required to maintain the landscaping in the median of the Transitway, such as watering of plants and trees, is not eligible for 30% funding per the use of 30% revenues as specified in the legislation.

As stated in the HB 2313 legislation, 30% revenues can be used for the purposes identified below:

1. additional urban or secondary road construction,
2. for capital improvements that reduce congestion,
3. for other transportation improvements that have been approved by the most recent long range transportation plan adopted by the Authority,
4. or for public transportation purposes.

If you have any additional questions on the appropriateness of a specific intended use or expenditure of HB 2313 revenues, please let me know and I will be glad to work through the question with the City.

Best Regards,


Monica Backmon
Executive Director

Monica Backmon

From: Jim Maslanka <Jim.Maslanka@alexandriava.gov>
Sent: Thursday, October 16, 2014 1:28 PM
To: Monica Backmon
Cc: Lee Farmer; Pierre Holloman
Subject: Use of 30% NVTA Funds

Monica ,

The City of Alexandria would like clarification on eligible uses for NVTA 30% funds. The City's Capital Improvement Program states that NVTA 30% funds will be used for operation and maintenance of the Crystal City/Potomac Yard Transitway. The maintenance budget for the Transitway includes activities required to maintain the landscaping in the median of the Transitway, such as watering of plants and trees. Before expending funds for this maintenance, the City would like to clarify that maintenance of a public transportation facility (including landscaping) is an eligible use of NVTA 30% funds. Could you please ask the Council of Councils for their opinion?

Luckily the weather has cooperated with us recently, in providing natural watering, but we would really like to get this resolved as soon as possible, so that we can pay someone to do the landscaping, to keep our public transportation facility properly maintained.

Thank you,
Jim Maslanka

Manager of Capital Programs
Transportation and Environmental Engineering Department
City of Alexandria
421 King Street, Suite 4000
Alexandria, VA 22314
(703) 746-4082
Jim.Maslanka@alexandriava.gov



November 4, 2014

The Honorable Robert Krupicka, Jr.
Virginia House of Delegates
P.O. Box 25455
Alexandria, VA 22301

Delegate Krupicka:

I received a copy of the letter that you and Northern Virginia members of the General Assembly signed regarding funding for the Washington Metropolitan Area Transit Authority (WMATA). We greatly appreciate the support from you and all the signatories on the letter. In fact, we recently met with Secretary Layne and had a very constructive discussion on some of the very topics you bring up in your letter. We look forward to continued dialogue.

As you know, one of the primary initiatives of WMATA's Momentum strategic plan is moving to all eight car trains during rush hour. We will have the opportunity next summer to exercise the final option on our 7000 Series rail cars. That purchase of 220 cars will bring us to 88 percent of our 100 percent eight car train goal. It is critical that we reach regional agreement on funding WMATA's core capacity initiatives before this final option next summer. We look forward to a continued partnership with the General Assembly and the Commonwealth of Virginia in this effort.

If you ever have any questions or need any additional information, you can contact me or Greg Potts, WMATA's Virginia Government Relations Officer, at 202-962-2756 or gpotts@wmata.com.

Sincerely,

Richard Sarles
General Manager and
Chief Executive Officer

cc: Senator Adam Ebbin
Senator Barbara Favola
Senator Janet Howell
Senator Linda "Toddy" Puller
Senator Richard Saslaw

Delegate Patrick Hope
Delegate Kaye Kory
Delegate Mark Sickles
Delegate Marcus Simon
Delegate Richard "Rip" Sullivan

**Washington
Metropolitan Area
Transit Authority**

600 Fifth Street, NW
Washington, DC 20001
202/962-1234

www.metroopensdoors.com

*A District of Columbia,
Maryland and Virginia
Transit Partnership*

COMMONWEALTH OF VIRGINIA



October 30, 2014

The Honorable Aubrey Layne, Jr.
Secretary of Transportation
P.O. Box 1475
Richmond, VA 23218

Dear Secretary Layne,

The opening of the Silver Line is a major milestone for our region. We applaud all of the leaders with the vision and tenacity to bring this project forward. We would be remiss, though, if we didn't emphasize the significant need for new Metro funding made clear by this effort. The Blue Line through Alexandria, Arlington and Fairfax now must work at significantly reduced capacity with reduced trains during peak hours from 7 trains an hour to 5. This means Blue Line commuters will have an increased average wait time of 12 minutes between trains, up from 8.5 minutes.

The Yellow and Blue Lines through Alexandria, Arlington and Fairfax play critical roles in our region's economic development as both move through the Carlyle and Potomac Yard areas of Alexandria as well as Crystal City in Arlington. Carlyle is a growing mix of residential, jobs and retail with over 3,400 residents, 48 storefronts and over 5,141,465 square feet of existing office space. Potomac Yard is quickly expanding, with nearly 2,000 residential units built or under construction in south Potomac Yard. Crystal City, the heart of Arlington's business district is home to 36 million square feet of mixed-use development, more than 17,000 residents and about 54,700 jobs. By 2040, Crystal City and Pentagon City are estimated to add a total of 8,500 more residents, and 35,500 more jobs. Each of these high-density transit communities depends on transit to grow and thrive. The lost capacity in the Blue Line is detrimental to this economic development potential. Also, reducing the capacity of the core of our Metro system, as we all know, limits the ability of the system to grow outward, further stifling economic development and potential transit utilization.

We are confident our region, just as it rallied for the Silver Line, can rally to address these significant structural issues in our Metro system capacity. We would like to work with partners at the local, state and federal levels in continuing to support robust economic growth throughout the region. Washington Area Metro Transit Authority's (WMATA) strategic plan "Momentum" and its Metro 2025 initiatives provide clear steps to enable future growth, and to improve service to existing Metro stations. Two of those initiatives are moving to all eight car trains during peak periods and expanding core Metro stations, such as building a second Rosslyn station, to handle the increasingly heavy loads. The order of magnitude estimate for reaching 100% eight car trains is \$2 billion in 2012 dollars, while the estimate for a new Rosslyn station is \$1 billion. Unfortunately, current funding streams are insufficient for both of those initiatives. Just to maintain our existing system, it is estimated that Metro will need \$1 billion dollars annually. To successfully expand the core and system capacity they will need an additional \$500 million per year through 2025. Metro's Capital Funding Agreement continues through FY2016 and

they are working to seek a renewed commitment from regional partners, but they need new funding streams.

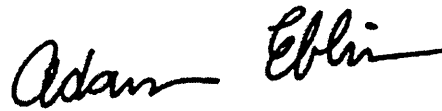
In searching for short-term solutions for Blue Line riders facing a longer commute, Metro has proposed and implemented various changes to bus service for the mitigation of those impacts. There are limited-stop busses, busses to bypass the added congestion at Rosslyn Station, and Metro has also increased the number of Yellow Line trains running during peak hours to provide Blue Line riders with an alternate route. These short-term solutions show a commendable effort to alleviate some of the burden now placed on Blue Line riders, but we must make long-term improvements to the Metro core and system capacity a priority. Investing in our Metro system is imperative to encouraging healthy growth of the Washington-Metro area. We should not keep expanding the Metro system until we can ensure doing so will not impair service quality that is already strained.

We are asking that you support the Metro Momentum plan and also that you help us bring together Northern Virginia regional leaders to develop a comprehensive funding plan that identifies state, local and other resources that can be woven together to address our Blue Line needs. In the near future, current bond funding will end if we do not restore it and replace it with new sources. We will need to identify new sources of funding to support bonds as well as our Metro system in general. We are writing to ask that you help us commit to creating an short, medium and long term funding plan that will ensure the core of our Metro system as well as hoped for growth can be supported well into the future. Well functioning infrastructure is critical to the economic growth of our region. We will be contacting you to set up a meeting to discuss the issues facing the Blue Line and the Metro's inner-system and how we can work to find real solutions to our Metro funding needs in person.

Sincerely,



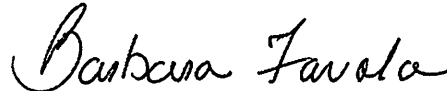
Delegate Rob Krupicka
Member, Virginia General Assembly



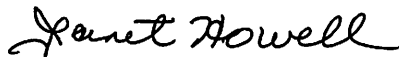
Senator Adam Ebbin
Member, Virginia General Assembly



Delegate Kaye Kory
Member, Virginia General Assembly



Senator Barbara Favola
Member, Virginia General Assembly



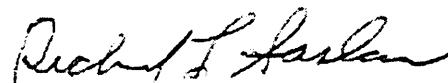
Senator Janet Howell
Member, Virginia General Assembly



Delegate Patrick Hope
Member, Virginia General Assembly



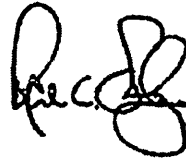
Senator Linda "Toddy" Puller
Member, Virginia General Assembly



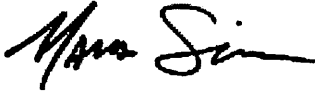
Senator Richard Saslaw
Member, Virginia General Assembly



Delegate Mark Sickles
Member, Virginia General Assembly



Delegate Richard "Rip" Sullivan
Member, Virginia General Assembly



Delegate Marcus Simon
Member, Virginia General Assembly

CC:

Jennifer Mitchell, Director, Virginia Department of Rail and Public Transportation
Members, Senate of Virginia
Members, Virginia House of Delegates
NVTA Members
NVTC Members
Alexandria City Council
Arlington Board of Supervisors
Fairfax Board of Supervisors



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3820

Chairman

Mel Franklin

Councilman District 9



October 30, 2014

The Honorable Martin E. Nohe, Chair
Northern Virginia Transportation Authority
3060 Williams Drive, Suite 510
Fairfax, Virginia 20112

Dear Chair Nohe,

It is my pleasure to thank you for your participation at the Washington Metropolitan Regional Council Chairs' (WMRCC) meeting on Friday, October 3, 2014. Your presentation on the Northern Virginia Transportation Authority was very enlightening and enjoyable. We appreciate you taking time out of your busy schedule to give us a better understanding of Virginia's Transportation Improvements and the Implementation of HB2313 in Northern Virginia.

Again, our thanks to you for joining us and we look forward to working with you in the future.

As Chair of the Prince George's County Council and a member of the WMRCC, once again, we thank you!

Sincerely,

A handwritten signature in blue ink, which appears to be "Mel Franklin".

Mel R. Franklin
Chairman



COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

November 17, 2014

JAMES M. LEMUNYON
POST OFFICE BOX 220962
CHANTILLY, VIRGINIA 20153-0962

SIXTY-SEVENTH DISTRICT

COMMITTEE ASSIGNMENTS:
GENERAL LAWS
EDUCATION
COUNTIES, CITIES AND TOWNS

The Honorable Aubrey Layne
Secretary of Transportation
Commonwealth of Virginia
1111 East Broad Street, 3rd Floor
Richmond, Virginia 23219

Dear Secretary Layne,

I'd like to call your attention to a congestion reduction opportunity in Western Fairfax County. Fairfax County's Comprehensive Plan calls for improving and re-aligning Old Lee Road. Doing so would provide a more direct route for residents of the South Riding area in Eastern Loudoun County to employment destinations along Route 28. Such commuters would be able to go to and from work without using Route 28, Route 50, or the residential section of Braddock Road. In addition to the congestion mitigation benefits of improving and re-aligning Old Lee Road, reducing traffic along the residential section of Braddock Road would offer a significant safety improvement. I have routinely witnessed traffic on Braddock Road travelling well in excess of the 35 miles per hour posted limit.

I have enclosed the relevant pages of the Fairfax County Comprehensive Plan for your reference. Note on page 54 there is an out-of-date reference to the Tri-County Parkway, which has, of course, been superseded by other plans. Taking the next steps on Old Lee Road is not longer contingent on the Tri-County Parkway.

I respectfully request that the Commonwealth Transportation Board evaluate the proposal to improved and re-align Old Lee Road according to the provisions of H.B. 2.

Thank you for your consideration.

Sincerely,



Jim LeMunyon

Enclosure: Fairfax County Comprehensive Plan pages 49-54

cc: The Honorable Sharon Bulova, Chairman, Fairfax County Board of Supervisors
The Honorable Michael Frey, Fairfax County Board of Supervisors, Sully District
The Honorable Marty Nohe, Chairman, Northern Virginia Transportation Authority
Mr. Gary Garczynski, Member, Commonwealth Transportation Board, Northern District
Mr. James W. Dyke, Jr., Member, Commonwealth Transportation Board, Urban At-Large
Ms. Helen Cuervo, Director, Northern Virginia VDOT Office

BR2 UPPER CUB RUN COMMUNITY PLANNING SECTOR

CHARACTER

The Upper Cub Run Community Planning Sector is located to the south of Dulles Airport and is generally bounded by Braddock Road, Old Lee Road, and Loudoun County. The planning sector includes a portion of the Dulles Suburban Center. Plan recommendations for the Dulles Suburban Center are included in the Area III volume of the Comprehensive Plan, Dulles Suburban Center.

Outside of the Dulles Suburban Center, the northern portion of the planning sector has been developed with single-family detached residential units. Public parkland constitutes much of the southern portion of the planning sector. The planning sector also contains Cub Run RECenter.

Pleasant Valley Road between Lee Highway (Route 29) and Blue Spring Drive has been designated a Virginia Byway by the Virginia General Assembly. This road passes through the state's largest known stand of a globally rare oak-hickory forest and associated plant species on diabase soil. At some points along the road, a view of the mountains to the west can be seen. Public parkland flanks the road along part of its length.

The planning sector is subject to several major environmental constraints including significant Environmental Quality Corridor (EQC) areas associated with Cub Run and its branches. Streams in this planning sector flow into the Occoquan Reservoir. Noise impacts from Dulles Airport and the extent of these impacts must be considered in evaluating all future development in this area. Additional guidance on aircraft noise impacts may be found in the Area III volume of the Comprehensive Plan, Overview section.

The planning sector contains numerous prehistoric heritage resources as old as 11,500 years. The planning sector also contains significant historic buildings and archaeological sites. The John Hutchison House, an 18th century building, has been protected and rehabilitated within a commercial development and is an excellent example of private preservation. This house is listed in the Fairfax County Inventory of Historic Sites. A list and map of heritage resources are included in the Bull Run Planning District Overview section, Figures 4 and 5. Additional historic sites in this planning sector are also included in the inventory.

Important archaeological resources may be found in this planning sector particularly within and adjacent to the Cub Run Stream Valley. These resources are likely to involve prehistoric and precolonial human settlement.

CONCEPT FOR FUTURE DEVELOPMENT

The Concept for Future Development recommends two principal land area categories for the Upper Cub Run Sector. The Dulles Suburban Center comprises most of the industrially planned land. It includes the area east of Cub Run and north of Lee Road to the Dulles Airport boundaries. The balance of the sector, west of Cub Run and north of Braddock Road to the Loudoun County line, is planned as a Low Density Residential Area.

RECOMMENDATIONS

Land Use

See the section on the Dulles Suburban Center for recommendations pertaining to that portion of the Upper Cub Run Sector. Recommendations for the remainder of the area are provided below.

Infill development within this sector should be of a compatible use, type and intensity in accordance with the guidance provided by the Policy Plan under Land Use Objectives 8 and 14.

Where substantial parcel consolidation is specified, it is intended that such consolidations will provide for projects that function in a well-designed, efficient manner and provide for the development of unconsolidated parcels in conformance with the Area Plan.

Occoquan Reservoir Watershed - The entire BR2 Sector is located within the watershed of the Occoquan Reservoir (See Figure 3 in the Area III Overview).

Figure 17 indicates the geographic location of land use recommendations for this sector. Where recommendations are not shown on the General Locator Map, it is so noted.

1. Land in the westernmost portion of the sector is planned for residential use at .1-.2 dwelling unit per acre to conform with the findings of the Occoquan Basin Study.
2. Nonresidential uses requiring special exception or special permit approval within the Low Density Residential Areas should be rigorously reviewed. These uses, if permitted at all, should only be located at the boundary of Low Density Residential Areas and Suburban Neighborhoods or where their impact on existing residences is minimal and should be granted only if the following conditions are met:
 - Access for the use is oriented to an arterial roadway;
 - The use is of a size and scale that will not adversely impact the character of the area in which it is located; and
 - The use is designed to mitigate impacts on the water quality of the Occoquan Reservoir. [Not shown]
3. Agricultural and forestal uses are alternatives to residential uses in Low Density Residential Areas. Such uses, depending upon the techniques used, can have positive impacts on water quality. Careful attention should be paid to ensure that agricultural and forestal techniques are supportive of water quality goals for the Occoquan Reservoir watershed. [Not shown]

Transportation

Transportation recommendations for this sector are shown on Figure 18. In some instances, site-specific transportation recommendations are included in the land use recommendations section. The figures show access orientation, circulation plans, interchange impact areas and generalized locations of proposed transit facilities. The recommendations contained in the Area Plan text and maps, the Policy Plan and Transportation Plan map, policies and requirements in the Public Facilities Manual, the Zoning Ordinance, and other standards will be utilized in the evaluation of development proposals.

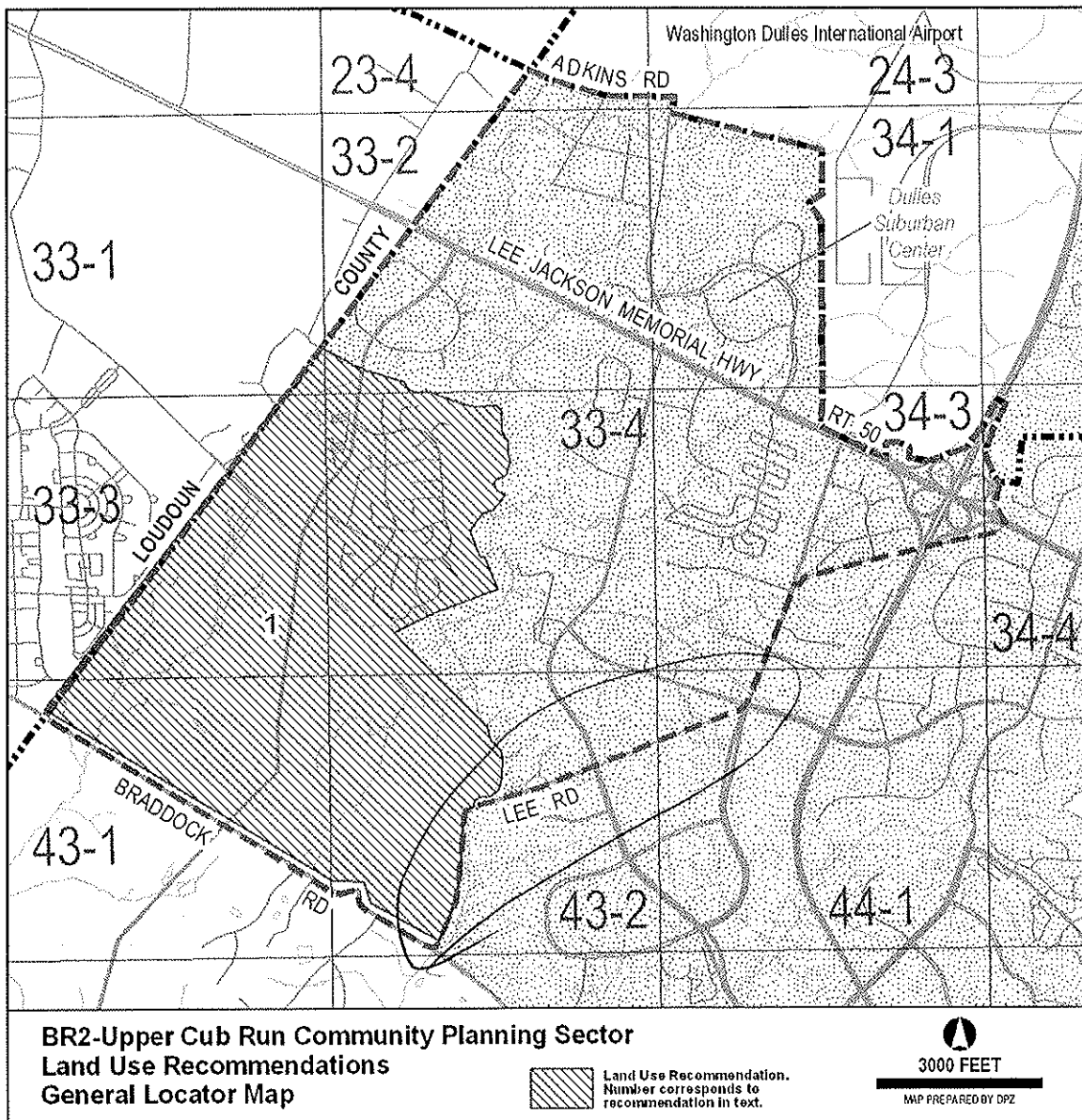
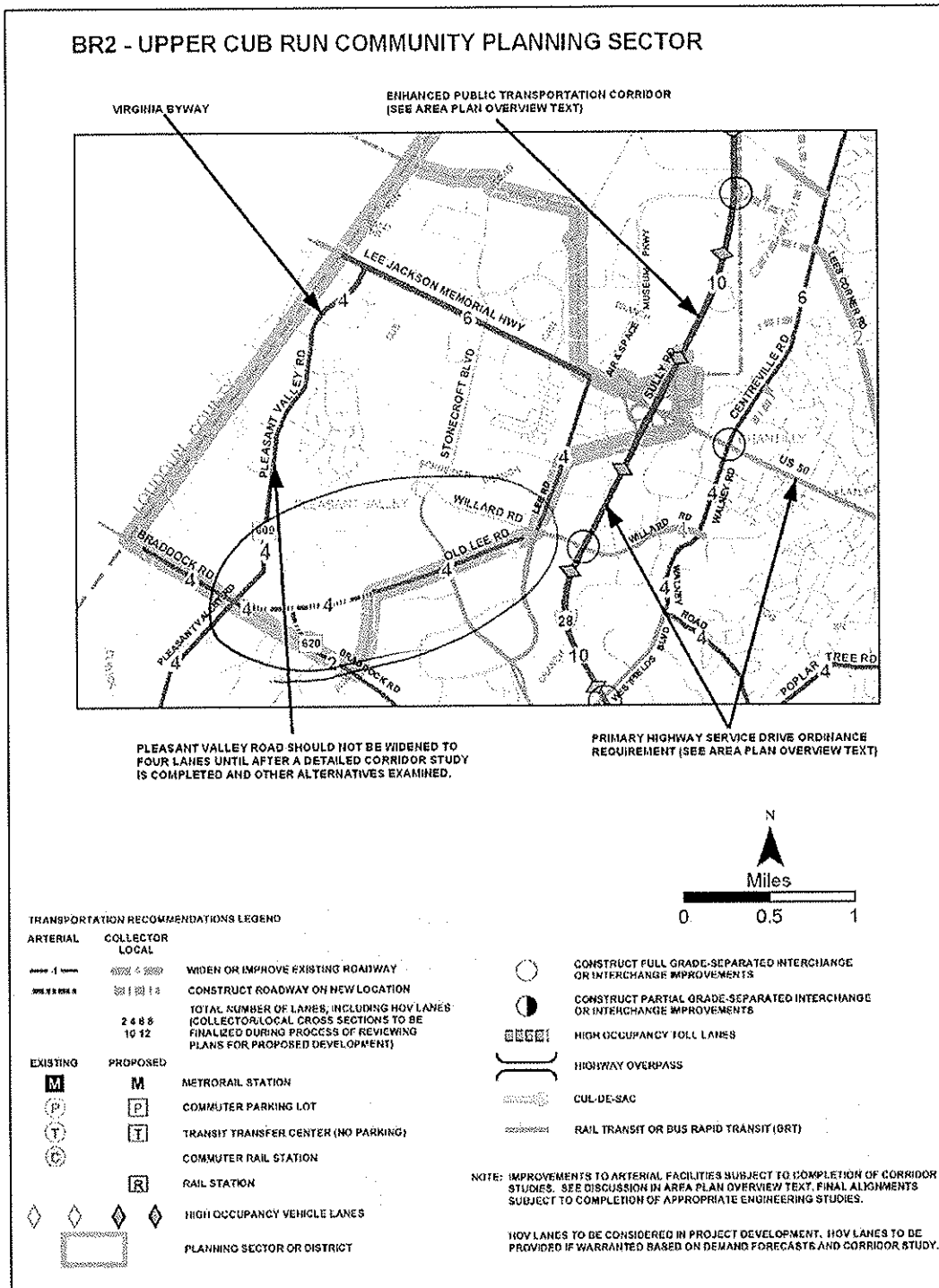


FIGURE 17



TRANSPORTATION RECOMMENDATIONS

FIGURE 18

1. The four-lane improvement to Braddock Road and the extension of Old Lee Road will not be constructed until such time as there is an approved alignment for the Tri-County Connector in both Fairfax County and Loudoun County and a funding commitment is in place.
2. Braddock Road will remain a two-lane road only between the Old Lee Road extension and Flatlick Branch and will connect to the Old Lee Road extension in such a way as to not be perceived as the main road.
3. The county will continue efforts to improve the movement of traffic into and out of the Westfields area.

Heritage Resources

Part of the Sully Historic Overlay District lies within this sector. Regulations for this district are discussed in the Dulles Airport Community Planning Sector of the Bull Run Planning District.

Any development or ground disturbance in this sector, both on private and public land, should be preceded by heritage resource studies, and alternatives should be explored for the avoidance, preservation or recovery of significant heritage resources that are found. In those areas where significant heritage resources have been recorded, an effort should be made to preserve them. If preservation is not feasible, then, in accordance with countywide objectives and policies as cited in the Heritage Resources section of the Policy Plan, the threatened resource should be thoroughly recorded and in the case of archaeological resources, the artifacts recovered.

Public Facilities

1. Provide a Virginia Power substation in Sector BR2 in order to maintain reliable electric service.

Parks and Recreation

Park and recreation recommendations for this sector are shown on Figure 19. The column "Park Classification" includes existing park facilities. The "Recommendations" column includes entries for both existing and proposed facilities. Prior to developing parkland, the Fairfax County Park Authority initiates a master planning process to determine the appropriate facilities and design for that park. This process involves extensive citizen review and participation. If an existing park is listed but no recommendation appears on that line, it means the park has been developed in accordance with its master plan.

Trails

Trails planned for this sector are delineated on Figure 20 and on the 1":4,000' Countywide Trails Plan Map which is referenced as Figure 2 in the Transportation element of the Policy Plan and is available from the Department of Planning and Zoning. Trails in this sector are an integral part of the overall county system. While some of the segments have already been constructed, the Countywide Trails Plan Map portrays the ultimate system for the sector and the county at large. In addition, the map specifies a classification for each segment, which represents the desired ultimate function and surface type of the trail. Specific construction requirements are detailed in the Public Facilities Manual.

FIGURE 19
PARKS AND RECREATION RECOMMENDATIONS
SECTOR BR2

PARK CLASSIFICATION	RECOMMENDATIONS
NEIGHBORHOOD PARKS:	Neighborhood Park facilities are not recommended in Low Density Residential Areas.
DISTRICT PARKS:	This sector is not currently within the service area of a District Park; however, developed recreation facilities, including an athletic field complex, are located at Ellanor C. Lawrence and other parks within a five-mile radius.
COUNTYWIDE PARKS:	
Richard W. Jones	Initiate a master planning process and develop this site consistent with needs identified in a countywide recreation demand survey. This site can accommodate both active and passive uses.
Cub Run Stream Valley	This stream valley contains especially sensitive natural and cultural resources. Intrusion of non-recreational uses should therefore be restricted and impacts of offsite development limited. Protect EQC, including Cub Run Branch, Flatlick Branch, Cain Branch, Sand Branch, Schneider Branch and their tributaries through land dedication or donation of open space easements to FCPA. Complete development of countywide stream valley trail system.



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