



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

Thursday, November 9, 2017
6:30pm
Sherwood Community Center
3740 Old Lee Highway
Fairfax, VA 22030

AGENDA

- I. **Call to Order** Chairman Nohe
- II. **Roll Call** Ms. Speer, Clerk
- III. **Minutes of the October 12, 2017 Meeting**
Recommended action: Approval [with abstentions from those who were not present]

Action

- IV. **Acceptance of the FY2017 Audited Financial Statements**
Mayor Parrish, Chair, Finance Committee
Recommended action: Acceptance of Audit
- V. **Adoption of the Five Year Strategic Plan** Ms. Backmon, Executive Director
Recommended action: Adoption of the Strategic Plan
- VI. **Adoption of the 2018 Legislative Program**
Ms. Hynes, Chair, Governance and Personnel Committee
Recommended action: Adoption of Legislative Program
- VII. **Approval of Memorandum of Agreement for the Transform 66 Outside the Beltway Concessionaire Payment** Ms. Backmon, Executive Director
Recommended action: Approval of MOA
- VIII. **Appointment of the Nominating Committee** Chairman Nohe
Recommended Action: Appointment of Nominating Committee

Discussion/Information

- IX. **Finance Committee Report** Mayor Parrish, Chair
- X. **Governance and Personnel Committee Report** Ms. Hynes, Chair
- XI. **Executive Director's Report** Ms. Backmon, Executive Director

XII. Chairman's Comments

Closed Session

XIII. Adjournment

Next Meeting: December 14, 2017
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 12, 2017
6:30pm
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING MINUTES

I. Call to Order Chairman Nohe

- Chairman Nohe called the meeting to order at 6:40pm.

II. Roll Call Ms. Speer, Clerk

- Voting Members: Chairman Nohe; Supervisor McKay; Chair Randall; Mayor Silberberg (arrived 6:44pm); Chair Fisette (arrived 6:45pm); Mayor Parrish; Mayor Meyer; Council Member Snyder; Mayor Rishell; Delegate Hugo; Delegate Minchew (arrived 6:58pm); Senator Black; Ms. Hynes; Mr. Kolb.
- Non-Voting Members: Ms. Hamilton; Mr. Roseboom.
- Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Keith Jasper (Principal, Transportation Planning and Programming); Sree Nampoothiri (Transportation Planner); Harun Rashid (Transportation Planner); Peggy Teal (Assistant Finance Officer); Sarah Camille Hipp (Communications & Public Affairs Manager); Camela Speer (Clerk); various jurisdictional staff.

III. Minutes of the September 14, 2017 Meeting

- Mayor Parrish moved approval of the September 14, 2017 minutes; seconded by Mayor Rishell. Motion carried with seven (7) yeas and two (2) abstentions [with Supervisor McKay and Chair Randall abstaining as they were not at the September 14, 2017 meeting].

Consent Agenda

- V. Approval of Financial Advisor Service Agreement**
- VI. Approval of Bond Counsel Service Agreement Extension**
- VII. Approval of Graphic Design and Printing Contract**

- Chairman Nohe pulled items IV and VIII from the consent agenda.

- Mayor Parrish moved approval of the consent agenda, to include the specific motions in items V - VII; seconded by Supervisor McKay. Motion carried unanimously.
- Chairman Nohe introduced Mr. Anderson, NVTAs Bond Counsel, and thanked him for his service. Mr. Anderson thanked the Authority for the opportunity to serve.
- Mayor Parrish commented that the Finance Committee had discussed and recommended approval of most of the items on the consent agenda. He thanked the Finance Committee.
- Chairman Nohe explained that item IV was out of order on the agenda and would be considered after item IX. He asked Ms. Backmon to present item VIII.

Action

VIII. Approval of Additional Comments on Proposed Modifications to the Smart Scale Process

- Ms. Backmon stated that this item was pulled from the consent agenda due to receiving a response from Deputy Secretary Donohue regarding the three additional Smart Scale comments discussed at the last Regional Jurisdiction and Agency Coordinating Committee (RJACC) meeting. She reviewed the three comments:
 - ✓ Changes that were proposed to the congestion reduction methodology.
 - ✓ Need to understand the proposed methodology behind the land use changes.
 - ✓ Relooking at economic development and what it means for Northern Virginia.
- Ms. Backmon informed the Authority that Deputy Secretary Donohue had stated via email that he was going to remove the proposed changes to the congestion mitigation methodology. He also stated he would meet with any locality or agency that has questions regarding how land use calculations in economically distressed areas will be assessed.
- Ms. Backmon noted that the Authority's original comments were submitted last month for the official record. She concluded that at this time there is no need to submit additional comments, therefore, no action is required at this time.

(Mayor Silberberg arrived.)

IX. Adoption of TransAction Update

Ms. Backmon, Executive Director

- Ms. Backmon informed the Authority that the Adoption of TransAction will conclude the three year update process for the long range, multimodal, regional transportation plan for Northern Virginia. She stated that TransAction addresses regional transportation needs over 25 years and focuses on eleven corridors and 28 corridor segments. Ms. Backmon noted several key points:
 - ✓ TransAction considers travel conditions for the planning horizon year 2040. During that time, Northern Virginia's population is expected to increase by 24 percent and employment by 37 percent.
 - ✓ If only currently funded and committed projects are built, travel conditions are forecast to be considerably worse by 2040.

(Chair Fisette arrived.)

- ✓ TransAction outreach was extensive and important to the process, with emphasis on getting out to the public. The public comment period ran from June 9 to July 23. Based on public input, Northern Virginian's consider the region's travel conditions to the greatest factor influencing their quality of life.
- ✓ The Draft Plan includes 352 candidate regional multimodal projects.
- ✓ TransAction does not commit the Authority to fund any project.
- ✓ Total planning level cost of TransAction is approximately \$42 billion.
- ✓ TransAction will guide the Six Year Program (SYP), but all 352 projects cannot be funded by the Authority.
- ✓ TransAction is the Authority's planning document, not its programming document.
- ✓ TransAction is fiscally and geographically unconstrained.
- ✓ TransAction is a needs based document.
- ✓ This is the first update of TransAction since HB 2313 was passed.
- ✓ TransAction is updated every five years. Previous plans are TransAction 2020, 2030 and 2040.
- ✓ The Draft Plan and the associated Project List were coordinated with the Planning and Programming Committee (PPC), the Technical Advisory Committee (TAC), Planning Coordination Advisory Committee (PCAC), and the TransAction Subcommittee.
- Ms. Backmon concluded that NVTA staff and the PPC recommended adoption of the Plan as presented.
- Chair Randall thanked the NVTA staff for their efforts on TransAction. She inquired as to the harm in removing the Potomac River Crossing from the Plan. Ms. Backmon responded that no project stands alone in TransAction, explaining that the projects were evaluated based on the eleven corridors and the 28 segments. Removal of a project from TransAction would require a re-run of the model to assess impacts.

- Chair Randall stated that based on her participation in the Council of Governments (COG), she is aware that the Montgomery County Council has voted unanimously against the Potomac River Crossing. She acknowledged that while leadership may change, the County's position on this issue will not likely change. She commented that Montgomery County Executive candidate Mr. Berliner had remarked along the lines that, 'There is no reason for any politician in Northern Virginia to spend one nanosecond thinking about a bridge crossing.' Chair Randall asked, knowing it is not the will on the Montgomery County Council to support this project, and knowing one possible candidate for county executive has shot this idea down, and knowing the push back against this project, what is the logic in passing TransAction with the bridge crossing included.
- Ms. Backmon responded that TransAction is not a funding document. It is a 25 year needs based planning document. She added that projects are not funded just because they are in TransAction. Ms. Backmon explained that the planning process looked at all the currently committed projects and added the 352 projects needed to reduce congestion in the region. She suggested that if only the current fully committed projects are constructed, there will still be serious congestion in the region. Ms. Backmon remarked that if TransAction is adopted, the Call for Projects for the SYP will be issued to start the funding process. She noted that governing bodies do change and project priorities will change over time. She noted that the TAC stated that there should be no "winners or losers" in TransAction, noting this is a needs based plan and not about what will be funded.
- Senator Black inquired about the Authority members' authority to make modifications to the Plan. Ms. Backmon responded that TransAction is the long range transportation plan for Northern Virginia and the Authority is responsible by law for developing and updating TransAction. She stated that the Authority can modify the Plan, however, that will result in a request for additional funds to do additional model runs and a new schedule for the ultimate completion of TransAction.
- Senator Black asked if this would be necessary if a project were removed from the Plan. Ms. Backmon responded affirmatively, stating that the Authority can choose to remove a project, but it will require additional model runs and will impact the schedule noting that no one project stands alone. Chairman Nohe clarified that the Authority has total autonomy over what is included in TransAction and can modify it. He stated the action tonight is to approve this specific draft of the Plan in which the projects, combined as corridors and segments, have been scored based on congestion reduction and other factors. Removal or addition of projects at this point will decrease the robustness of the Plan scoring. Chairman Nohe concluded that the Authority can remove projects from the Plan, but then cannot adopt the Plan this evening. He explained changes to the Plan will require an extra process and extra funding to re-score the Plan based on any changes made.
- Delegate Hugo inquired as to whether there is a legal requirement to re-score TransAction if the Plan is amended. Chairman Nohe responded that he did not

believe there is a legal requirement. Ms. Backmon stated there is not a legal requirement, but explained that the data in the Plan, as presented, would be invalid. Chairman Nohe suggested that while it may not be required, part of the Plan scoring is intended to be used as the HB 599 scoring, therefore, the Authority would need to re-score due to the HB 599 requirement that scoring be certified for its legitimacy and robustness by the Virginia Department of Transportation (VDOT). Chairman Nohe added that certain parts of the document would not be verifiable. Ms. Backmon suggested that removal of projects of this magnitude would change the original scores, adding this might also trigger another public involvement process.

- Delegate Hugo expressed appreciation to the NVTa staff for their work on TransAction. He stated that one of the most controversial segments of the Plan is the Bi-County Parkway. He asked if any public hearings had taken place in western Prince William County. Ms. Backmon responded that there was only one Public Hearing at the Authority office, adding that Town Halls were held throughout the region at the request of jurisdictions. Delegate Hugo asked if there was one in Prince William. Ms. Backmon responded that while there was no Town Hall in Prince William County, she presented the Draft Plan and Associated Projects to the Prince William Board of County Supervisors. She explained that jurisdictions made the decision whether to hold Town Halls or have presentations to their governing bodies.
- Delegate Hugo inquired as to how many public comments were received during the public comment period regarding the Bi-County Parkway, both for and against. Ms. Backmon stated that there were many comments received against the Bi-County Parkway. Delegate Hugo asked if it was 196 to 12, making it 5% for the project. Mr. Jasper responded that there were 208 comments total on the Bi-County Parkway, with 12 in support and 196 against. Delegate Hugo asked what that percentage is, suggesting it is low. Mr. Jasper responded he thought it would be approximately 94% against.

(Delegate Minchew arrived.)

- Delegate Hugo stated that there are 28 projects in the Plan that are performance scored from 65 to 59, noting the Bi-County Parkway appears to be only one of two with single digit scoring. Ms. Backmon responded that the projects in that segment have some of the lower performance ratings, based on the fifteen performance measures, compared to the projects in the other segments. She stated it is not the Bi-County Parkway specifically, it is the entire corridor segment. Delegate Hugo noted that it says the North-South Corridor/Bi-County Parkway.
- Delegate Hugo inquired as to whether this is the Bi-County Parkway that was taken off Prince William County's Comprehensive Plan and is still opposed by a number of Prince William County Supervisors. Ms. Backmon responded she believed it is.
- Delegate Hugo asked if the Bi-County Parkway, as proposed in TransAction, will close Route 29 and 234, noting it had been amended in sub-committee.

Ms. Backmon responded that the project description was amended to make it consistent with the Programmatic Agreement that was last developed regarding the Bi-County Parkway. Delegate Hugo suggested the agreement had lapsed. Ms. Backmon responded she believed it had. Delegate Hugo questioned whether we want to be consistent with a lapsed Programmatic Agreement. Chairman Nohe replied that the Draft TransAction Plan previously presented had used language taken directly from the programmatic agreement, which has lapsed. He added that this language had been taken directly from the previous Plan, TransAction 2040. Delegate Hugo noted that this language included the closure of Route 29 and 234. Chairman Nohe acknowledged that the language used previously would have closed that intersection and was just carried over from previous Plan. He stated that when this language, referencing the lapsed document, came to his attention, the language was amended to remove the reference to the Route 29/234 interchange.

- Delegate Hugo stated that now the closure of the Route 29/234 intersection has been removed from TransAction and a Battlefield Bypass has been included. He added that he had met with the Superintendent of the Park and they want Route 29 and 234 closed. He noted that the Battlefield Bypass was presupposed by the closure of Route 29/234. Delegate Hugo stated that now the Plan includes all three: the Bi-County Parkway, the Route 29/234 intersection and the Battlefield Bypass. He suggested the park service will not agree to keep the intersection open. Ms. Backmon acknowledged this was likely true and pointed out that TransAction is a high-level planning document that is not designed to provide engineering level detail. She stated that specific engineering level detail would be included in the programming document for project funding.
- Delegate Hugo suggested this is not engineering, that the project description in TransAction states what is going to be done. He noted that, always in the past, the Battlefield Bypass has been presupposed by the closure of Route 29/234. He stated that this is no longer included in the Plan. Delegate Hugo stated that for a decade people were interested in the Bi-County Parkway and it had a discreet route. He asked where the route would go now, suggesting it is amorphous. Ms. Backmon acknowledged it is amorphous. Delegate Hugo added that the route is now somewhere within the Rural Crescent, but unlike the previous Plan, no one knows where it is going. He stated that now instead of some people being upset, everyone is concerned about being the target of this road. He suggested the NVTa does not know where this road will go. Ms. Backmon clarified that while there is no specific route for the project, the current project description closes Route 234, but not Route 29. Delegate Hugo asked where the Bi-County Parkway will go. Chairman Nohe responded that there is not a current alignment for the Parkway. Delegate Hugo stated that there was a route previously. Ms. Backmon responded that the project has a termini, suggesting that a specific alignment is different than having a termini in the planning document. Chairman Nohe acknowledged that under TransAction 2040, the assumption was that it would be a very specific alignment based on the Programmatic Agreement that has since lapsed. He

stated it is correct to say there is no longer a specific alignment in this Plan. He added there are many projects in the Plan that do not have a specific alignment, most significantly the Route 28 project in Prince William County that provides congestion relief from Old Town Manassas to Bull Run, with eleven different alternatives being considered. Chairman Nohe stated that projects in TransAction are being looked at based on their termini, regardless of the specific route, to see how much traffic they can carry. He added that the Bi-County Parkway would be one of the many projects where all that is being evaluated in the Plan is the connection of the termini, not the alignment.

- Delegate Hugo acknowledged clarification that there is not a discreet route for the Bi-County Parkway included in TransAction. He stated another concern is that many people now think they are targets and their properties are potentially devalued. He suggested this is creating uncertainty for property owners and potential property owners. Delegate Hugo questioned how this project will be funded, noting that there is concern about sprawl and that it has been suggested that developers could pay for it and it will become a new Reston. He suggested there could be Transfer Development Rights (TDR's) and high density in the Rural Crescent. He expressed concern that this is what developers are seeking. Delegate Hugo stated that once there is high density in the Rural Crescent it will impact Loudoun County, Fauquier County, suggesting this is setting up a serious problem. Delegate Hugo added that this is why there are serious concerns about this project.
- Delegate Hugo questioned whether any other projects had been added to the proposed Plan since the original draft. He acknowledged some projects were changed a little and asked if anything new had been added. Ms. Backmon responded that a project in the Town of Herndon project had been added due to its impact not effecting the modeling results.
- Delegate Hugo asked about project identification number 245, the Gum Springs Road Widening, noting he did not see this project in the original draft. Ms. Backmon acknowledged that project identification numbers had changed slightly, due to adding the Herndon project and the removal of duplicate projects. She noted the original Draft Project List had 358 projects and that some duplicate projects were removed, bringing the new total to 352 projects. Delegate Hugo asked if the Gum Springs Road project had been included in the previously presented Draft Project List. Ms. Backmon responded affirmatively. Delegate Hugo asked for clarification that the project number had changed. Ms. Backmon responded affirmatively.
- Delegate Hugo stated that the Authority is setting this up for sprawl, adding that people have said that the developers have met with them and the developers were straight up that they want high density in this area. Delegate Hugo added that he had asked the developers what their vision is for the area and they stated a new Reston. Delegate Hugo acknowledged Reston is a great area, but asked if this is what we want in the Rural Crescent. He suggested the Authority is setting up high density development and devaluing peoples' property. Delegate Hugo explained that he had spoken to potential property owners who were concerned about purchasing property without knowing the

roadway alignment, adding that TransAction is setting this up. He suggested this is hurting people. Delegate Hugo noted that Chairman Nohe has told people that this road may not get built. He stated that there are 26 projects ahead of the Bi-County Parkway on the Project List, adding it is one of two projects with single digit scores. Delegate Hugo suggested we are going to torch these people and their property for a project that scored 7.7, if TransAction is approved as presented. He stated he thinks this is wrong.

- Delegate Hugo acknowledged that he did not want to interfere with projects in Loudoun County, but asked that TransAction corridor 2 be removed from the Plan, adding that project 245-Gum Springs Road, is not in this corridor.
- Delegate Hugo moved to amend the Plan to remove item (corridor) 2 the Loudoun County Parkway/Bi-County Parkway/Route 234 corridor.
- Ms. Backmon clarified that Delegate Hugo meant the entire corridor. Delegate Hugo responded affirmatively.
- The motion was seconded by Senator Black.
- Senator Black stated that in his opinion there are few projects that have generated the intensity of opposition that the Bi-County Parkway in Prince William County has generated. He expressed concern that the Authority has not done a public hearing along the proposed general route, understanding there is no precise route; but this is something on which the Authority needs public feedback. He stated this should have been done and it is unfortunate. Senator Black noted that there are many projects, but that public input needs to be from the effected people, rather than holding a Public Hearing outside of the area, where people are uninformed of the project. He expressed support for the motion.
- Delegate Hugo amended his motion. Delegate Hugo moved to amend his motion to remove segments 2-2 and 2-3 from Corridor 2; seconded by Senator Black.
- Delegate Hugo stated there was no hearing in western Prince William County on this huge project. He explained that when this project was first proposed there was huge public turnout, adding that at three meetings there were 300, 600 and almost 1000 attendees, respectively. He suggested this is impressive public engagement compared to the normal attendance at public meetings. Delegate Hugo reiterated that 1000 people showed up because they were concerned about sprawl and this road. Delegate Hugo recalled that at the time, the developers and key proponents, including the Governor, were saying it was not going to be a development road, it was just going to be a truck lane to Dulles. He noted this is a truck lane that George Mason University said was not needed based on a University study. Delegate Hugo explained that now this is not a truck lane, it is a sprawl lane and that is exactly what we are

building and voting on tonight. He added that if we are concerned about sprawl, or getting around in Loudoun County, Fairfax County or other areas, wait until the developers put a Reston in the middle of this as they plan. Delegate Hugo stated that the developers are not buying the land for horse farms or retirement. It is going to be sprawl and will be on the NVTAs shoulders if we approve this Plan. He noted that over four years ago this project was unwound and over a year ago Prince William County removed it from its Comprehensive Plan. He continued that four years ago those opposed to the project got the Commonwealth Transportation Board (CTB) to stop, got everybody to stop. The Programmatic Agreement expired. Delegate Hugo concluded that all we are doing now is torching these people's homes out there, and setting up future sprawl. He noted he had amended his motion so that it does not impact the Loudoun County Parkway, but it does impact 2-2 and 2-3 in Prince William. He explained that these are not just his concerns, but hundreds, adding that when a 1000 people show up at a Town Hall it should be listened to. Delegate Hugo reiterated we should have had a meeting in western Prince William County, suggesting we were all negligent because this did not happen.

- Chair Randall expressed appreciation to Delegate Hugo for not governing in Loudoun County. She stated the Bi-County Parkway is on Loudoun County's long range comprehensive transportation plan, therefore, she will be voting against the proposed motion. Chair Randall explained that the word bi means two, therefore, if corridor segments 2-2 and 2-3 are removed from the Plan, this is no longer a Bi-County Parkway, just a road in Loudoun County.
- Chair Randall addressed Delegate Hugo's concern regarding a Reston in the Rural Crescent. She stated that what has developed is the decision of a county board. She noted that if a county board listens to its citizens and the citizens are expressing opposition to development along a road, the county board should listen to those citizens. Chair Randall added that constructing a roadway does not automatically create development, someone has to approve that development. She expressed trust that her colleagues in Prince William County would listen to their constituents just like Loudoun County would.
- Chair Randall suggested that what has happened was a general alignment for this roadway, but that was allowed to expire and now the argument is being used that there is no longer an alignment because we let it expire. You fought against what you had when you knew the alignment, and now you are saying "we fought and won that fight. Now we don't know what the alignment will be, so we are going to fight that also."
- Chair Randall stated that if she was in Delegate Hugo's position, she would make the same arguments in support of his constituents. She added that if there was not a public hearing held in Prince William County, that is the responsibility of Prince William County. She noted that Loudoun County held a Town Hall. Chair Randall expressed appreciation for Delegate Hugo's action in support of his constituents, adding this is what elected officials should do. She explained that this project is on Loudoun County's Comprehensive Plan and Loudoun County held a Town Hall with NVTAs

support. She concluded that removal of these segments from the Plan will impact Loudoun County and is in opposition to not only what the current Board supports, but what the previous Board supported.

- Mayor Parrish stated that he had listened closely to Delegate Hugo and Senator Black's arguments. He noted that he has been supportive of the Bi-County Parkway for many years, personally, adding that the City of Manassas has no official position on the project. He stated he would vote his conscience based on his knowledge and understanding. Mayor Parrish called attention to the section of TransAction that states what NVTa does. He summarized the information in that section:
 - ✓ Planning – addresses transportation needs
 - ✓ Programming – NVTa Call for Regional Projects
 - ✓ Funding
- Mayor Parrish stated that the action tonight is encompassed in the planning area, adding that we are not making decisions about projects or funding tonight. He explained that tonight is about taking the first step toward planning for the future of regional transportation in Northern Virginia. Mayor Parrish stated that we are not just talking about individual projects and individual jurisdictions, we are talking about a regional network of transportation for our citizens throughout the region.
- Mayor Parrish introduced a substitute motion.
- Mayor Parrish moved Authority adoption of the TransAction Update and associated Project List; seconded by Supervisor McKay.
- Senator Black expressed appreciation for Delegate Hugo's respect for the Loudoun County position. He stated that the idea that we simply proceed with the adoption of this Plan, that this is just a theoretical drill and that nothing will happen downstream, he believes is unrealistic. Senator Black suggested that this action sets in motion a series of events which logically will eventually lead to the construction of this project. He noted this project is number two on the corridor list of projects and yet we have 1000's of individuals who reside directly on this location who are adamantly opposed to it. Senator Black stated he does not support the substitute motion.
- Delegate Hugo stated that we are talking about planning and what we are planning is sprawl. He added this is the second lowest scoring project and it has been thrown in here for nothing. Delegate Hugo stated there is no reason to put this sprawl project in the Plan and added that Chairman Nohe told people it will probably not be built. He suggested all we are doing is upsetting people's lives for a project that may not be built. He further suggested we are just keeping it on life support for a few developers. Delegate Hugo stated we should not do this. He further stated that doing things like this undermines the credibility of the NVTa-at-large. He guaranteed this will have reverberations that come back on us. Delegate Hugo stated the NVTa has a great purpose, a great role in planning, it is a regional idea and a regional entity. He suggested putting lowly rated projects like this in the Plan, which have been taken off the

comprehensive plan, are based on expired programmatic agreements, are vehemently opposed by major environmental groups across the Commonwealth, and opposed by the citizens; this is going to reverberate down to Richmond. It is going to look badly on all of us. It is going to hurt these people's lives. It is going to negatively impact NVTa long term. He suggested it will be on all of our shoulders.

- Supervisor McKay noted that Delegate Hugo's motion was not just the removal of one project. He requested clarification as to how many projects are included in the motion. Ms. Backmon responded that there are 49 projects impacted by Delegate Hugo's motion. Supervisor McKay stated this is not a minor suggestion. He noted that it may not have been vetted as well as it should have been with the impacted region, but stated that this document has been vetted in the entire region for years. He expressed hope that the General Assembly would not have the reaction suggested by Delegate Hugo. He stated that the NVTa was created to work as a region on long term planning. Supervisor McKay noted that one jurisdiction supports this project and one does not, suggesting that there is a disagreement in the region. He suggested this means the project needs to be further vetted. Supervisor McKay added that to be further vetted, it needs to be on this Project List to go through the formal evaluation, environmental review, technical review, engineering, and siting, to get the robust public feedback we want.
- Supervisor McKay expressed understanding for Delegate Hugo's argument, noting that people don't like massive projects that effect their properties. He stated that the Authority needs to think as a region, weighing all the pros and cons of the project. He expressed discomfort at removing 49 projects from a document that has been vetted for three years. Supervisor McKay concluded that if this project is as bad as it has been described, then future review of this project will make this case very clearly and scientifically. He stated he cannot support Delegate Hugo's motion to remove projects from the Plan that has been vetted for three years and impacts 49 projects. He added that public input on a project of this scale should be more than one or two meetings, suggesting hundreds of meeting may be necessary prior to any funding. Supervisor McKay supported Mayor Parrish's statements, noting his vote is not endorsing the Bi-County Parkway, but supporting its inclusion to be further vetted and reviewed in a very comprehensive and thorough way. He concluded that if it doesn't have merit, the outcome of the review will show this.
- Delegate Hugo stated that Supervisor McKay would be upset if there was a large project in Springfield that had no hearings on it. Supervisor McKay responded that he has had a lot of big projects in Springfield and nothing was built until there were 100's of hearings. Delegate Hugo reiterated there were no hearings for this project and agreed that projects need to be properly vetted. He suggested there was a project in the original Plan that was presented two months ago. He stated that the configuration present this evening is different. He inquired as to when the sub-committee meeting was held. Ms. Backmon responded the meeting with the PPC was held on October 4, 2017, with a prior meeting held in September. Delegate Hugo stated that the Route 29/234

closure was removed and there is not discreet route. He added that this is totally new and has not been discussed for years. He reiterated this is totally new, no one knows where the route is going, the Battlefield Bypass has been added and now Route 29/234 is staying open. He stated this is not the project that has been discussed for three years, suggesting maybe a couple of weeks. He requested Supervisor McKay support him now that had he validated Supervisor McKay's point. Supervisor McKay pointed out that there are many projects in TransAction that have not been thoroughly vetted. He added there are also many projects that do not have distinct route locations. Delegate Hugo asked if Supervisor McKay agreed that this project has not been vetted for three years. Supervisor McKay agreed that the TransAction update has been going on for three years and that this is not the first time he has heard of the Bi-County Parkway. Delegate Hugo noted this Bi-County Parkway is only two weeks old and hasn't been vetted.

- Mayor Rishell stated that she supports the passage of the TransAction Plan exactly as it was presented to the Authority. She suggested the transportation challenges that Northern Virginia faces are enormous, adding that this is a planning document, not a funding document. She stated she is not trying to keep anyone on life support.
- Chair Randall noted that the total to fund all 352 projects in TransAction is approximately \$42 billion. She asked how much money would be available to fund the SYP. Ms. Backmon stated that there is an estimated \$1.5 billion for FY2018-2023. Chair Randall clarified this is \$1.5 billion of the needed \$42 billion. Ms. Backmon confirmed that \$42 billion would be needed to fund every project in TransAction. Chair Randall stated that many projects will need greater scrutiny, but noted that the vast majority will not be funded by FY2023 due to lack of funds. She acknowledged that this is a 25 year plan and that based on reviewing the TransAction documents and being engaged in the process, she has learned that we don't know what things will look like in future years. Chair Randall concluded this is a long range planning document that looks 25 years into the future and will cost \$42 billion, noting we have \$1.5 billion now. She expressed understanding for Delegate Hugo's position and support of his constituents. She also supported Supervisor McKay's point that in order to vet these projects any further, and seek more public input on them, they need to stay in the Plan. Chair Randall stated she supports the Plan as presented.
- Mayor Meyer stated he supports the regional aspect of all of these projects. He expressed appreciation for the scoring, modeling, intellectual consistency and wholeness of the Plan. He expressed appreciation for Delegate Hugo's position. Mayor Meyer suggested that Delegate Hugo had questioned the Authority's credibility and noted that there is another side to this issue that might gain the attention of the General Assembly. He explained that the Authority has quite a bit of cash on hand. He suggested that while we should not move forward capriciously to spend it, if we do not adopt TransAction this evening, we cannot move forward to the SYP and this only exacerbates and delays important decisions on live projects in the planning process. Mayor

Meyer suggested a delay in the allocation of funding might provide an opportunity for the General Assembly to recognize the NVTa funds on hand and to question the wisdom of the concept of the Authority if we cannot move forward.

- Delegate Hugo thanked the NVTa staff for the work on TransAction. He noted there are 28 projects on the list on page 10 of the TransAction Plan. He stated that one of the projects is the North-South Corridor/Bi-County Parkway rated at 7.7, with the next project up rated at 11.8. He asked if there are any projects rated in between 7.7 and 11.8 that are not on this list, asking if anything had a higher score than 7.7 that is not on this list. Ms. Backmon clarified that these are 28 corridor segments, not projects. She stated that the Project List identifies the projects that are encompassed in the 28 segments. Ms. Backmon stated that the 352 projects all fall within the 28 corridor segments, noting that the rating for the North-South Corridor/Bi-County Parkway segment is 7.7 and it is one of the lowest performing segments compared to the other segments. Ms. Hynes stated that this corridor segment contains only twelve projects. Ms. Backmon noted that one reason the other segments performed better in the scoring is because they have more projects, adding that segments with more projects could have more of an impact on congestion reduction than segments with less projects. Delegate Hugo asked again if there is anything in between that is not included on the list. Ms. Backmon responded that everything that has been analyzed is on the list, all 352 projects. Delegate Hugo stated this is 27 out of 28. Ms. Backmon clarified that in the segment level ranking, this segment is 27 out of 28.
- Council Member Snyder stated that this Plan is one of the tools in our toolbox to address the overall transportation issues. He suggested this is a collection of projects that have some interest, however, what this Plan does is present major corridors that the NVTa is going to work to improve. Council Member Snyder noted this is a multimodal approach that includes roadways, transit, Transportation Demand Management (TDM), non-motorized, Intelligent Transportation Systems (ITS) and Intelligent Corridor Management (ICM). He stated that overall this is good, adding there are projects he loves, projects he probably hates and projects he has no emotional reaction to. Council Member Snyder explained it is what it is and it moves the ball forward for the region, letting the region know these are the types of issues we need to look at. He suggested this will trigger further debate and discussion on each one of these projects as we go through the appropriate process. Council Member Snyder stating that his vote does not endorse all of the projects, but overall this Plan does what needs to be done. He added that this tells the public that we have studied this, we have heard the different reactions to different projects, but if we want to fix the transportation system, these are the kinds of things the region is going to need to do.
- Mayor Silberberg stated she supports the passage of TransAction, adding that she supports Supervisor McKay's suggestion that further vetting is needed for projects as they proceed through the process. She expressed appreciation for the staff support on the development of TransAction. Mayor Silberberg stated

that she understood Delegate Hugo's position, acknowledging there could have been a public meeting in his region and adding that we can learn from that. She reiterated that currently only \$1.5 billion of the \$42 billion will be funded, so clearly not all projects will move forward. She suggested that if she lived in the area effected by the Bi-County Parkway, TransAction might be a signal that this project is a possibility and may cause some concern. Mayor Silberberg further suggested that the jurisdictions effected by this project need to continue to have conversations, have more civic engagement and study the pros and cons of the environmental impact. She added that the Authority can play a role in that discussion going forward. Mayor Silberberg stated she respects Delegate Hugo's points, but suggested we need to move forward to have these conversations and we need more information.

- Chair Fisette supported Delegate Hugo's concerns, stating that he wished Delegate Hugo had shared these concerns earlier in the process when they could have been vetted and discussed. Chair Fisette inquired as to when the next TransAction update would be. Ms. Backmon responded that based on adoption this evening, the next update adoption year is 2022. Chair Fisette suggested this conversation has been healthy, in terms of the criteria the NVTA uses. He questioned that the value in having a \$42 billion plan, suggesting it sends many messages, not just to the residents that wonder if a route is going to affect their home, but that we have a \$42 billion Plan and only \$1.5 - \$2 billion in funding. Chair Fisette proposed that the criteria that the Authority uses to vet projects at the beginning of the process deserves some reflection. He noted this is an unconstrained Plan, adding that when you have a constrained plan like the Transportation Planning Board's (TPB) Constrained Long Range Plan (CLRP), you know that a project is included in the Plan because there is enough money to fund it. He stated that the TPB is discussing adding an unconstrained component, but suggested it will be very measured and focused on projects that cross jurisdictions to allow the region to review and prioritize projects that cross state boundaries. Chair Fisette proposed the Authority consider what unconstrained means and whether there should be some limits or better criteria in defining this in the next update. He stated TransAction is not only fiscally unconstrained, but geographically unconstrained, noting that during the Public Hearing there were two projects that had large opposition, including the Potomac River Crossing. He questioned how a project is in our Plan when it is almost solely located in Maryland, noting the Maryland state line comes to the Virginia shore of the Potomac River. Ms. Backmon responded that the Plan is geographically unconstrained and we are identifying congestion in the region that not only impact Northern Virginia, but require Maryland and the District of Columbia to fix the congestion problem. She added that there are other projects, including Metro projects, that in order to be constructed, will need Maryland and the District to bring their share of the funding, for example 8-car Traction Power Upgrades. She noted there are 21 geographically unconstrained projects in the Plan. Chair Fisette acknowledged that while the Potomac River Crossing might be a more egregious project, there are 21 projects that cross out

of Virginia and require another locality outside of Virginia to be part of a solution. He added that the bridge has garnered extreme opposition, while the others are probably more viable and nuanced. Chair Fisette acknowledged that the modeling is one of this issues that needs to be considered today, adding that this is not the final word and we need to take what we learned and use it to seriously inform the next update. He suggested \$42 billion is too big a Plan and it needs to be cut back based on newly thought out criteria. He added that based on the TPB creating an unconstrained element to its Plan, our Plan should align with the TPB's long range unconstrained elements of its Plan. Chair Fisette stated that the projects the TPB is considering for this are High Occupancy Toll (HOT) Lanes through the region, Bus Rapid Transit (BRT) throughout the region, river crossings both above and below ground. He suggested this should be an important element in a future conversation. Chair Fisette stated that we should have had a discussion a year ago about this. He expressed understanding of Delegate Hugo's concerns regarding sprawl development in the wrong place and added that Prince William and Loudoun Counties' positions also need to factor into these discussions. Chair Fisette stated that there was enormous opposition to the Potomac River Crossing, with Maryland saying absolutely not. He suggested that if the Bridge is not included in the Plan now, it could be added in the next TransAction update. Chair Fisette stated the challenge now, practically speaking, is that based on the assumptions already made there are implications to delaying. He suggested that if we could remove this project today and not impact the rest of the Plan, he would be more open to waiting six years for this project to be added. However, if it means the process will be invalidated, cost more, and will be delayed by six months to a year, this body should preemptively have this discussion as part of the next update. Chair Fisette suggested this means that neither the Bi-County Parkway nor the Potomac River Crossing will happen in the next six years and people should feel very comfortable presuming this.

- Delegate Minchew stated that project number 180, Evergreen Mill Road, is in the Plan to be widened. He asked for clarification as to whether Loudoun County could choose to make structural changes to improve safety prior to the full widening project and request NVTAF funding to do so, even though it is not the full scope of the project as presented in TransAction. Delegate Minchew suggested that if this is permissible, then by approving this Plan our choice is not all or nothing, there is some discretion to enhance safety and improve congestion within the scope of the project as included in the Plan. Ms. Backmon responded it would be permissible. She noted eligibility for the SYP requires inclusion in the Plan, but that a project can be a subset of a project in the Plan, understanding that a locality may not be prepared to advance a project as it is listed in TransAction in its entirety. Chairman Nohe stated that the Authority has already funded projects that are a subset of a project in the current TransAction, for example funding a two mile section of a ten mile project. He likened this to funding phases of medium to large projects. Delegate Minchew expressed appreciation for this, suggesting that Loudoun may need to improve this roadway prior to constructing the entire project.

Chairman Nohe added that we cannot guarantee the project would be funded, but it is eligible for submission for further evaluation.

- Senator Black asked in what manner the Evergreen Mill Road question would be addressed, if the substitute motion currently before the Authority were to pass. He added that it had been addressed, but not raised in a formal fashion. Senator Black asked if we foreclose raising this issue before the body by acting on the motion in the form presented. Chairman Nohe responded that the question of Evergreen Mill Road improvements is relevant in that Evergreen Mill Road is a project listed in TransAction and once TransAction is approved, we can move forward with a Call for Projects in which jurisdictions can request funding for specific projects within TransAction. He explained that, essentially, approving TransAction puts into motion the process that could lead to Loudoun County requesting funding for Evergreen Mill Road. He stated that he cannot speak for the Loudoun County Board as to what projects they will request, adding that he did not know if Evergreen Mill Road is in the current TransAction 2040. He further explained that we can only fund projects included in TransAction, so upon approval of TransAction, all 352 projects become eligible for funding, to include Evergreen Mill Road, or some portion of Evergreen Mill Road.
- Delegate Hugo asked a parliamentary question, noting he made an amended motion and Mayor Parrish made a substitute amendment. He asked if there would still be final passage, adding that a substitute amendment cannot have final passage. Mayor Parrish clarified that he did not make a substitute amendment, he made a substitute motion. He suggested the Chairman would call the substitute motion to be acted upon first. Delegate Hugo suggested this would be final passage. Chair Fisette stated the substitute motion becomes the main motion and if it passes then there is a vote on the main motion. Chairman Nohe stated there was a motion on the floor to amend the Draft Plan to withdraw certain projects, then a substitute motion was made and seconded; it is now the main motion. There was a brief discussion regarding the voting procedure for this process. Chairman Nohe stated there would be two votes, one to make the substitute motion the main motion and then one to vote on the main motion. He explained that he wanted to be sure to have all the discussion necessary on this topic. Delegate Hugo thanked Chairman Nohe for his clarification. Upon request, Chairman Nohe clarified that when it is time for a vote on this matter, the first vote will be whether or not Delegate Hugo's motion shall be supplanted by Mayor Parrish's motion. If that motion passes, there will be a second vote on the adoption of TransAction. There was further discussion regarding the voting process, suggesting the substitute motion is already the main motion. Mr. Dickerson, NVTACounsel, suggested two votes be taken to ensure support and understanding of the process. Chairman Nohe ruled two votes would be taken. There was further discussion on this process, noting there are two legal ways to proceed. Chairman Nohe stated that regardless of the procedure, if a governing body votes on a motion, it is legally enforceable until challenged. He reiterated there would be two votes to ensure

there is no question of the process. He added that the first motion may be superfluous, but it is determinative.

- Supervisor McKay clarified that TransAction is updated every five years, but this update process has taken three years. He inquired as to whether it is within the scope of the NVTa to change the parameters of what is considered in the Plan, as Chair Fissette suggested. He suggested that if it is within the scope, it should be done immediately following adoption, knowing that this is on-going all the time with the next cycle starting in just two years. Ms. Backmon confirmed it is an on-going process and stated that “lessons learned” from this update are already being developed, as they have been for previous Plans. She also noted that with adoption of TransAction and the SYP Call for Projects this evening, we will be right back out seeking public comment on those projects. Ms. Backmon added that although adoption is every five years, the process starts almost immediately, especially with funding to implement. Supervisor McKay suggested that to Delegate Hugo’s concerns, we could be talking about this issue in a more robust way as part of the next cycle, even though it wasn’t done for this cycle. Ms. Backmon responded, absolutely.
- Supervisor McKay stated that, in regard to Prince William County removing the Bi-County Parkway from its Comprehensive Plan, he was under the impression that the General Assembly specifically codified a ruling that the NVTa will not be compelled to change its Plan based on a local government’s comprehensive plan. He asked if this was correct. Ms. Backmon responded affirmatively, noting that Supervisor McKay referenced HB 1915 which states that when localities make changes to the land use and transportation sections of their comprehensive plans, they must notify the Authority, but it is not compelled to make changes to the long range transportation plan. Supervisor McKay suggested this bill was passed to ensure the NVTa focuses on regional solutions and not the whim of any particular jurisdiction. Ms. Backmon confirmed this, noting that in the case of the Bi-County Parkway there are two localities in which the project falls. One locality does not have it in its comprehensive plan, but the other does. She suggested this is why the NVTa should not make planning level decisions based on inclusion in a localities comprehensive plan. Ms. Backmon added that the programming aspect is very different. Supervisor McKay suggested this General Assembly ruling is important, noting he seldom looks to the General Assembly to rule on an entity ignoring a locality’s comprehensive plan, but clearly the General Assembly wanted to promote regionalism to ensure one jurisdiction does not change the entire outcome of the NVTa process.
- Ms. Hynes asked for clarification that Delegate Hugo’s proposal to remove segments 2-2 and 2-3 from the Plan would mean that none of the projects, of any sort, on these corridor segments would be eligible for NVTa funding. Ms. Backmon responded affirmatively. Ms. Hynes stated that this is currently 49 projects, taking whole stretches of roadway out of NVTa planning. She suggested one of the challenges encountered with Loudoun County in the last TransAction update was that projects were not submitted to the Plan and, therefore, were not eligible for funding.

- Chairman Nohe stated he was going to propose a slight amendment to Mayor Parrish's substitute motion. Mayor Parrish suggested Chairman Nohe is leading the NVTa in the right direction and he will make any appropriate amendments to the motion to get us where we need to be. Chairman Nohe introduced a list of the 21 extraterritorial projects in TransAction. He suggested that the question as to whether the NVTa can do things outside of Planning District 8 is very relevant, adding that State Code says we cannot. He stated that we cannot spend NVTa funds outside of Planning District 8, and as a practical matter, we cannot build extraterritorial projects without coordination and funding from the extraterritorial partners. Chairman Nohe suggested that someday we may want to build some of these extraterritorial projects, for example the Rosslyn Blue Line Tunnel. He stated we cannot do this without the District's approval and the District is not ready for this project. He added that we do not want to be in a position where we cannot fund these extraterritorial projects should they become a priority for the regional and our extraterritorial partners.
- Chairman Nohe proposed, assuming TransAction adoption this evening, adding an appendix to TransAction for projects for which there are special circumstances that would have to be considered prior to funding. He stated that the 21 extraterritorial projects clearly have special circumstances, in that we need extraterritorial partners to build them. He suggested there is value in acknowledging this in the Plan. Chairman Nohe stated that he suggested an appendix because an appendix is amendable, therefore, if a project suddenly becomes viable then we can remove it from the appendix. He added that if a project not on the appendix becomes questionable in the future, it can be added to the appendix. Chairman Nohe stated that the Bi-County Parkway is a project that has special circumstances. He added that it is a long standing practice of the Authority, going back to HB 3202 and before, that the NVTa does not fund projects that the jurisdiction in which the project is physically located does not endorse the project. He noted that the jurisdiction of project location does not have to request the project, but they have to approve of the project. He cited a previously funded Loudoun County project that is being constructed in Fairfax County and Fairfax County gave its approval. Chairman Nohe stated that the Bi-County Parkway is not in Prince William County's comprehensive plan, adding that Prince William County will not request funding for this project. He further stated that if Loudoun County requests the project, Prince William County will not approve it because it is not in its comprehensive plan. He suggested there may be other similar projects, adding we have 22 now, but others can be added to the list if they are discovered to have special circumstances. Chairman Nohe stated that we are at a crossroads where it is time to vote on this issue, but there is an unanswered question about these projects with special circumstances. He suggested that adding an appendix provides a more clear understanding to future Authority members that this body knew, when it adopted this Plan, that some of these projects have special circumstances.

- Mayor Parrish requested clarification that these projects with special circumstances are not being removed from TransAction, but will be annotated to explain what this means. Chairman Nohe responded affirmatively, stating that he would make it an appendix because an appendix is amendable. He added that this does not change the Plan or the congestion relief analysis. Mayor Parrish asked if putting these projects in an appendix takes them out of TransAction. Chairman Nohe responded that it would not.
- Mayor Silberberg suggested this would speak to some of the concerns expressed by NVTAs members. Chairman Nohe agreed that this is why he was suggesting the appendix.
- Mayor Meyer asked for clarification that the proposal is to add an appendix identifying the projects in the Plan which have special circumstances, but not to remove them from the Plan. Chairman Nohe confirmed they would not be removed from the Plan.
- Senator Black moved adding the proposed appendix to TransAction and that we include the river crossings and the Bi-County Parkway in the appendix. Chairman Nohe stated that rather than accepting Senator Black's motion, he is requesting that Mayor Parrish, the maker of the current substitute motion, accept this as a friendly amendment.
- Mayor Parrish stated his first motion was that the Authority adopt the TransAction Update and associated Project List. He added that he has no problem with the friendly amendment, with the understanding that these projects are not being removed from TransAction and will become annotated within an appendix that describes their unique situation.
- Supervisor McKay, as the seconder of the motion, asked for clarification that by putting these projects in the appendix we are mentioning them twice and procedurally, nothing different will happen with the NVTAs process after the adoption of TransAction. He suggested we are just being more transparent with the public that the decision about whether these projects move forward is not solely held by this Authority. Chairman Nohe affirmed this and further added that if Loudoun County proposed a Potomac River Crossing as part of the SYP, Mr. Berliner now can point to the appendix and say that the NVTAs has acknowledged that this project is a problem.
- Supervisor McKay stated that with the understanding that nothing different will happen procedurally with these projects, he agrees to accept the friendly amendment. Chairman Nohe stated that a friendly amendment has been accepted to the substitute motion.
- Mayor Silberberg requested clarification that the appendix would include both the Potomac River Crossings and the Bi-County Parkway. Chairman Nohe responded that it would and provided the extraterritorial project list to members.
- Chair Randall stated that she understands that the appendix addresses extraterritorial projects and does not change or remove projects from TransAction. She suggested there are two issues with the appendix, noting some projects are extraterritorial in that they are outside of the NVTAs's authority, but that the appendix would contain both extraterritorial projects and

projects not included in a jurisdiction's comprehensive plan. Chairman Nohe stated that his suggestion is to include the 21 extraterritorial projects and the Bi-County Parkway in the appendix. He added that jurisdictions can also request additional projects be added to the list. He explained that Prince William County has a policy that states it will not endorse a project for any funding source that is not in its comprehensive plan, noting that other jurisdictions may be willing to endorse a project not in their comprehensive plan and then there may not be special circumstances. Chairman Nohe reiterated that a jurisdiction can request a project be added to the appendix at a later date.

- Chair Randall inquired as to whether a project on the appendix would receive a less favorable view when reviewing projects for the SYP. Ms. Backmon responded that they would not receive a less favorable review, depending on the circumstance. She explained that Metro's 8-Car Traction Power Upgrades were funded in the FY2017 Program and that NVTa staff took the extra step to ensure the District and Maryland, per Metro Board action, were prepared to fund their portion of the upgrade. She added that once the resolution was secured, the Standard Project Agreement was presented to the Authority for approval. Chair Randall inquired as to why we are annotating these projects with special circumstances, understanding that by including these projects in the appendix they will not receive a less favorable review and that nothing really changes. Chairman Nohe responded that this acknowledgement becomes a relevant data point for Authority consideration, adding that if the Potomac River Crossing were proposed for funding, it would trigger the question as to whether Montgomery County had approved the project. Chair Randall suggested she did not disagree with the appendix, but she expressed concern that the Bi-County Parkway and the two sections that are being annotated do effect Loudoun County. Chairman Nohe clarified that his suggestion is not in direct response to Delegate Hugo's initial motion to remove corridor segments 2-2 and 2-3. He noted that included in these corridor segments are 49 different projects, many of which are non-controversial and are included in Prince William County's Comprehensive Plan. He explained that one of the projects within the corridor segment is a road casually called the Bi-County Parkway, adding that VDOT identifies it as the Tri-County Parkway. Chairman Nohe further explained he was referencing the road that at one time might have led to the closure of the Route 29/234 interchange and is the road that has been removed from Prince William County's Comprehensive Plan. He stated he is not suggesting acknowledging special circumstances for all 49 projects in the Route 234 corridor. He added he would not apply it to the Loudoun County section either.
- Chair Randall requested a five minute recess to speak with Loudoun County staff and Loudoun County colleagues on the Authority.
- Supervisor McKay expressed concern about this discussion based on review of the list of extraterritorial projects, which includes many transit projects. He stated he is more concerned about these discussions between two jurisdictions, adding that he had just clarified that the General Assembly passed a bill that

specifically discourages the NVTa from being compelled to change the Plan based on a jurisdiction's comprehensive plan. He explained that there is a practice in place as to how jurisdictions work this out with the NVTa. Supervisor McKay suggested the list of extraterritorial projects, due to their leaving the Northern Virginia region, is different than a roadway contained within Northern Virginia between multiple jurisdictions. He asked for further clarification on this matter. Chairman Nohe suggested that in this regard, his suggestion may be a bad idea. He acknowledged that he had originally thought of the appendix issue in the context of the 21 extraterritorial projects.

- Mayor Parrish stated that since the Authority has already taken an action to fund an extraterritorial project; and we took the appropriate action to work with jurisdictions outside of Northern Virginia to accomplish it in such a way as to work with our funding and theirs', we have an example of doing this. He suggested that we know how to manage funding requests for any extraterritorial projects contained within TransAction. He added that we can annotate this as much as we want, and those instructions can be given to staff after a motion. Mayor Parrish stated he believes the motion is pretty clear, let's pass TransAction and the projects within it.
- Chairman Nohe clarified that Mayor Parrish is reverting to his original substitute motion. Mayor Parrish confirmed this and Supervisor McKay agreed with this as the seconder of the motion.
- Mayor Rishell questioned the need for an appendix after this conversation, adding that in the future if there is any need for clarification, this discussion will be included in the meeting minutes. Chairman Nohe agreed with this.
- Mayor Parrish commented that for many years he has had such hope for the NVTa and what it could accomplish in Northern Virginia for Northern Virginia citizens with regard to reducing congestion and making life better. He stated that we are on the cusp of that and he is pleased. He expressed appreciation for the conversation this evening, adding it has been very good and members should speak passionately in representation of their citizens. Mayor Parrish stated that as the NVTa, we need to make decisions regionally and we should move forward.
- Council of Counsel was questioned about the previously proposed two vote method. Mr. Dickerson stated that the NVTa has a quorum at the meeting and voting requirements to take action by 2/3 of the population, 2/3 of the members and 2/3 of the localities. He added that if the motion is clear, and it is clearly a substitute motion to adopt the Plan; and it is adopted by 2/3 majority across the board, then that is action of the Authority. Chairman Nohe inquired as to whether there is anything that precludes the two vote method. Mr. Dickerson responded that there is not.
- Chairman Nohe ruled that the two vote method will be used.
- Chairman Nohe commented that his very first meeting of the Authority was twelve years ago and TransAction 2030 was being discussed. He acknowledged that Council Member Snyder and Mayor Parrish were also in attendance and are the only remaining members who were also on the Authority for the adoption of TransAction 2040. Chairman Nohe stated that

this is the third TransAction for Mayor Parrish and himself, and it is the fourth TransAction adoption for Council Member Snyder as he was on the original body that adopted TransAction 2020. He commented that in his experience, those meetings have had conversations very similar to this evening's discussion about what projects should be in the Plan. He expressed appreciation for the conversation this evening. Chairman Nohe stated that one main difference between this Plan and previous Plans is that we are not just adopting a wish list of projects. We have taken a list of projects and based on robust analysis, we have assigned a number that can be used to determine whether or not a project is a good idea. Chairman Nohe concluded that to the best of his knowledge, no one has ever done what the NVTa has done with this Plan. We are setting a new standard for how regions or states analyze transportation planning. He stated we should be extraordinarily proud of this. Chairman Nohe thanked the NVTa staff, Ms. Backmon and Mr. Jasper. He also acknowledged and thanked the jurisdictional staff for the huge amount of hours they have contributed to this effort.

- Chairman Nohe called for a motion to create a substitute motion, adding that a vote in the affirmative is a vote to go to a second vote on what will become the main motion, as opposed to voting on Delegate Hugo's original motion.
- Delegate Minchew clarified that the vote on the floor is the substitute motion to pass TransAction and inquired as to what the second vote would be. Chairman Nohe clarified that he is choosing to have two votes. The first is whether Mayor Parrish's motion should be the main motion, adding that if a member would like to vote on Delegate Hugo's motion, they would vote no. If the first vote passes, a second vote will be taken to approve TransAction.
- Ms. Speer took the roll call vote:
Chairman Nohe – Yea
Chair Randall – Yea
Supervisor McKay – Yea
Chair Fisette – Yea
Mayor Silberberg – Yea
Mayor Parrish – Yea
Mayor Meyer – Yea
Council Member Snyder – Yea
Mayor Rishell – Yea
Senator Black – Yea – changed to Nay with subsequent conversation and consent
Delegate Hugo - Nay
Delegate Minchew – Yea
Ms. Hynes – Yea
Mr. Kolb - Yea
- Chairman Nohe stated that by a vote of thirteen (13) to one (1), the motion to substitute carries. We now move to the main motion which is a vote on whether or not to approve agenda item IX Adoption of the TransAction Update.

- Senator Black requested permission to change his vote to nay (as noted above). There was general consent to suspend the rules to allow Senator Black's vote to be recorded as a nay.
- Chairman Nohe stated that by a vote of twelve (12) to two (2), the motion to substitute carries. We now move to a vote as to whether or not to approve item IX the TransAction Update.
- Delegate Hugo stated, mark this on your calendar, this a good day, the Nats (Washington Nationals) are going to win. Also mark this on your calendar, Mayor Meyer says I am to the left of him. He added that Mayor Silberberg, Chair Fisette and Supervisor McKay expressed sympathy for the position of Senator Black and Delegate Hugo on this matter. Delegate Hugo recognized that Delegate Marshall is in attendance this evening. He stated that comments made by Mayor Meyer and Chair Fisette are incredibly important and are going to last beyond tonight. He noted that Chair Fisette said the Bi-County Parkway may not happen, but he also said we are creating a fiscally unconstrained document. This is not only a geographically unconstrained document, but a fiscally unconstrained document that we are about to pass tonight. Delegate Hugo stated this is incredibly important and goes to what Mayor Meyer said about Richmond seeing a pot of money, or see something down here, and this is going to reverberate beyond. Delegate Hugo expressed concern that we are making a mistake, not just on this one individual project, but that a number of members expressed concerns about the process. He suggested that the scope of creating an unconstrained fiscal document for transportation is going to send a message and this is going to be problematic for all the good things Mayor Parrish discussed as we go forward. He added this is going to be problematic for the NVTa. Delegate Hugo concluded that he wished we were not doing this, but he appreciated the opportunity to speak on this issue. He thanked the Chairman and stated he would vote no.
- Ms. Speer took the roll call vote:
Chairman Nohe – Yea
Chair Randall – Yea
Supervisor McKay – Yea
Chair Fisette – Yea
Mayor Silberberg – Yea
Mayor Parrish – Yea
Mayor Meyer – Yea
Council Member Snyder – Yea
Mayor Rishell – Yea
Senator Black – Yea
Delegate Hugo - Nay
Delegate Minchew – Yea
Ms. Hynes – Yea
Mr. Kolb - Yea

- Chairman Nohe stated that on a vote of thirteen (13) to one (1) the motion carries and we have a regional plan.

IV. Approval of TransAction Contract Amendment 2

- Mayor Parrish moved Authority approval of the TransAction Update Contract – Amendment 2 (RFP2015-01); seconded by Supervisor McKay. Motion carried unanimously.

X. Adoption of the FY2018-2023 Revenue Projections

Mayor Parrish, Chair, Finance Committee

- Mayor Parrish informed the Authority that the Finance Committee had met and discussed the FY2018-2023 Revenue Projections at length. He noted that this process leads to the ability to fund projects at a future time and addresses regional transportation needs through 2040, adding that Northern Virginian's consider the region's travel conditions to have the largest impact on their quality of life. Mayor Parrish stated that the revenue projections are the first step in determining the PayGo funding availability for the SYP. He noted that all jurisdictions participated in the revenue projection process and added that the projections include a number of items and considerations. Mayor Parrish reviewed the Authority's revenue sources and noted that the projections show each revenue source by year. He concluded that the projections show the 70% Regional Revenue for the SYP will approximately \$1.5 billion.
- Mayor Parrish moved Authority adoption of the proposed FY2018-2023 revenue projections; seconded by Supervisor McKay. Motion carried unanimously.

XI. Approval of De-allocation of \$300M from the I-66/Rt. 28 Interchange Project

Ms. Backmon, Executive Director

- Ms. Backmon reminded the Authority that it had allocated \$300 million in the FY2017 Program to the I-66/Route 28 Interchange Project, adding that \$100 million was cash and \$200 was planned to be debt. She stated that no public funds are required for the Transform 66 Outside the Beltway Project and the interchange improvements will be completed by Express Mobility Partners as part of the overall project. As a result, NVTa staff is requesting de-allocation of the \$300 million from the I-66/Route 28 Interchange Project.
- Chairman Nohe inquired as to whether this \$100 million has been included in the SYP funding projection of \$1.5 billion. Ms. Backmon responded it has not, that the projection will be increased by \$100 million.
- Supervisor McKay moved Authority approval for the de-allocation of \$300 million approved in the FY2017 Program for the I-66/Route 28 Interchange Project and cancellation of the project; seconded by Ms. Hynes.

- Chairman Nohe stated that this item had been scheduled months ago, based on the assumption that the State would have reached financial close on the I-66 Outside the Beltway project by now. He noted that he had spoken to Deputy Secretary Donohue and the Deputy Secretary had assured him that the NVTa could move forward with the de-allocation this evening.
- The motion carried unanimously.

XII. Approval of the Call for Regional Transportation Projects for the FY2018-2023 Six Year Program Ms. Backmon, Executive Director

- Ms. Backmon informed the Authority that with the adoption of TransAction this evening, NVTa staff is asking for approval to issue the Call for Regional Transportation Projects for the Authority's first Six Year Program FY2018-2023. She stated this item had been reviewed with the PPC and the Committee recommended NVTa endorsement. Ms. Backmon stated that project eligibility requires inclusion in TransAction, HB 599 analysis (which was incorporated into TransAction) and Congestion Reduction Relative to Cost (CRRC) evaluation. She added that based on approval this evening, applications are due at noon on December 15, 2017, with resolutions of support due at noon on January 19, 2018. She stated there has been an extra month provided for the resolutions of support, noting that NVTa staff can begin evaluating the project prior to receiving the resolutions.
- Chairman Nohe stated this is the action that begins the process by which the Authority will chose the projects that will be funded in the SYP.
- Mayor Parrish moved Authority approval of the Call for Regional Transportation Projects for the FY2018-2023 Six Year Program; seconded by Chair Randall. Motion carried with thirteen (13) yeas and one (1) nay [Delegate Hugo].

XIII. Approval of Comments on the VTrans 2040 Draft Recommendations on the Tier 1 Needs Ms. Backmon, Executive Director

- Ms. Backmon informed the Authority that the Virginia Office of Intermodal Planning and Investment (OIPI) is leading an effort to develop and implement the Statewide Transportation Needs Assessment for the VTrans Multimodal Transportation Plan 2025 (VMTP). She noted that one of the purposes of the needs assessment is to serve as a screen for projects applying for consideration for Smart Scale prioritization and funding. She added that all projects submitted for Smart Scale funding must pass through an initial screening process. Ms. Backmon stated that the Commonwealth consultants met with the RJACC earlier this year and the Authority submitted a comment letter in February 2017. She explained that there are now been recommendations for the Tier 1 Needs and NVTa staff recommend Authority approval for the proposed comments on the Tier 1 Needs Recommendations. Ms. Backmon

added that there is an understanding that there is \$1 billion, over ten years, available for Tier 1. Ms. Hynes informed the Authority that VTrans is intended to be a somewhat constrained long range plan for the State and each region has been given guidance on how many projects they can submit to VTrans. She stated it is important to note that to be considered for Smart Scale funding, a project does not need to be in the Tier 1 list, so there is more flexibility in the way this is constructed. She added the Tier 1 list is a statement of a set of priorities. Ms. Hynes concluded that the thinking is that of the \$5 billion over ten years, approximately 20% would be allocated to Northern Virginia.

- Senator Black inquired as to whether the Evergreen Mills Road project could be submitted for this process. Ms. Hynes responded it would not, because this is the State plan. Chairman Nohe added that Loudoun County could request Smart Scale funding for Evergreen Mills Road, regardless of whether it is in VTrans. He stated VTrans is not determinative like TransAction is. Ms. Hynes noted that OIPI held meetings with jurisdictional staff and others throughout Virginia and tried to listen to what the regions saw as the next set of needs. She concluded there are a set of projects that are funded, there are a set that are somewhat ready to go for Smart Scale and this Tier 1 is intended to be the next set of projects. Ms. Hynes added that these are large projects.
- Ms. Backmon stated that Stafford had just requested clarification on how projects were selected for Tier 1 and what the process will be for coordination with localities in which the projects reside. Ms. Hynes added that each CTB member had an opportunity to shape the prospective project list.
- Supervisor McKay moved Authority approval of the draft recommendations on the Tier 1 needs for the VTrans plan update to the Virginia Office of Intermodal Planning and Investment and authorization for the Executive Director to submit comments to the Office of Intermodal Planning and Investment; seconded by Chair Randall. Motion carried with twelve (12) yeas, one (1) nay [Delegate Hugo] and one (1) abstention [Ms. Hynes].

XIV. Approval of the Call for Projects for FY2024 CMAQ/RSTP Funding

Ms. Backmon, Executive Director

- Ms. Backmon explained to the Authority that the NVTa is responsible for making federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) and the Regional Surface Transportation Program (RSTP) funding recommendations. She stated that several years ago the CTB instructed Northern Virginia to make recommendations for the life of the State's SYP instead of in one year increments, adding that each year we add a new year and this year is FY2024. Ms. Backmon concluded that NVTa staff is preparing for the recommendation of projects to the CTB for FY2024, noting that the estimated annual revenue for these projects is \$80 million.
- Chair Randall inquired as to why the programming change to the State's SYP, instead of one year at a time. Ms. Backmon responded that several years ago

there was a misconception that the projects receiving this funding were not being advanced quickly enough, so the CTB had a list of projects still on the books, but funds had actually been spent. She concluded that this was a synchronization exercise.

- Delegate Hugo inquired as to whether any CMAQ or RSTP funds go to Corridors of Statewide Significance. Chairman Nohe responded that this funding tends to go to smaller projects. Ms. Backmon responded that CMAQ funds do not because they are focused on projects that benefit air quality. She stated that there has been some RSTP funding for Route 28 and Route 1, but these were small amounts. Mr. Kolb clarified that RSTP funds are flexible funds. Ms. Backmon agreed that RSTP funds were more flexible than CMAQ. Chairman Nohe explained that Northern Virginia localities generally use the RSTP funds to either fund relatively small projects, or top off project funds if additional funds are needed. He added that Prince William County has used these funds for Route 28 and Route 1, and Fairfax County has used these funds for Route 7. He noted these are all Corridors of Statewide Significance, but clarified that no RSTP funds have been used on the North-South Corridor.
- Mayor Parrish moved Authority approval of the issuance of the Call for Projects for the FY2024 CMAQ and RSTP Funds; seconded by Supervisor McKay. Motion carried unanimously.

XV. Approval of Endorsement of Fairfax and Loudoun Counties' TIGER Grant Applications and Fairfax and Prince William Counties' INFRA Program Applications

Ms. Backmon, Executive Director

- Ms. Backmon explained that the letters for endorsement were included in the meeting packet for review.
- Mr. Kolb inquired as to whether the letters were being approved as a block. Chairman Nohe responded that typically they are.
- Chair Randall moved Authority endorsement of Fairfax and Loudoun Counties' project applications for the U.S. Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER) program discretionary grant applications and Fairfax and Prince William Counties' INFRA discretionary grant program applications authorized under the Fixing America's Surface Transportation (FAST) Act; seconded by Supervisor McKay.
- Chairman Nohe explained that we are simply endorsing the jurisdictions' requests for these funds. Ms. Backmon clarified that these are not NVTAs requests for funding.
- Motion carries with thirteen (13) yeas and one (1) abstention [Mr. Kolb].

Discussion/Information

- XVI. Planning and Programming Committee Report** Chairman Nohe
- No verbal report.
- XVII. Finance Committee Report** Mayor Parrish, Chair
- Mayor Parrish thanked the Finance Committee and NVTa staff for their hard work. He stated that the next Committee meeting will be the following week.
- XVIII. Governance and Personnel Committee Report** Ms. Hynes, Chair
- Ms. Hynes informed the Authority that the Governance and Personnel Committee is beginning the process of Ms. Backmon's annual evaluation. She stated that in the next six to eight weeks members will receive an email survey. She requested that members complete the survey.
- XIX. Planning Coordination Advisory Committee Report** Supervisor Buona, Chair
- No verbal report.
- XX. Technical Advisory Committee Report** Mr. Boice, Chair
- No verbal report.
- XXI. Investment Portfolio Report** Mr. Longhi, CFO
- No verbal report.
- XXII. Monthly Revenue Report** Mr. Longhi, CFO
- No verbal report.
- XXIII. Operating Budget Report** Mr. Longhi, CFO
- No verbal report.
- XXIV. Executive Director's Report** Ms. Backmon, Executive Director
- Ms. Backmon reminded the Authority that the November 9, 2017 meeting would be at the Sherwood Community Center. She thanked Mayor Meyer for providing the facility. She noted this will be the Authority's 15th Anniversary Celebration and that there will be a short business meeting prior to the event.

XXV. Chairman's Comments

- Chairman Nohe stated that one of the agenda items for the November meeting will likely be the adoption of the Authority's 2018 Legislative Program. He explained that a draft will be sent to members in the next week for review and asked that comments be sent to Ms. Hynes and Ms. Baynard prior to the November meeting so that they can be addressed.
- Chairman Nohe asked the General Assembly members of the Authority if they would like to receive the draft legislative program, noting that in years past some General Assembly members have abstained from receiving the draft. There was consensus that the members did want to receive the draft.

XXVI. Adjournment

- Meeting adjourned at 8:53pm.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mayor Parrish, Chair, NVTa Finance Committee

DATE: November 3, 2017

SUBJECT: Fiscal Year 2017 Financial and Compliance Audit Reports

1. **Purpose.** To seek Northern Virginia Transportation Authority (NVTa) acceptance of the FY2017 Financial and Compliance Audit Reports.
2. **Suggested motion.** *I move Authority acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit Reports for the year ended June 30, 2017 (FY2017).*
3. **Background.**
 - a. As a political subdivision of the Commonwealth of Virginia, NVTa is required to complete an annual audit of its financial activities for each fiscal year following standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.
 - b. The Authority contracted with an independent, external, licensed certified public accounting firm; PBMares, LLP to complete the required audit for FY2017.
 - c. PBMares, LLP, through one of the firm's partners, Mr. Michael Garber, presented the FY2017 audited financial statements and reports to the NVTa Finance Committee on October 19th. The Finance Committee serves as the NVTa's Audit Committee.
 - d. The Authority's FY2017 Financial and Compliance Reports received an unmodified (clean) audit opinion. This opinion reflects that the Authority's financial statements, in all material respects, fairly and accurately present the financial position of the Authority for FY2017.

Attachments:

- Northern Virginia Transportation Authority, Financial and Compliance Reports, Year Ended June 30, 2017
- The FY2017 Audit Reports will be available at <http://www.thenovaauthority.org/finance/financial-statements/> shortly after acceptance.



**NORTHERN VIRGINIA
TRANSPORTATION AUTHORITY**

FINANCIAL AND COMPLIANCE REPORTS

Year Ended June 30, 2017

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

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INTRODUCTORY SECTION

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

DIRECTORY OF PRINCIPAL OFFICIALS

Voting Members

Hon. Martin Nohe, NVTa Chairman; Prince William County
Hon. Phyllis Randall, Loudoun County, NVTa Vice Chairman;
Hon. Jay Fisette, Arlington County
Hon. Sharon Bulova, Fairfax County
Hon. Allison Silberberg, City of Alexandria
Hon. David L. Meyer, City of Fairfax
Hon. David Snyder, City of Falls Church
Hon. Harry J. "Hal" Parrish, II, City of Manassas
Hon. Jeanette Rishell, City of Manassas Park
Hon. Richard H. Black, Virginia Senate
Hon. Tim Hugo, Virginia House of Delegates
Hon. J. Randall Minchew, Virginia House of Delegates
Jim Kolb, Governor's Appointee
Mary Hynes, Governor's Appointee, Commonwealth Transportation Board Member

Non-Voting Members

Helen Cuervo, Virginia Department of Transportation
Jennifer Mitchell, Virginia Department of Rail and Public Transportation

Town Representative

Hon. Kelly Burk, Town of Leesburg

Certain Authority Staff

Monica Backmon, Executive Director
Michael Longhi, Chief Financial Officer
Margaret Teal, CPA, Assistant Finance Officer
Carl Hampton, Investment & Debt Manager

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Authority Board Members
Northern Virginia Transportation Authority
Fairfax, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the remaining fund information, and the budgetary comparisons of the Northern Virginia Transportation Authority (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the remaining fund information of the Authority, as of June 30, 2017, and the respective changes in financial position and the budgetary comparisons, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 4-12 and 54-55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules listed in the table of contents as supplementary information and introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
October 9, 2017

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Northern Virginia Transportation Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2017.

The Authority is a political subdivision of the Commonwealth of Virginia, created in 2002 by the Northern Virginia Transportation Authority Act, Title 15.2, of the *Code of Virginia*. The Authority's primary function is to conduct planning, prioritization and funding of regional transportation projects for its member jurisdictions in Northern Virginia.

In November 2012, the Authority developed its long-range plan, Transaction 2040. On April 3, 2013, the Governor's substitute for House Bill 2313 ("HB2313") was adopted by the Virginia General Assembly. HB2313 provided a dedicated funding stream for transportation projects in Northern Virginia. This legislation coupled with the successful bond validation suit (BVS) enabled the Authority to fund regional transportation projects. HB2313 provided a permanent, annual source of revenue for the Authority to implement its mandate. The HB2313 revenue stream began on July 1, 2013.

The Authority member jurisdictions are the counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park. The Authority has seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties that are members of the Authority; two members of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. In addition, the Director of the Virginia Department of Rail and Public Transportation, or designee; the Commonwealth Transportation Commissioner, or designee; and the chief elected officer of one town in a county, which the Authority embraces, serve as non-voting members of the Authority.

All moneys received by the Authority and the proceeds of bonds and other debt instruments are required to be used solely for transportation purposes benefiting the member jurisdictions. Of the HB2313 revenues received, 30% are distributed to member jurisdictions based on revenues generated in the jurisdiction, for transportation projects and purposes authorized under Section 33.2-2510 and selected by the member jurisdiction. The remaining 70% of the HB 2313 revenues are first pledged to the payment of bonds and other debt instruments with the remaining revenues available to fund regional transportation projects including mass transit projects that increase capacity for the benefit of the member localities.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the Authority's reporting entity as a whole using the economic resources measurement focus and accrual basis of accounting.

- During fiscal year 2017, the Authority's bond rating was reviewed by Fitch Ratings. Fitch formally reaffirmed the Authority's AA+; Stable Outlook rating noting the Authority's exceptional revenue resilience, vibrant service area, and strong governance. Standard & Poor's and Moody's did not undertake formal reviews during this fiscal period.

- Assets and deferred outflows of resources of the Authority exceeded its liabilities for the year ended June 30, 2017 by \$692,704,622 (net position). Of this amount, \$636,370 represents unrestricted net position, which may be used to meet the Authority's ongoing operating obligations. The changes in the pension plan for the year resulted in a decrease of \$48,985 to record the net pension liability, and an increase of \$201,516 of deferred outflows of resources. Restricted net position totaled \$692,027,733 and can be used only for regional transportation purposes. It should be noted all the funds composing this net restricted position have been appropriated by the Authority for specific regional transportation projects which meet the goals, purposes, and mandates of the Authority and the HB2313 revenue source.
- The Authority's total outstanding debt for the year ended June 30, 2017 was \$62.8 million with \$10.4 million in unamortized bond premium related to the series 2014 bonds. This outstanding debt was created in December 2014, when the Authority entered the capital bond market for the first time with bonds designated to replace a short term Line of Credit with fixed rate, long term, low cost, permanent financing.
- For the fiscal year ended June 30, 2017, contributions and intergovernmental revenue, for the Authority's governmental activities totaled \$332.7 million. Expenses totaled \$204.3 million of which \$99.3 million represents the 30% funds distributed to member jurisdictions in accordance with HB2313, \$99.7 million represents reimbursement of authorized project costs.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about the Authority's funds using the current financial resources measurement focus and modified accrual basis of accounting.

- The Authority's General Fund reported an increase in fund balance of \$54,351 compared to a decrease of \$80,850 for fiscal year 2016. The General Fund balance as of June 30, 2017 totaled \$541,152 compared with \$486,801 at the end of the previous fiscal year.
- The Authority's Special Revenue Funds (Local Distribution Fund and Regional Revenue Fund), reported an increase in fund balance of \$129,410,164 which has been appropriated by the Authority to approved transportation projects. This increases the overall balance to \$765,096,703 as of June 30, 2017 compared to \$635,686,539 at the end of the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also includes required supplementary information and supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The financial statements presented include all of the activities, which are part of the Authority reporting entity using the integrated approach as prescribed by the Governmental Accounting Standards Board (GASB). The government-wide financial statements present the financial picture of the Authority's governmental activities from the economic resources measurement focus using the accrual basis of accounting.

The fund financial statements include a separate column for each of the major governmental funds and the non-major Debt Service Fund. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. A reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, with the governmental activities combined. The Statement of Net Position presents the assets, deferred outflows of resources, and liabilities with the difference reported as net position. The Statement of Activities shows in broad terms changes to net position during the fiscal year.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or declining. Net position is one way to measure financial position but the reader should also consider other indicators, such as general economic conditions prevalent in the geographic area the Authority serves.

The Statement of Activities presents information indicating how the Authority's net position changed during the fiscal year. All changes in net position are reported on an accrual basis as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods.

Revenue is classified as program or general revenues. Program revenue consists of contributions from the member jurisdictions used to cover the Authority's administrative expenses. General revenues include the four intergovernmental revenues received, collected, and remitted from the Commonwealth of Virginia: specifically sales tax, grantors tax, transient occupancy tax, and interest earned on the Commonwealth's Northern Virginia Transportation Authority Fund. These tax receipts commenced July 1, 2013.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only reports governmental funds. The Authority does not have proprietary funds nor does it maintain fiduciary funds at this time. The governmental funds of the Authority are divided into three categories: General Fund, Special Revenue Funds, and Debt Service Fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains four governmental funds: the General Fund, two Special Revenue Funds, and a Debt Service Fund. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Change in Fund Balances for each of these funds. The General Fund includes the Authority's operating and administrative activities. The Local Distribution (30%), Special Revenue Fund reports 30% of the intergovernmental revenue received by the Authority under HB2313 and distributed to the member jurisdictions. The Regional Revenue (70%) Special Revenue Fund reports 70% of the intergovernmental revenue received by the Authority and used to fund transportation projects under HB2313. A Debt Service Fund is used to account for and report financial resources restricted to expenditures for debt service.

The Authority adopts annual appropriated budgets for its General Fund and the two special revenue funds. An internal budgetary comparison statement is maintained for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets, which have been provided in the financial statements for fiscal year 2017.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The Required Supplementary Information, which includes the Schedule of Authority Contributions – Virginia Retirement System and the Schedule of Changes in the Authority's Net Pension Liability (Asset) and Related Ratios – Virginia Retirement System, provides additional information that is required by accounting principles generally accepted in the United States to be presented as a supplement to the basic financial statements.

Supplementary Information

Additional information is presented as a supplement to the basic financial statements. Although not required to be presented and not part of the basic financial statements, the schedules are included to provide additional information of interest to certain financial statement users.

FINANCIAL ANALYSIS OF THE AUTHORITY REPORTING ENTITY AS A WHOLE

An analysis of the Authority's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the Authority's net position and changes therein. It should be noted the Authority's net position could also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

Statement of Net Position

The following table presents a summary of the Statement of Net Position for the Authority as of June 30, 2017. Data for June 30, 2016 has been included for comparison purposes.

Summary Statement of Net Position June 30, 2017 and 2016

	Governmental Activities		Increase	%
	2017	2016	(Decrease)	Change
Assets:				
Current and other assets	\$ 789,690,215	\$ 668,806,577	\$ 120,883,638	18.1%
Capital assets, net	40,519	32,001	8,518	26.6%
Total assets	789,730,734	668,838,578	120,892,156	18.1%
Deferred outflows of resources	201,516	50,409	151,107	299.8%
Liabilities:				
Current and other liabilities	26,395,950	34,784,107	(8,388,157)	-24.1%
Noncurrent liabilities	70,831,678	73,879,133	(3,047,455)	-4.1%
Total liabilities	97,227,628	108,663,240	(11,435,612)	-10.5%
Net position:				
Net investment in capital assets	40,519	32,001	8,518	26.6%
Restricted	692,027,733	559,604,499	132,423,234	23.7%
Unrestricted	636,370	589,247	47,123	8.0%
Total net position	\$ 692,704,622	\$ 560,225,747	\$ 132,478,875	23.6%

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities by \$692,704,622 at June 30, 2017.

A significant portion of net position, \$687 million, or 99% represents funds that have been restricted by HB2313 and \$5 million is restricted for debt service. It should be noted the funds composing this net restricted position have been appropriated by the Authority to specific regional transportation projects, which meet the goals, purposes, and mandates of the Authority and the HB2313 revenue source. The remaining balance of \$636,370 is unrestricted and may be used to meet the Authority's ongoing obligations to its citizens and creditors.

Current assets consist primarily of restricted cash, cash equivalents, investments, and amounts due from the Commonwealth of Virginia. During fiscal year 2017, the Authority implemented its investment program by contracting for securities custody services, acquiring portfolio management software, and transitioning funds from purely liquid cash assets to fixed income investment securities. All securities purchased are held in the name of the Authority by the custodian. Security Custodian use is required in the Authority's Investment Policy and by the *Code of Virginia*. All security purchase transactions are completed on a 'Delivery vs. Payment' basis as required by the Authority's Investment Policy. As of June 30, 2017, the Authority has approximately \$540 million invested in United States Treasuries, Agencies, Corporate Notes, Commercial Paper, Negotiable Certificates of Deposit, Bank Certificates of Deposit, and Virginia Investment Pool 1-3YR Bond Fund.

The implementation of the Authority investment program and resulting increase in earned interest in fiscal year 2017 reflects the Authority's commitment to prudent financial management. As mandated in the Authority investment policy, the investment program priorities are safety, liquidity then yield. Investment activities are undertaken in a conservative nature reflective of these priorities and include a 'buy and hold' orientation. All interest earnings of the investment program benefit the Regional Revenue Fund for appropriation by the Authority to regional transportation projects. Expenses of the investment program are administered in the operating budget and, therefore, shared by member jurisdictions based on population.

Restricted cash and cash equivalents totaled approximately \$191.1 million of which \$182.7 million is restricted for regional transportation projects approved and appropriated by the Authority and \$8.4 million is restricted for debt service. As of June 30, 2017, approximately \$55.9 million was due from the Commonwealth of Virginia, of which \$5.0 million is for grantors tax, \$43.3 million is for sales tax, and \$7.6 million is for transient occupancy tax.

Statement of Changes in Net Position

The following table presents the revenues, expenses and change in net position of the Authority for the fiscal year ended June 30, 2017. Data for June 30, 2016 has been included for comparison purposes.

Summary Statement of Changes in Net Position Years Ended June 30, 2017 and 2016

	Governmental Activities		Increase (Decrease)	% Change
	2017	2016		
Revenues:				
Program revenues:				
Operating grants and contributions	\$ 1,654,617	\$ 1,100,262	\$ 554,355	50.38%
General revenue:				
Intergovernmental	331,052,594	316,946,738	14,105,856	4.45%
Interest income	4,078,221	2,368,579	1,709,642	72.18%
Total revenues	336,785,432	320,415,579	16,369,853	5.11%
Expenses:				
General and administration	2,743,522	1,944,222	799,300	41.11%
Jurisdictional distributions (30%)	99,328,170	95,093,539	4,234,631	4.45%
Project cost distributions	99,693,170	69,306,373	30,386,797	43.84%
Interest and issuance costs	2,541,695	2,634,410	(92,715)	-3.52%
Total expenses	204,306,557	168,978,544	35,328,013	20.91%
Change in net position	132,478,875	151,437,035	(18,958,160)	-12.52%
Beginning net position	560,225,747	408,788,712	151,437,035	37.05%
Ending net position	\$ 692,704,622	\$ 560,225,747	\$ 132,478,875	23.65%

For the fiscal year ended June 30, 2017, revenues totaled approximately \$336.8 million. Expenses totaled approximately \$204.3 million. The significant increase in investment earnings is due to the implementation of the Authority's investment program. The increase in general and administrative expenses is due in part to an increase in staffing, the acquisition and implementation of Geographic Information System (GIS) mapping and limited modelling functionality, and investment program expenses. The multi-year contract to update the Authority's regional transportation plan, TransAction, represents the Authority's largest single administrative expenditure. TransAction is required by HB2313 as a fundamental step in developing future project programs for the region.

The TransAction update process is anticipated to be completed in fiscal year 2018. Once the TransAction update is complete the Authority is expected to undertake the development of its first Six Year Program (SYP). The SYP is expected to be adopted in late fiscal year 2018 and will allocate project funding for fiscal year 2018 through fiscal year 2023.

The 44% increase in project cost distribution is the result of the project development cycle accelerating as multiple projects reach major milestones. These expenditures are ramping up as project sponsors are entering the final phases of their authorized projects. An increasing rate of expenditure is expected for projects previously approved by the Authority for several years until the project life cycle reaches full maturity and stabilizes. The SYP will permit project sponsors to have greater project readiness in place, especially for projects approved in the later years of the plan.

A discussion of the key components of the revenue and expense is included in the funds analysis.

FINANCIAL ANALYSIS OF THE REPORTING ENTITY'S FUNDS

Governmental Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the needs of the Authority's financing requirements.

General Fund. The General Fund is the operating fund of the Authority. At the end of fiscal year 2017, the General Fund Nonspendable fund balance was \$33,553, assigned fund balance of \$4,500 and unassigned fund balance was \$159,311, while total fund balance equaled \$541,152. During fiscal year 2017, the Authority established a reserve for the replacement of equipment, furnishings, and fixtures which is represented as assigned fund balance in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 10% of total General Fund expenditures, while total fund balance represents approximately 34% of that same amount.

The fund balance of \$541,152 includes \$343,788 of committed fund balance. The debt policy adopted on December 12, 2013, revised June 19, 2015, requires the Authority to maintain an operating reserve sufficient to fund at a minimum 20% of the General Fund operating expenses. This operating reserve may be used at the discretion of the Executive Director, to cover unanticipated increases in the Authority's expenditures. If used, the Executive Director will present a plan to the Authority for restoring the reserve during the next fiscal year budget process.

The Authority adopts an annual operating budget for General Fund operating activities for the purpose of determining the annual contributions from the member jurisdictions required to fund these activities. Total contributions by the nine member jurisdictions equaled \$1,654,617 for fiscal year 2017.

Debt Service Fund. The debt service fund reports financial resources restricted to the payment of principal and interest for the outstanding related series of transportation bonds. The debt service fund is not one of the Authority's major governmental funds. The debt service fund had a fund balance of \$467,886 as of June 30, 2017 on deposit for fiscal year 2018 debt obligations. The Authority contributes monthly to the debt service fund for upcoming debt service payments.

Special Revenue Fund. The Authority maintains two special revenue funds; the Local Distribution Fund (30%) and the Regional Revenue Fund (70%), both of these funds are categorized as major funds in the governmental fund statements. These funds are used to report the intergovernmental revenue received from the Commonwealth of Virginia under HB2313.

The General Assembly of the Commonwealth of Virginia through HB2313 (2013) authorized three revenue sources for the Authority: a 0.7% increase in the sales tax; a 2% increase in the transient occupancy (hotel) tax; and a fifteen cents per hundred dollar of value increase in the grantor's tax (congestion relief fee). These taxes were made effective on July 1, 2013.

Of the revenues received, the Local Distribution Fund (30%) reports 30% of the intergovernmental revenue received by the Authority and distributed to the member jurisdictions in accord with HB2313. This revenue can be used by the recipient for additional urban or secondary road construction; capital improvements that reduce congestion; 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% is recorded in the Regional Revenue Fund (70%). These funds are to be used by the Authority solely for regional transportation projects and purposes benefiting the member jurisdictions and other entities to fund transportation projects approved by the Authority that are contained in the regional transportation plan (TransAction) and in accordance with HB2313.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The details of capital assets as of June 30, 2017 and 2016 are as follows:

	Governmental Activities	
	2017	2016
Office furniture and equipment	\$ 58,589	\$ 42,668
Less accumulated depreciation and amortization	18,070	10,667
Total capital assets, net	\$ 40,519	\$ 32,001

The Authority's investment in capital assets as of June 30, 2017 amounted to \$40,519 (net of accumulated depreciation and amortization).

Debt Administration

In December 2014, the Authority entered the capital bond market for the first time with bonds designated to replace a short term Line of Credit obtained in fiscal year 2014 with fixed rate, long term, low cost, permanent financing. An initial bond sale is a significant undertaking. Actions include bond validation court proceedings, establishing internal policies and procedures, initial credit rating presentations on Wall Street and, finally, the marketing and sale of the bonds. Efforts to execute the Authority's approved finance plan resulted in very strong credit ratings of AA+, Aa1 and AA+ with stable outlooks from Fitch, Moody's and Standard & Poor's, respectively. The bonds garnered a favorable market reception on Wall Street, reflected by a 2.5 times subscription rate and a low true interest cost of 3.09%.

At the end of June 30, 2017, the Authority had total debt outstanding of \$62,845,000 for Transportation Special Tax Revenue Bonds, Series 2014. The Authority is amortizing the bond premium from the sale over the life of the bonds. The balance of unamortized bond premium at June 30, 2017 is \$10,437,693. The bonds are secured by the Authority's Regional Revenue and a debt service reserve of \$5,624,164 established from the proceeds upon issuance of the bonds. Assets of the debt service reserve fund are to be used solely to pay Series 2014 principal and interest.

Economic Factors and Fiscal Year 2018's Budget

- Northern Virginia is both a nationally and globally significant region.
- It is categorized as having a broad, diverse, and stable regional economy.
- The region is the driver of economic activity for the Commonwealth of Virginia.
- In aggregate, the Authority's nine member jurisdictions have experienced stable population growth since the 2010 Census with growth rates averaging 2% per year.
- Among the nine member jurisdictions, job growth has averaged 0.71% per year over the last decade.
- In aggregate, the number of jobs in the Authority's jurisdictions are projected to experience continued growth despite sequestration. In 2017, the regional job growth was 0.75%.
- Unemployment rate in the Authority's jurisdictions is exceptionally low. At June 2017, the average preliminary unemployment rate not seasonally adjusted, in the Authority jurisdictions was 3.1% compared to 3.9% in the Commonwealth and 4.4% nationally.
- Per capita income average of the Authority's jurisdictions is approximately \$46,990 compared to the Commonwealth at \$34,152 and \$28,930 nationally per the U.S. Census Bureau, 2011-2015 5-Year American Community Survey. This represents a 2% increase from the 2010-2014 5-Year American Community Survey.
- Median family income average for the Authority's member jurisdictions is approximately \$119,002 compared to \$78,390 in the Commonwealth and \$66,011 nationally per the U.S. Census Bureau, 2011-2015 5-Year American Community Survey. This represents a 2% increase from the 2009-2014 5-Year American Community Survey.
- The fiscal year 2018 special revenue budgets include a projected 2.7% increase in sales tax revenue compared to the fiscal year 2017 budget; a 2.2% increase in transient occupancy tax revenue and a .75% increase in grantors tax. The increases for sales tax, grantor, and transient occupancy taxes are based on prior years' experience and on information from the Authority's member jurisdictions, which are combined to create an effective estimation process. The resulting rate increases are for fiscal year 2018 only, and are not indicative of rates of increase projected for the long term. The Authority will continue to use conservative revenue estimation methods.
- The Authority's General Fund operating budget will increase from \$1,654,659 in fiscal year 2017 to \$1,730,675 in fiscal year 2018. This increase is reflective of the addition of communication functions, investment custody services, portfolio management software, and the implementation of GIS mapping functions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. If you have any questions about this report or need additional financial information, contact Michael Longhi, Chief Financial Officer, Northern Virginia Transportation Authority, 3040 Williams Drive, Suite 200, Fairfax, Virginia 22031, or by email to michael.longhi@thenovaauthority.org.

BASIC FINANCIAL STATEMENTS

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION

June 30, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 572,918
Other receivables	1,908,190
Due from other governments	55,917,338
Deposits and prepaid items	33,553
Restricted:	
Cash and cash equivalents	191,104,736
Investments	540,153,480
Capital assets (net):	
Office furniture, computer equipment and licenses	40,519
Total assets	789,730,734
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	201,516
Total deferred outflows of resources	201,516
LIABILITIES	
Accounts payable	6,236,219
Accrued liabilities	364,792
Bond reserves	518,678
Due to other governments	16,776,261
Current portion of bonds payable	2,500,000
Noncurrent liabilities:	
Net pension liability	48,985
Bonds payable, net	70,782,693
Total liabilities	97,227,628
NET POSITION	
Net investment in capital assets	40,519
Restricted	692,027,733
Unrestricted	636,370
Total net position	\$ 692,704,622

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

		Program Revenues	Net (Expense) Revenue and Change in Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
Functions/Programs			
Governmental activities:			
General and administration	\$ 2,743,522	\$ 1,654,617	\$ (1,088,905)
Jurisdictional distributions (30%)	99,328,170	-	(99,328,170)
Project cost distributions	99,693,170	-	(99,693,170)
Interest	2,541,695	-	(2,541,695)
Total governmental activities	\$ 204,306,557	\$ 1,654,617	(202,651,940)
General revenues:			
Intergovernmental revenue:			
Grantors tax			50,346,596
Sales tax			249,506,491
Transient occupancy tax			30,974,343
Commonwealth fund interest income			225,164
Investment earnings			4,078,221
Total general revenues			335,130,815
Change in net position			132,478,875
Net Position, beginning of year			560,225,747
Net Position, end of year			\$ 692,704,622

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

		Special Revenue Funds		Non-Major	
	General	Local	Regional	Debt	Total
	Fund	Distribution	Revenue	Service	Governmental
	Fund	Fund	Fund	Fund	Funds
ASSETS					
Cash and cash equivalents	\$ 572,918	\$ -	\$ -	\$ -	\$ 572,918
Other receivables	-	-	1,908,190	-	1,908,190
Due from other governments	-	16,775,201	39,142,137	-	55,917,338
Deposits and prepaid items	33,553	-	-	-	33,553
Restricted cash, cash equivalents and investments	-	1,060	730,789,270	467,886	731,258,216
Total assets	\$ 606,471	\$ 16,776,261	\$ 771,839,597	\$ 467,886	\$ 789,690,215
LIABILITIES					
Accounts payable	\$ 12,003	\$ -	\$ 6,224,216	\$ -	\$ 6,236,219
Accrued liabilities	53,316	-	-	-	53,316
Bond reserves	-	-	518,678	-	518,678
Due to other governments	-	16,776,261	-	-	16,776,261
Total liabilities	65,319	16,776,261	6,742,894	-	23,584,474
FUND BALANCES					
Nonspendable	33,553	-	-	-	33,553
Restricted	-	-	644,810,048	467,886	645,277,934
Restricted - working capital reserve	-	-	120,286,655	-	120,286,655
Committed	343,788	-	-	-	343,788
Assigned	4,500	-	-	-	4,500
Unassigned	159,311	-	-	-	159,311
Total fund balances	541,152	-	765,096,703	467,886	766,105,741
Total liabilities and fund balances	\$ 606,471	\$ 16,776,261	\$ 771,839,597	\$ 467,886	\$ 789,690,215

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2017

Reconciliation of fund balances on the Balance Sheet for the governmental funds
to the net position of the governmental activities on the
Statement of Net Position:

Fund balances - governmental funds		\$ 766,105,741
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds:		
Capital assets	\$ 58,589	
Less: accumulated depreciation	(18,070)	
		40,519
Financial statement elements related to pensions are applicable to future periods and, therefore, not reported in the governmental funds:		
Net pension liability	(48,985)	
Deferred outflows of resources for 2017 employer contributions	78,378	
Deferred outflows of resources for the net difference between projected and actual investment earnings on pension plan investments and net difference between expected and actual experience	123,138	
		152,531
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(254,163)
Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds.		(57,313)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Revenue bonds	(62,845,000)	
Premiums on bonds	(10,437,693)	
		(73,282,693)
Net position - governmental activities		\$ 692,704,622

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2017

		Special Revenue Funds		Non-Major	
	General	Local	Regional	Debt	Total
	Fund	Distribution	Revenue	Service	Governmental
	Fund	Fund	Fund	Fund	Funds
Revenues					
Intergovernmental:					
Grantors tax	\$ -	\$ 15,103,979	\$ 35,242,617	\$ -	\$ 50,346,596
Sales tax	-	74,851,947	174,654,544	-	249,506,491
Transient occupancy tax	-	9,292,303	21,682,040	-	30,974,343
Commonwealth fund interest income	-	67,549	157,615	-	225,164
Investment earnings	-	12,392	4,057,956	7,873	4,078,221
Contribution member jurisdictions	1,654,617	-	-	-	1,654,617
Total revenues	1,654,617	99,328,170	235,794,772	7,873	336,785,432
Expenditures					
Current:					
General and administration	1,600,266	-	1,144,546	-	2,744,812
Jurisdictional distributions (30%)	-	99,328,170	-	-	99,328,170
Project cost distributions	-	-	99,693,170	-	99,693,170
Debt service:					
Principal	-	-	-	2,405,000	2,405,000
Interest	-	-	-	3,146,150	3,146,150
Total expenditures	1,600,266	99,328,170	100,837,716	5,551,150	207,317,302
Excess (deficiency) of revenues over (under) expenditures	54,351	-	134,957,056	(5,543,277)	129,468,130
Other Financing Sources (Uses)					
Transfers	-	-	(5,546,892)	5,546,892	-
Total other financing sources (uses)	-	-	(5,546,892)	5,546,892	-
Net change in fund balances	54,351	-	129,410,164	3,615	129,468,130
Fund Balances, beginning of year	486,801	-	635,686,539	464,271	636,637,611
Fund Balances, end of year	\$ 541,152	\$ -	\$ 765,096,703	\$ 467,886	\$ 766,105,741

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2017

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$ 129,468,130
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays exceeded depreciation in the current period.

Add - capital outlay	\$ 15,921	
Deduct - depreciation expense	(7,403)	
		8,518

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension expense	20,573
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The issuance of long-term debt (e.g., bonds, leases, line of credit) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items. A summary of the item supporting this adjustment is as follows:

Principal payment on revenue bonds	2,405,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following is a summary of items supporting this adjustment:

Compensated absences	(27,801)	
Change in accrued interest payable	8,016	
Amortization of premiums on bonds payable	596,439	
		576,654

Change in net position of governmental activities	\$ 132,478,875
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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Contribution member jurisdictions	\$ 1,654,659	\$ 1,654,659	\$ 1,654,617	\$ (42)
Total revenues	<u>1,654,659</u>	<u>1,654,659</u>	<u>1,654,617</u>	<u>(42)</u>
Expenditures				
Current:				
General and administration	1,718,942	1,732,256	1,600,266	(131,990)
Total expenditures	<u>1,718,942</u>	<u>1,732,256</u>	<u>1,600,266</u>	<u>(131,990)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,283)</u>	<u>(77,597)</u>	<u>54,351</u>	<u>131,948</u>
Net change in fund balance	<u>(64,283)</u>	<u>(77,597)</u>	<u>54,351</u>	<u>131,948</u>
Fund Balance, beginning of year	486,801	486,801	486,801	-
Fund Balance, end of year	<u>\$ 422,518</u>	<u>\$ 409,204</u>	<u>\$ 541,152</u>	<u>\$ 131,948</u>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - LOCAL DISTRIBUTION

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental:				
Grantors tax	\$ 13,071,271	\$ 13,071,271	\$ 15,103,979	\$ 2,032,708
Sales tax	74,120,722	74,120,722	74,851,947	731,225
Transient occupancy tax	8,661,771	8,661,771	9,292,303	630,532
Commonwealth fund interest income	30,000	30,000	67,549	37,549
Interest income	-	-	12,392	12,392
Total revenues	95,883,764	95,883,764	99,328,170	3,444,406
Expenditures				
Current:				
Jurisdictional distributions (30%)	95,883,764	95,883,764	99,328,170	(3,444,406)
Total expenditures	95,883,764	95,883,764	99,328,170	(3,444,406)
Excess of revenues over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - REGIONAL REVENUE FUND Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental:				
Grantors tax	\$ 30,499,631	\$ 30,499,631	\$ 35,242,617	\$ 4,742,986
Sales tax	172,948,351	172,948,351	174,654,544	1,706,193
Transient occupancy tax	20,210,798	20,210,798	21,682,040	1,471,242
Commonwealth fund interest income	70,000	70,000	157,615	87,615
Investment earnings	1,900,000	1,900,000	4,057,956	2,157,956
Total revenues	225,628,780	225,628,780	235,794,772	10,165,992
Expenditures				
Current:				
General and administration	1,622,381	1,668,721	1,144,546	524,175
Project cost distributions	617,023,200	616,870,093	99,693,170	517,176,923
Total expenditures	618,645,581	618,538,814	100,837,716	517,701,098
Excess (deficiency) of revenues over (under) expenditures	(393,016,801)	(392,910,034)	134,957,056	527,867,090
Other Financing Uses				
Transfers for debt service	(5,551,150)	(5,551,150)	(5,546,892)	4,258
Total other financing uses	(5,551,150)	(5,551,150)	(5,546,892)	4,258
Net change in fund balance	(398,567,951)	(398,461,184)	129,410,164	527,871,348
Fund Balance, beginning of year	635,686,539	635,686,539	635,686,539	-
Fund Balance, end of year	\$ 237,118,588	\$ 237,225,355	\$ 765,096,703	\$ 527,871,348

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Northern Virginia Transportation Authority (“the Authority”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

A. Reporting Entity

The Authority is a political subdivision of the Commonwealth of Virginia, created in 2002 by the Northern Virginia Transportation Authority Act, Title 15.2, of the *Code of Virginia*. The Authority’s primary function is to conduct project planning, prioritization and funding for regional transportation purposes in the Northern Virginia region.

In November 2012, the Authority developed its long-range plan, Transaction 2040. On April 3, 2013, the Governor’s substitute for House Bill 2313 (the “HB2313”) was adopted by the Virginia General Assembly. HB2313 provided a dedicated funding stream for transportation projects in Northern Virginia. HB2313 provided a permanent, annual source of revenue for the Authority to implement its legislative mandates and the new revenue stream commenced on July 1, 2013.

The member jurisdictions of the Authority are the counties of Arlington, Fairfax, Loudoun and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The Authority has seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties that are members of the Authority; two members of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. In addition, the Director of the Virginia Department of Rail and Public Transportation, or designee; the Commonwealth Transportation Commissioner, or designee; and the chief elected officer of one town in a county, which the Authority embraces, serve as non-voting members of the Authority.

All moneys received by the Authority and the proceeds of bonds and other debt instruments are required to be used solely for transportation purposes benefiting the member jurisdictions. Of the HB2313 revenues received, 30% are distributed to member jurisdictions based on revenues generated in the jurisdiction, for transportation projects and purposes authorized under Section 33.2-2510 and selected by the member jurisdiction. The remaining 70% of the HB 2313 revenues are first pledged to the payment of bonds and other debt instruments with the remaining revenues available to fund regional transportation projects and mass transit projects that increase capacity for the benefit of the member localities

B. Government-wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information of the governmental activities supported by intergovernmental revenues.

The government-wide Statement of Net Position reports net position as restricted when externally imposed constraints are in effect. Internally imposed designations of resources are not presented as restricted net position.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The government-wide Statement of Activities is designed to report the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function.

Separate fund financial statements are provided for each of the governmental funds. In the fund financial statements, financial transactions and accounts of the Authority are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental funds are reported on a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances (fund equity). Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues, consisting of taxes and fees from the Commonwealth of Virginia and local operating contributions, are recognized in the period the funding is made available.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days after year end. Expenditures are recorded when a liability is incurred under the full accrual method of accounting. However, debt service expenditures, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The individual Government Funds are:

General Fund – The General Fund is the primary operating fund of the Authority and is used to account for and report all revenues and expenditures applicable to the general operations of the Authority which are not accounted for in other funds. Revenues are derived primarily from contributions from member jurisdictions. The General Fund is considered a major fund for financial reporting purposes.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Authority has two special revenue funds. The Local Distribution Fund (30%) reports 30% of the intergovernmental revenue received by the Authority. The 30% funds are distributed to the member jurisdictions on a pro rata basis with each localities' share being the total of the revenues received that are generated or attributable to the locality divided by the total for use according to HB2313. The Regional Revenue Fund (70%) includes amounts to be used by the Authority solely for regional transportation projects and other entities to fund transportation projects selected by the Authority that are contained in the regional transportation plan, or mass transit capital projects that increase capacity. Both special revenue funds are considered major funds for financial reporting purposes.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted or committed for expenditures related to principal and interest.

D. Budgeting

The Authority adopts an annual operating budget for the planning and administrative activities of the General Fund. The budgeting process enables the Authority to determine the annual contributions required from the member jurisdictions to fund its planning and administrative activities. Accumulated fund balances in excess of anticipated minimum operating cash requirements are used as a revenue source in subsequent budgets. The Authority also adopts a budget for the Local Distribution Fund (30%) which promptly distributes 30% of the revenue from tax proceeds to the nine member jurisdictions based on their respective revenue contribution through the taxes collected by the Commonwealth.

To fund the various transportation projects approved by the Authority, the Regional Revenue Fund (70%) budget includes all debt service obligations costs of issuance and funding of the Working Capital Reserve as well as PayGo projects.

E. Other Significant Accounting Policies

1. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be demand deposits, and short-term, investments with maturities of three months or less from the date of acquisition. The investment in the Commonwealth of Virginia Local Government Investment Pool (LGIP), Virginia Investment Pool Stable NAV and the Virginia State Non-Arbitrage Program (SNAP), are external investment pools and are reported as cash and cash equivalents.

2. Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 and Note 3 for discussion of investment risk and fair value measurements. Net investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, and interest income earned. Realized gains and losses on the sale of investments are recognized on the specific identification basis to determine the cost basis of the investments sold.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

3. Restricted Cash, Cash Equivalents and Investments

Restricted cash, cash equivalents and investments as reported in the Statement of Net Position are comprised of funds that shall be used solely for regional transportation purposes benefiting the member jurisdictions and funds related to bond compliance requirements. Bond proceeds are maintained in compliance with the provisions of the Tax Reform Act of 1986 and as required by the Authority's Master Indenture of Trust. Investments are stated at fair value based on quoted market prices.

4. Fair Value Measurements

Fair value was estimated for each class of financial instrument for which it was practical to estimate fair value. Fair value is defined as the price in the principal market that would be received for an asset to facilitate an orderly transaction between market participants on the measurement date. Market participants are assumed to be independent, knowledgeable, able, and willing to transact an exchange and not acting under duress. Fair value hierarchy disclosures are based on the quality of inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Adjustments to transaction prices or quoted market prices may be required in illiquid or disorderly markets in order to estimate fair value.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements using the consumption method.

6. Capital Assets

Capital assets include property and equipment and computer hardware with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Repairs and maintenance are charged to operations as they are incurred. Additions and betterments are capitalized. The costs of assets retired and accumulated depreciation are removed from the accounts.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

6. Capital Assets (Continued)

Depreciation and amortization of all exhaustible equipment, leasehold improvements, and intangibles is charged as an expense against operations using the straight-line method over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life (years)</u>
Computer Hardware & Peripherals	4
Office Furniture	7-10
Office Equipment	5-10
Leasehold Improvements	Life of the lease

When, in the opinion of management, certain assets are impaired, any estimated decline in value is accounted for as a non-operating expense. There were no impaired assets as of June 30, 2017.

Funding of transportation capital projects: For projects approved and funded by the Authority with regional revenue funds (70%), either as a PayGo or financed project, the Authority does not take ownership of such projects. Therefore, these projects are not reflected on the Authority's financial statements.

7. Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is an agent multiple employer plan. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension liabilities (assets) and deferred outflows of resources are reported in the government-wide fund financial statements.

8. Compensated Absences

The Authority's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from the Authority's service. The liability for such leave is reported as incurred in the government-wide statements. Vacation leave for the Authority employees is granted to all full and part-time employees and is earned based upon the length of employment. Employees with zero to ten (10) years of service may carryover a maximum of 240 hours of accumulated leave. Employees with more than 10 years of service may carryover 360 hours of leave. The allowed accumulated leave earned yet not paid has been recorded as a liability on the Statement of Net Position.

Accumulated sick leave lapses when employees leave the Authority and, therefore, upon separation from service, no monetary obligation exists.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

9. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. The Authority does recognize bond issuance costs in the governmental funds as a current period expense in accordance with GASB Statement No. 65.

10. Deferred Outflows of Resources

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has three items that qualify for reporting in this category. The first consists of pension contributions subsequent to the measurement date. These will be applied to the net pension liability in the next fiscal year. The remaining items, net difference between expected and actual experience and the net difference between projected and actual earnings on the VRS' plan investments, are reported in the government-wide Statement of Net Position.

11. Fund Equity

The Authority reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance classification includes amounts that are not in spendable form (such as prepaid items) or are required to be maintained intact (corpus of a permanent fund).

Restricted fund balance classification includes amounts constrained to specific purposes by their providers (higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance classification includes amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the action to remove or change the constraint.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

11. Fund Equity (Continued)

Assigned fund balance classification includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance classification includes the residual balance of the General Fund that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The General Fund balance includes \$343,788 categorized as committed fund balance as of June 30, 2017. The debt policy adopted by the Authority on December 12, 2013 and revised June 19, 2015, requires the Authority to maintain an operating reserve sufficient to fund at least 20% of the General Fund operating expenses. The operating reserve may be used at the discretion of the Executive Director, to cover unanticipated increases in the Authority's expenditures. If used, the Executive Director will present a plan to the Authority for restoring the reserve during the next fiscal year budget process.

When fund balance resources are available for a specific purpose in more than one classification, the Authority will consider the use of restricted, committed, or assigned funds prior to the use of unassigned fund balance as they are needed.

12. Net Position

Net position represents the difference between assets, deferred outflows and liabilities. The net position caption "net investment in capital assets" consists of capital assets, net of accumulated depreciation and amortization. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

13. Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

14. Interfund Transfers

Transactions among the Authority's funds would be treated as revenues and expenditures or expenses if they involved organizations external to the Authority government are accounted for as revenues and expenditures or expenses in funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

15. Subsequent Events

The Authority has evaluated subsequent events through October 9, 2017, which was the date the financial statements were available to be issued.

Note 2. Deposits and Investments

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks, and savings institutions, holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

At June 30, 2017, cash and cash equivalents consisted of the following, at cost, which approximates fair value:

Governmental Activities

Unrestricted Cash and Cash Equivalents	\$ 572,918
Restricted Cash and Cash Equivalents:	
Demand Deposits	62,449,018
Commonwealth of Virginia LGIP	24,925,233
State Non-Arbitrage Program	9,352,190
Virginia Investment Pool	59,364,197
John Marshall Bank Insured Cash Sweep	17,514,098
John Marshall Bank - 4 week CDARS	17,500,000
Total restricted	191,104,736
Total	\$ 191,677,654

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments

The *Code of Virginia* Sec. 2.2-4501 et seq. authorizes the Authority to invest in obligations of the United States or its agencies thereof; obligations of the Commonwealth of Virginia or political subdivisions thereof; obligations of other states and their political subdivisions; obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper, negotiable certificates of deposits, bank notes, and corporate bonds rated AA or better by Standard & Poor’s Rating Services (S&P), and Aa or better by Moody’s Investors Services, Inc. (Moody’s), and a maturity of no more than five years; bankers’ acceptances, overnight term and open repurchase agreements; money market mutual funds; and the State Treasurer’s Local Government Investment Pool (LGIP).

Investment Policy

The Authority adopted a formal investment policy in December 2014. The goal of the policy 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. The primary objectives of the Authority’s investment activities in priority order are safety, liquidity, and yield. The policy specifies eligible and ineligible investments; diversification requirements; maximum length of time for various types of investments; and the process for purchasing securities.

Credit Risk

The investment policy specifies credit quality for certain types of investments, as described below, in accordance with the *Code of Virginia*, and the policy specifies the qualifications for institutions providing depository and investment services. In addition, the Chief Financial Officer must conduct a quarterly review of the condition of each authorized financial institution and broker/dealer.

Investment	Credit Quality
Savings account or CD’s of any bank or savings and loan association within the Commonwealth of Virginia	Bank or savings and loan association must be a “qualified public depository”
Bankers’ acceptances	Institution must be “prime quality” as determined by one or more recognized rating services
Commercial paper	Must be “prime quality” as rated by two of the following: Moody’s (prime 1); S&P (A-1); Fitch (F-1); Duff and Phelps (D-1)
Corporate notes	Must be “high quality” as defined by ratings of at least AA by S&P and Aa by Moody’s
Negotiable certificates of deposit and negotiable bank deposit notes	Must have ratings of at least A-1 by S&P and P-1 by Moody’s for short-term instruments and AA by S&P and Aa by Moody’s for long-term instruments

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, deposits may not be recovered. All cash of the Authority is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (Act), Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similarly to depository insurance. The Commonwealth of Virginia Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act.

For investments, custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. However, the Authority's investment policy requires that all securities purchased by the Authority be properly and clearly labeled as an asset of the Northern Virginia Transportation Authority, and held in safekeeping by a third party custodial bank or institution in compliance with Section 2.2-4515 of the *Code of Virginia*. Therefore, the Authority has no custodial risk.

Interest Rate Risk

In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the maturity of various investment vehicles, as indicated in the chart below.

At June 30, 2017, the Authority had the following investments and maturities:

	Investment Maturity (in years)				
	Fair Value	Less than 1 year	1-2 years	2-3 years	3-5 years
State Non-Arbitrage Program	\$ 4,477,455	\$ 99,895	\$ 2,217,052	\$ 1,111,041	\$ 1,049,467
United States Agencies	44,402,345	-	29,984,650	14,417,695	-
Negotiable Certificates of Deposit	80,025,250	80,025,250	-	-	-
Commercial Paper	111,018,635	111,018,635	-	-	-
Corporate Notes	211,789,406	166,544,609	45,244,797	-	-
Virginia Investment Pool 1-3					
YR Bond Fund	75,940,389	-	75,940,389	-	-
CDARS	12,500,000	12,500,000	-	-	-
Total	\$ 540,153,480	\$ 370,188,389	\$ 153,386,888	\$ 15,528,736	\$ 1,049,467

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk

The Authority's investment policy provides limitations on the percentage of the portfolio that can be invested in each type of security, as indicated in the following chart. The portfolio is in compliance with each of the stated limits as of June 30, 2017.

The limitations provided in the investment policy for maximum maturity and percentages of the portfolio for each category of investment are as follows:

Class	Length	Percent of Total Portfolio and Cash
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%
Bankers' Acceptances	12 months or less	10%
Prime Quality Commercial Paper	270 days or less	35% with a 5% per issuer limit
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%

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk (Continued)

Class	Length	Percent of Total Portfolio & Cash
Open End Mutual Funds	N/A	Maximum 20% in any one fund. Prior three year history must exceed internal performance by 25bps, net of management 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 three year history must exceed internal performance by 25bps, net of management fee

External Investment Pools

As of June 30, 2017, the Authority had investments of \$24,925,233 in the LGIP for governmental activities. The LGIP is a professionally managed money market fund, which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share. The LGIP has been assigned an “AAAm” rating by Standard & Poor’s. LGIP is managed in accordance with GASB Statement No. 79. The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to current market to monitor any variance. Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

External Investment Pools (Continued)

As of June 30, 2017, the Authority had investments of \$13,829,645 in the Commonwealth of Virginia State Non-Arbitrage Program (“SNAP”). SNAP has been established by the Treasury Board of the Commonwealth of Virginia pursuant to the SNAP Act (Chapter 47, Title 2.2, *Code of Virginia* 1950, as amended) to provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The SNAP Fund is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value per share of \$1. The SNAP Fund invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions, and is rated “AAAm” by S&P. SNAP is managed in accordance with GASB Statement No. 79. The portfolio securities are valued by the amortized cost method, and on a daily basis this valuation is compared to current market to monitor any variance. Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation.

As of June 30, 2017, the Authority had investments of \$75,940,389, stated at fair market value on a quoted price basis, in the Virginia Municipal League/Virginia Association of Counties (VML/VACo) – Investment Pool (VIP) 1-3 Year High Quality Bond Fund. VIP’s pooled investment program is used by local governments to invest assets they expect to hold longer than one year. Participants are invested in high quality corporate and government securities with an average duration between one to three years. VML/VACo is rated AAf/S1 by S&P. “S1” indicates the lowest level of volatility. The weighted effective duration at June 30, 2017 is 1.8 years.

The Authority had investments of \$59,364,197 in the VIP Stable NAV Liquidity Pool at June 30, 2017. This pooled investment was created during fiscal year 2017 specifically to offer local governments an investment option with a stable net asset value, while providing daily liquidity and a competitive yield. The VIP seeks to maintain a constant net asset value per share of \$1. The Stable NAV pool is rated AAAm by S&P. VIP Stable NAV is managed in accordance with GASB Statement No. 79. The portfolio securities are valued by the amortized cost method, and on a daily basis this valuation is compared to current market to monitor any variance. Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation.

Bond Proceeds

Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the Master Indenture of Trust and the First Supplemental Indenture of Trust both dated December 1, 2014. Bond proceeds shall be invested in SNAP and alternate investment pools that provide assistance to local governments in the investment of bond proceeds and the preparation of rebate calculations in compliance with treasury arbitrage regulations in accordance with the *Code of Virginia* requirements or the Authority’s own investment policy. As of June 30, 2017, the Authority had \$13,829,645 held by the bond trustees, Regions Bank. Of this amount, \$7,763,027 was in the 2014 Project Fund account, \$5,598,732 was in the Debt Service Reserve account, and \$467,886 is the debt service account for payment of principal and interest.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Fair Value Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described below.

Level 1	Valuation based on quoted prices in active markets for identical assets or liabilities.
Level 2	Valuation based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities.
Level 3	Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The following table shows the Authority's investments by fair value level as of June 30, 2017:

Investments by Fair Value Level	June 30, 2017	Level 1	Level 2	Level 3
United States Agencies	\$ 44,402,345	\$ 44,402,345	\$ -	\$ -
Negotiable Certificates of Deposit	80,025,250	80,025,250	-	-
Commercial Paper	111,018,635	111,018,635	-	-
Corporate Notes	211,789,406	211,789,406	-	-
Virginia Investment Pool				
1-3YR Bond Fund	75,940,389	75,940,389	-	-
CDARS	30,000,000	30,000,000	-	-
Money Market Funds	80,916,527	80,916,527	-	-

The remaining investments maintained by the Authority are held in external investment pools, which are exempt from the fair value disclosure.

Note 4. Due To/From Other Governments

At June 30, 2017, due from other governments consisted of the following:

	Local Distribution Fund	Regional Revenue Fund	Total
Due from Commonwealth of Virginia:			
Grantors Tax	\$ 1,485,507	\$ 3,466,183	\$ 4,951,690
Sales Tax	12,995,343	30,322,467	43,317,810
Transient Occupancy Tax	2,279,892	5,319,748	7,599,640
NVTA Fund Interest	14,459	33,739	48,198
Total	\$ 16,775,201	\$ 39,142,137	\$ 55,917,338

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 4. Due To/From Other Governments (Continued)

Amounts due to other governments as of June 30, 2017 consisted of the following:

	Amount
City of Alexandria	\$ 1,140,189
Arlington County	2,128,149
City of Fairfax	400,325
Fairfax County	7,242,799
City of Falls Church	144,263
Loudoun County	3,016,420
City of Manassas	306,415
City of Manassas Park	77,646
Prince William County	2,320,055
Total	\$ 16,776,261

Note 5. Intergovernmental Revenues, Commonwealth of Virginia

Intergovernmental revenues from the Commonwealth of Virginia include additional fees or taxes imposed in each of the Member Jurisdictions as follows:

An additional Retail Sales Tax of 0.7% is added to the standard rate of retail sales tax imposed by the *Code of Virginia*. The additional tax is not levied upon food purchased for human consumption.

A Regional Congestion Relief Fee (Grantors Tax) equivalent to \$0.15 for each \$100 of value imposed on every deed and deed of trust admitted to record in the Commonwealth subject to certain exceptions and exemptions.

An additional Regional Transient Occupancy Tax (Hotel) is added at a rate of 2% of the amount of the charge for the occupancy of any room or space.

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated and amortized:				
Office furniture and equipment	\$ 42,668	\$ 15,921	\$ -	\$ 58,589
Less accumulated depreciation and amortization	10,667	7,403	-	18,070
Total capital assets being depreciated and amortized, net	\$ 32,001	\$ 8,518	\$ -	\$ 40,519

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent Multiple-Employer Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of the Authority are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

Plan 1	Plan 2	Hybrid Retirement Plan
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	About Plan 2 Plan 2 is a defined plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010 or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members") <ul style="list-style-type: none">• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Eligible Members	Eligible Members	Eligible Members
Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: Political subdivision employees.* <ul style="list-style-type: none"> Members in Plan 1 or Plan 2 who elect to opt into the plan during the election window held January 1 – April 30, 2014; in the plan's effective date for opt-in members was July 1, 2014.
Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.	Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.	* Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: <ul style="list-style-type: none"> Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.
The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.	The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.	Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.
If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	
Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Retirement Contributions	Retirement Contributions	Retirement Contributions
Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016.	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Creditable Service	Creditable Service	Creditable Service
Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Same as Plan 1.	<u>Defined Benefit Component</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
		<u>Defined Contribution Component</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions they make.	Vesting Same as Plan 1.	Vesting <u>Defined Benefit Component</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. <u>Defined Contribution Component</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
		Vesting (Continued)
		<u>Defined Contribution Component (Continued)</u>
		<ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.
		Distribution is not required by law until age 70½.
Calculating the Benefit	Calculating the Benefit	Calculating the Benefit
The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.	See definition under Plan 1.	<u>Defined Benefit Component</u> See definition under Plan 1.
		<u>Defined Contribution Component</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.		
Average Final Compensation	Average Final Compensation	Average Final Compensation
A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.	Service Retirement Multiplier Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.	Service Retirement Multiplier The retirement multiplier for the defined benefit component is 1.0%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Normal Retirement Age Age 65.	Normal Retirement Age Normal Social Security retirement age.	Normal Retirement Age <u>Defined Benefit Component</u> Same as Plan 2. <u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.	Earliest Unreduced Retirement Eligibility Normal Social Security retirement age with at least 5 years (60 months) of creditable service or when their age and service equal 90.	Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component</u> Normal Social Security retirement age and have at least 5 years (60 months) of creditable service or when their age and service equal 90. <u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Earliest Reduced Retirement Eligibility	Earliest Reduced Retirement Eligibility	Earliest Reduced Retirement Eligibility
Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.	Age 60 with at least five years (60 months) of creditable service.	<p><u>Defined Benefit Component</u> Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p> <p><u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Cost-of-Living Adjustment (COLA) in Retirement	Cost-of-Living Adjustment (COLA) in Retirement	Cost-of-Living Adjustment (COLA) in Retirement
The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%) for a maximum COLA of 3%.	<p><u>Defined Benefit Component</u> Same as Plan 2.</p> <p><u>Defined Contribution Component</u> Not applicable.</p>
<u>Eligibility:</u>	<u>Eligibility:</u>	<u>Eligibility:</u>
For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.	Same as Plan 1.	Same as Plan 1 and Plan 2.
For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.		

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1		Plan 2		Hybrid Retirement Plan	
Cost-of-Living (COLA) in Retirement (Continued)	Adjustment in Retirement	Cost-of-Living (COLA) in Retirement (Continued)	Adjustment in Retirement	Cost-of-Living (COLA) in Retirement (Continued)	Adjustment in Retirement
<u>Exceptions to COLA Effective Dates:</u>		<u>Exceptions to COLA Effective Dates:</u>		<u>Exceptions to COLA Effective Dates:</u>	
The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:		Same as Plan 1.		Same as Plan 1 and Plan 2.	
<ul style="list-style-type: none"> The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. The member retires on disability. The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 					

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Disability Coverage	Disability Coverage	Disability Coverage
Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service regardless of when it was earned, purchased or granted.	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.	Eligible political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.
VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <u>Defined Benefit Component</u> Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported services. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will change to actuarial cost.
		<u>Defined Contribution Component</u> Not applicable.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

VRS issues a publicly available CAFR that includes financial statements and required supplementary information for the plans which it administers. A copy of that report may be obtained by writing to Virginia Retirement System, P.O. Box 2500, Richmond, Virginia 23218-2500, or from their website at www.varetire.org.

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Vested inactive Members	1
Active Members	5
Total	<u>6</u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. From the commencement of the Authority's plan in October 2014, employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Authority's contractually required contribution rate for the year ended June 30, 2017 was 9.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$78,378 and \$42,427 for the years ended June 30, 2017 and 2016, respectively.

B. Net Pension Liability (Asset)

The Authority's net pension liability (asset) was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Net Pension Liability (Asset) (Continued)

Actuarial Assumptions

The total pension asset for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 5.35 percent
Investment rate or return	7.0 percent, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related.

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Net Pension Liability (Asset) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non-U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non-Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one-year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons, the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Net Pension Liability (Asset) (Continued)

Discount Rate

The discount rate used to measure the total pension asset was 7.0%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Authority retirement plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

C. Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2015	\$ -	\$ 81,549	\$ (81,549)
Changes for the year:			
Service cost	70,900	-	70,900
Difference between expected and actual experience	137,107	-	137,107
Contributions – employer	-	42,427	(42,427)
Contributions – employee	-	31,288	(31,288)
Net investment income	-	3,770	(3,770)
Administrative expense	-	(11)	11
Other changes	-	(1)	1
Net changes	208,007	77,473	130,534
Balances at June 30, 2016	\$ 208,007	\$ 159,022	\$ 48,985

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the Authority using the discount rate of 7.00%, as well as what the Authority's Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
The Authority's Net Pension Liability	\$ 81,307	\$ 48,985	\$ 22,176

D. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2017, the Authority recognized pension expense of \$51,319. At June 30, 2017, the Authority reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between expected and actual experience	\$ 118,402
Net difference between projected and actual earnings on pension plan investments	4,736
Employer contributions subsequent to measurement date	78,378
Total	\$ 201,516

The \$78,378 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the fiscal year ending June 30, 2018.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2018	\$ 19,983
2019	19,983
2020	19,983
2021	19,607
2022	18,705
Thereafter	24,877
	\$ 123,138

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Operating Leases and Agreements

Governmental Activities

The Authority leases office space under a 60-month agreement, which commenced on October 6, 2014 and expires October 31, 2019. The lease was amended effective June 1, 2017 in consideration for additional office space. The lease provides for 2.5% annual increases in base rent over the term of the lease, and the pass through of a proportionate share of the building core factor and common areas. Rent expense for Governmental Activities as reported in the government wide financial statements totaled \$117,690.

As of June 30, 2017, the minimum long-term lease commitments were as shown below:

Year Ending June 30,	Amount
2018	\$ 134,852
2019	<u>138,206</u>
Total	<u><u>\$ 273,058</u></u>

Note 9. Long-Term Debt Obligations

In December 2014, the Authority issued \$69,045,000 of Transportation Special Tax Revenue Bonds to pay (i) certain transportation projects in the Authority member localities or (ii) certain mass transit capital projects serving the Authority member localities, (iii) the issuance and financing costs of the bonds, and (iv) to a fund debt service reserve fund for the bonds. The bonds were issued at a premium of \$11,928,792, which will be amortized over the life of the bonds.

Transportation Special Tax Revenue Bonds

The special tax revenue bonds are direct obligations of the Authority and secured by the Authority's Regional Revenue and a debt service reserve of \$5,551,150 based on the maximum annual debt service calculation. These bonds were issued pursuant to the Master Indenture of Trust dated December 1, 2014 and the First Supplemental Indenture of Trust dated December 1, 2014. The bonds are issued as serial bonds and are the first series of transportation bonds to be issued under the Master Indenture.

\$69,045,000 2014 Transportation Special Tax Revenue Bonds due in annual principal payments of \$2,500,000 to \$5,285,000 through June 2034, interest at 4.00% to 5.00%	<u><u>\$ 62,845,000</u></u>
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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations (Continued)

Changes in Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Compensated Absences	\$ 29,512	\$ 57,522	\$ 29,721	\$ 57,313	\$ 57,313
Transportation Special Tax Revenue Bonds	65,250,000	-	2,405,000	62,845,000	2,500,000
Unamortized Premiums	11,034,132	-	596,439	10,437,693	-
Total governmental activities	\$ 76,313,644	\$ 57,522	\$ 3,031,160	\$ 73,340,006	\$ 2,557,313

Federal arbitrage regulations apply to the Authority's special tax revenue bonds.

Funds are invested by the Trustee pursuant to the provisions of the Master Indenture and the First Supplemental Indenture of Trust. The Authority's Series 2014 Project Fund and Debt Service Reserve Fund are invested by the Trustee with SNAP, the Debt Service Fund is invested directly with Regions and is classified as restricted.

The debt service requirements for the Authority's bonds are as follows:

Year(s) Ending June 30,	Principal	Interest	Totals
2018	\$ 2,500,000	\$ 3,049,950	\$ 5,549,950
2019	2,600,000	2,949,950	5,549,950
2020	2,730,000	2,819,950	5,549,950
2021	2,865,000	2,683,450	5,548,450
2022	2,950,000	2,597,500	5,547,500
2023-2027	17,090,000	10,652,500	27,742,500
2028-2032	21,790,000	5,954,750	27,744,750
2033-2034	10,320,000	780,250	11,100,250
	\$ 62,845,000	\$ 31,488,300	\$ 94,333,300

Note 10. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. To reduce insurance costs and the need for self-insurance, the Authority has joined with other political subdivisions in the Commonwealth of Virginia in the VML Insurance Programs. The Authority has coverage with the VML Insurance Programs. Each Program member jointly and severally agrees to assume, pay and discharge any liability. The Authority pays VML the contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Program and claims and awards are to be paid.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 11. Pending GASB Statements

At June 30, 2017, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The statements which might impact the Authority are as follows:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve accounting and financial reporting by state and local governments for OPEB. It will also require the recognition of the entire OPEB liability and a comprehensive measure of OPEB expense. Statement No. 75 will be effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, will improve accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance. Statement No. 86 will be effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 87, *Leases*, will increase the usefulness of the Authority's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after December 15, 2019.

Management has not yet determined the effect these statements will have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS - VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,	
	2016	2015
Contractually required contribution (CRC)	\$ 42,427	\$ 33,173
Contributions in relation to the CRC	42,427	33,173
Contribution deficiency (excess)	\$ -	\$ -
Employer's covered-employee payroll	\$ 624,845	\$ 488,557
Contributions as a percentage of covered-employee payroll	6.79%	6.79%

Notes to Schedule:

- (1) Valuation date: June 30, 2015
- (2) Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
- (3) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19-28 years
Asset valuation method	5-year smoothed market
Cost-of-living adjustments	2.25%-2.50%
Projected salary increases	3.50-5.35%, including inflation at 2.50%
Investment rate of return	7.0%, including inflation at 2.50%
- (4) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,	
	2016	2015
Total Pension Liability		
Service cost	\$ 70,900	\$ -
Difference between expected and actual experience	137,107	-
Net change in total pension liability	208,007	-
Total pension liability - beginning	-	-
Total pension liability - ending (a)	\$ 208,007	\$ -
Plan Fiduciary Net Position		
Contributions - employer	\$ 42,427	\$ 30,617
Contributions - employee	31,288	49,918
Net investment income	3,770	951
Administrative expense	(11)	65
Other	(1)	(2)
Net change in plan fiduciary net position	77,473	81,549
Plan fiduciary net position - beginning	81,549	-
Plan fiduciary net position - ending (b)	\$ 159,022	\$ 81,549
The Authority's net pension liability (asset) - ending (a)-(b)	\$ 48,985	\$ (81,549)
Plan fiduciary net position as a percentage of total pension liability	76%	0%
Covered-employee payroll	\$ 624,845	\$ 488,557
The Authority's net pension liability (asset) as a percentage of covered-employee payroll	8%	-17%

Notes to Schedule:

- Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2016 are not material.
- Changes of assumptions** – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:
NON-LEOS:
 - Update mortality table
 - Decrease in rates of service retirement
 - Decrease in rates of disability retirement
 - Reduce rates of salary increases by 0.25% per year
- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENDITURES

Year Ended June 30, 2017

Expenditures	
Professional services	\$ 1,314,272
Personnel expenses	1,216,327
Office rent	117,690
Technical and technology hosting services	20,957
Computer and software purchases	18,018
Office supplies, furniture and equipment	12,016
Copier printing and duplication	11,033
Professional development, memberships, industry conferences and training	10,131
Mileage and transportation	9,222
Phone services	6,645
Insurance and liability bonds	4,705
Meeting expenses	3,453
Miscellaneous	343
	<hr/>
Total expenditures	\$ 2,744,812
	<hr/>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN NET POSITION BY JURISDICTION - LOCAL DISTRIBUTION FUND (30%)

Year Ended June 30, 2017

	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	Totals
Revenues										
Intergovernmental:										
Commonwealth of Virginia:										
Grantors tax	\$ 1,083,161	\$ 1,941,479	\$ 100,709	\$ 6,432,605	\$ 82,659	\$ 3,227,687	\$ 135,749	\$ 45,042	\$ 2,054,888	\$ 15,103,979
Sales tax	4,699,722	7,499,191	2,107,759	32,170,567	735,990	14,589,635	1,578,931	425,786	11,044,366	74,851,947
Transient occupancy tax	1,128,296	3,031,528	113,080	3,501,077	48,049	951,908	20,393	-	497,972	9,292,303
Commonwealth fund interest income	4,618	8,454	1,588	28,748	587	12,800	1,187	321	9,246	67,549
Interest income	867	1,611	248	5,081	124	2,354	248	124	1,735	12,392
Total revenues	6,916,664	12,482,263	2,323,384	42,138,078	867,409	18,784,384	1,736,508	471,273	13,608,207	99,328,170
Expenditures										
Distribution of 30% local funds	6,916,664	12,482,263	2,323,384	42,138,078	867,409	18,784,384	1,736,508	471,273	13,608,207	99,328,170
Total expenditures	6,916,664	12,482,263	2,323,384	42,138,078	867,409	18,784,384	1,736,508	471,273	13,608,207	99,328,170
Net change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund Balance, beginning of year	-	-	-	-	-	-	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Authority Board Members
Northern Virginia Transportation Authority
Fairfax, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, the remaining fund information, and the budgetary comparisons of the Northern Virginia Transportation Authority (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 9, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
October 9, 2017

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

**REPORT TO THE HONORABLE AUTHORITY
BOARD MEMBERS**

OCTOBER 10, 2017



ASSURANCE, TAX & ADVISORY SERVICES



October 10, 2017

To the Honorable Authority Board Members
Northern Virginia Transportation Authority
Fairfax, Virginia

We are pleased to present this report related to our audit of the basic financial statements and compliance of the Northern Virginia Transportation Authority (Authority) for the year ended June 30, 2017. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial and compliance reporting process.

This report is intended solely for the information and use of the Authority Board Members and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Authority.

PB Mares, LLP

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

REQUIRED COMMUNICATIONS

Year Ended June 30, 2017

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statements audit and compliance reporting process, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and compliance reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statements and Compliance Audit	Our responsibilities under auditing standards generally accepted in the United States of America; <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States; and <i>Specifications for Audits of Authorities, Boards and Commissions</i> provided by the Auditor of Public Accounts of the Commonwealth of Virginia have been described to you in our arrangement letter dated May 19, 2017. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statements and Compliance Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority adopted the Governmental Accounting Standards Board (GASB) Statement 79, <i>Certain External Investment Pools and Pool Participants</i> , and GASB Statement No. 82, <i>Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73</i> , in the current year.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

REQUIRED COMMUNICATIONS (Continued)

Year Ended June 30, 2017

Area	Comments
Accounting Policies and Practices (Continued)	Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Management's Judgments and Accounting Estimates We are not aware of any sensitive accounting estimates made by management.
Audit Adjustments	Audit adjustments proposed by us and recorded by the Authority are shown in the attached Summary of Recorded Audit Adjustments.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and management of the Authority, including the representation letter provided to us by management, are attached as Exhibit A.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

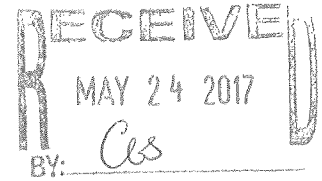
SUMMARY OF RECORDED AUDIT ADJUSTMENTS

Year Ended June 30, 2017

Description	Increase (Decrease)						
	Assets	Deferred Outflows of Resources	Liabilities	Deferred Inflows of Resources	Net Position	Revenue	Expenditures
Governmental Activities:							
Regional Revenue Fund:							
To adjust investment to fair market value	\$ (85,781)	\$ -	\$ -	\$ -	\$ (85,781)	\$ (85,781)	\$ -
Total effect	\$ (85,781)	\$ -	\$ -	\$ -	\$ (85,781)	\$ (85,781)	\$ -

**Exhibit A – Significant Written Communications Between Management and
Our Firm**

Arrangement Letter



May 19, 2017

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

Attention: Monica Backmon, Executive Director

The Objective and Scope of the Audit of the Financial Statements

You have requested we audit the Northern Virginia Transportation Authority (Authority) governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparison as of and for the year ending June 30, 2017, which collectively comprise the basic financial statements. Also, the required supplementary information and supplementary information presented in relation to the financial statements as a whole will be subjected to the auditing procedures applied in our audit of the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); and *Specifications for Audits of Authorities, Boards, and Commissions*, provided by the Auditor of Public Accounts for the Commonwealth of Virginia. Those standards and specifications require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Finance Committee (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds you have told us are maintained by the Authority and that are to be included as part of our audit are listed here:

- I. General Fund
- II. 30% Distribution Fund
- III. 70% Regional Revenue Fund
- IV. Debt Service Fund

There are no component units included in the financial statements.

Our report on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and specifications identified above. Our report on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and specifications identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees they will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge; and

5. To provide us with:

- a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
- b. Additional information we may request from management for the purpose of the audit; and
- c. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including, among other items, that:

1. Management has fulfilled its responsibilities as set out in the terms of this letter; and
2. It believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring the Authority complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, analysts, regulators, or others.

Management is responsible for the preparation of the required supplementary information (RSI) in accordance with accounting principles generally accepted in the United States of America. Management is responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the RSI and supplementary information in any document that contains the RSI and supplementary information and indicates the auditor has reported on such RSI and supplementary information. Management also agrees to present the RSI and supplementary information with the audited financial statements or, if the RSI and supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the RSI and supplementary information no later than the date of issuance of the RSI and supplementary information and the auditor's report thereon.

The Finance Committee is responsible for informing us of its views about the risks of fraud within the Authority, and its knowledge of any fraud or suspected fraud affecting the Authority.

Our association with an official statement is a matter for which separate arrangements will be necessary. The Authority agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Authority seeks such consent, we will be under no obligation to grant such consent or approval.

The Authority agrees it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the Authority agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering.

Records and Assistance

If circumstances arise relating to the condition of the Authority's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Authority's books and records. The Authority will determine all such data, if necessary, will be so reflected. Accordingly, the Authority will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Authority personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Peggy Teal, Assistant Finance Officer. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Other Relevant Information

PBMares, LLP may mention the Authority's name and provide a general description of the engagement in PBMares, LLP's client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with GAS, a copy of our most recent peer review report can be located on our website at www.pbmares.com.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are not expected to exceed \$24,500. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Authority personnel.
2. Timely responses to our inquiries.
3. Timely completion and delivery of client assistance requests.
4. Timely communication of all significant accounting and financial reporting matters.
5. The assumption unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then fees may increase. Fees may also increase based on the extent of accounting services and other assistance required to render a complete set of financial statements. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. Amounts not paid within thirty days from the invoice date(s) will be subject to a late payment charge of 1.5% per month (18% per year).

Our professional standards require we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Authority agrees it will compensate PBMAres, LLP for any additional costs incurred as a result of the Authority's employment of a partner or professional employee of PBMAres, LLP.

In the event we are requested or authorized by the Authority or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Authority, the Authority will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of PBMAres, LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of PBMAres, LLP audit personnel and at a location designated by our firm.

Other Terms

While there is an attorney-client privilege, there is no accountant-client privilege. Accordingly, any information you provide to us is subject to discovery. Unless prohibited by law, we will notify you if we receive any subpoena, IRS summons, or other third party request for our information and/or records concerning you. If you direct us to disclose the requested information, we will comply with the subpoena or IRS summons and, in the case of a third party request, we will need you to sign a form authorizing the disclosure. If you do not direct us to disclose the requested information, we may engage counsel to protect your interest in non-disclosure. In either event, we will bill you for all of our costs associated with complying with your directions. Our bill will include, in addition to our then standard fees and charges and, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, penalties, and fines imposed because of our nondisclosure.

We reserve the right to withdraw from the engagement without completing our services for any reason, including, but not limited to, your failure to comply with the terms of this engagement letter, or as we determine professional standards require.

If any portion of this engagement letter is deemed invalid or unenforceable, such a finding shall not invalidate the remainder of the terms set forth in this engagement letter.

Dispute Resolution

If any dispute other than fees arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties. You and we consent to personal jurisdiction, both for mediation and/or litigation, of the Federal District Court, Eastern District of Virginia, sitting in Richmond, Virginia, or the Richmond Circuit Court. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

The parties hereto both agree any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. The arbitration shall take place in Richmond, Virginia. Any award rendered by the Arbitrator pursuant to this Agreement may be filed and entered and shall be enforceable in the Superior Court of the County in which the arbitration proceeds. In agreeing to arbitration, we both acknowledge, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

Reporting

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board Members of the Authority. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph, or withdraw from the engagement.

In addition to our report on the Authority's financial statements, we will also issue the following types of reports:

1. Report on internal control related to the financial statements. This report will describe the scope of testing of internal control and the results of our tests of internal control;
2. Report on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements; and
3. A schedule of findings and responses.

This letter constitutes the complete and exclusive statement of agreement between PBMares, LLP and the Authority, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

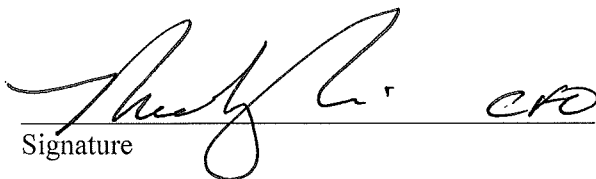
PBMares, LLP



Michael A. Garber, Partner

MAG/spw

Confirmed on behalf of the Authority:


Signature

6/16/17
Date

Representation Letter



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

October 9, 2017

PBMares, LLP
558 South Main Street
Harrisonburg, Virginia 22801

This representation letter is provided in connection with your audit of the basic financial statements of Northern Virginia Transportation Authority (Authority) as of and for the year ended June 30, 2017 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of October 9, 2017, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 19, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. We have disclosed all interfund transactions, including interfund transfers, which have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment have been disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP, if any.

8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Net position and fund balance classifications.
 - b. The fair value of investments.
 - c. Leases and material amounts of rental obligations under long-term leases.
 - d. The effect on the financial statements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, and GASB Statement No. 87, *Leases*, which have been issued, but which we have not yet adopted.
 - e. Deposits and investment securities categories of risk.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Authority has no significant amounts of idle property and equipment.
 - b. The Authority has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
10. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made to reduce receivables to their estimated net collectable amounts, if necessary.
11. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a “potentially responsible party” by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
 - d. Guarantees, whether written or oral, under which the Authority is contingently liable.
 - e. Agreements to repurchase assets previously sold.
 - f. Security agreements in effect under the Uniform Commercial Code.

- g. Liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - h. Liabilities which are subordinated in any way to any other actual or possible liabilities.
 - i. Debt issue repurchases options or agreements, or sinking fund debt repurchases ordinance requirements.
 - j. Significant estimates and material concentrations known to management which are required to be disclosed.
 - k. Authorized but unissued bonds and/or notes.
 - l. Risk financing activities.
 - m. Derivative financial instruments.
 - n. Special or extraordinary items.
 - o. Arbitrage rebate liabilities.
 - p. Risk retentions, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2017 and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2017.
 - q. Material losses to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - r. Material losses to be sustained as a result of purchase commitments.
 - s. Environmental cleanup obligations.
 - t. Contractual obligations for construction and purchase of real property or equipment.
12. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.
13. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
14. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
15. Net position (restricted and unrestricted) and fund balances are properly classified and, when applicable, approved.
16. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the Statement of Activities, and allocations have been made on a reasonable basis.
17. Revenues are appropriately classified in the Statement of Activities within program revenues and general revenues.
18. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

19. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing body and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
20. All transactions have been recorded in the accounting records and are reflected in the financial statements.
21. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
22. We have no knowledge of allegations of fraud or suspected fraud, affecting the Authority's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
23. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements received in communications from employees, former employees, analysts, regulators, or others.
24. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
25. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
26. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Authority's ability to record, process, summarize and report financial data.
27. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
28. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

29. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
30. With respect to the Management's Discussion and Analysis and Required Supplementary Information presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm management:

31. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
32. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
33. Has not identified any instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
34. Has not identified any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts that have a material effect on the determination of financial statement amounts.

- 35. Has not identified any instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
- 36. Is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 37. Acknowledges its responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.
- 38. Has a process to track the status of audit findings and recommendations.
- 39. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY



Monica Backmon, Executive Director



Michael Longhi, Chief Financial Officer



Peggy Teal, Assistant Finance Officer



To the Honorable Authority Board Members
Northern Virginia Transportation Authority
Fairfax, Virginia

In connection with our audit of the financial statements of the Northern Virginia Transportation Authority (the Authority) for the year ended June 30, 2017, we have the following comments and suggestions for your consideration.

New GASB Pronouncements

At June 30, 2017, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Authority. The statements which might impact the Authority are as follows:

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement includes OPEB plans – defined benefit and defined contribution – administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

The requirements of Statement No. 75 are effective for financial statements for fiscal years beginning after June 15, 2017.

Statement No. 86, *Certain Debt Extinguishment Issues*

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. In financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of defeasance.

Governments that defease debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.

The requirements of Statement No. 86 are effective for financial statements for fiscal years beginning after June 15, 2017.

Statement No. 87, *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The requirements of Statement No. 87 are effective for financial statements for fiscal years beginning after December 15, 2019.

This report is intended solely for the information and use of management, Board Members and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

If you have any questions concerning any of these items or if we can be of further assistance, please contact us. We thank you for the opportunity to conduct your audit for the year ended June 30, 2017 and express our appreciation to everyone for their cooperation during this engagement.

PBMares, LLP

Harrisonburg, Virginia
October 9, 2017



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Monica Backmon, Executive Director

DATE: November 3, 2017

SUBJECT: Adoption of the Five-Year Strategic Plan

- 1. Purpose:** To seek the Northern Virginia Transportation Authority's (NVTa) adoption of the Five-Year Strategic Plan.
- 2. Suggested Motion:** *I move Authority adoption of the NVTa Five-Year Strategic Plan.*
- 3. Background:**
 - *April 11, 2016*, a work session was held with the Authority to develop the draft vision and goals for the Strategic Plan.
 - *May 26, 2016*, a work session was held with NVTa staff and Regional Jurisdiction and Agency Coordinating Committee (RJACC) members to review and provide feedback and input on the draft vision statement as developed from the work session with the Authority.
 - *July 7, 2016*, a follow up work session was held with NVTa staff and RJACC members to review and provide feedback and input on the draft goals as developed from the work session with the Authority.
 - *September 8, 2016*, the Authority adopted the Strategic Plan Vision & Goals.
 - *November 30, 2016*, a work session was held with NVTa staff and RJACC members to develop draft strategies, objectives and measures.
 - *January – August 2017*, NVTa staff refined draft strategies and objectives, based on RJACC member input from the November 30, 2016 work session, and developed the draft Strategic Plan.
 - *August 31, 2017*, draft Five-Year Strategic Plan reviewed with the RJACC.
 - *September 8, 2017*, draft Five-Year Strategic Plan update provided to the Authority.

Attachment: Draft Five-Year Strategic Plan



Five-Year Strategic Plan





2017 – Members of the Northern Virginia Transportation Authority

Voting Members

Chairman

Hon. Martin E. Nohe, Prince William County

Vice Chairman

Hon. Phyllis J. Randall, Loudoun County

Hon. Richard Black, Virginia Senate

Hon. Sharon Bulova, Fairfax County

Hon. Jay Fisette, Arlington County

Hon. Timothy Hugo, Virginia House of
Delegates

Hon. Mary Hughes Hynes, Governor's
Appointee, Commonwealth Transportation
Board

Jim Kolb, Governor's Appointee

Hon. David L. Meyer, City of Fairfax

Hon. J. Randall Minchew, Virginia House of
Delegates

Hon. Harry J. "Hal" Parrish, II, City of
Manassas

Hon. Jeanette Rishell, City of Manassas Park

Hon. Allison Silberberg, City of Alexandria

Hon. David Snyder, City of Falls Church

Non-Voting Members

Hon. Kelly Burke, Town of Leesburg

Helen Cuervo, Virginia Department of Transportation

Jennifer Mitchell, Virginia Department of Rail and Public Transportation

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Overview



As the Northern Virginia Transportation Authority looks ahead, this five-year strategic plan will serve as a guide for the Authority members and staff to expand upon accomplishments and outline strategic goals of regional prosperity, mobility, innovation and funding. The presentation of each goal contains a preface to provide context and clarity to the goal, strategies and related actions. Achievement of these goals will ensure the Authority is continuing to grow and strengthen as the regional leader for transportation planning, programming and funding. As this is the first strategic plan for the Authority, staff will report progress on an annual basis to ensure the Authority is the regional planning leader for multimodal transportation. The following goals and vision were adopted by the Authority on September 8, 2016.

Goals

- 1) **Regional Prosperity**
Foster regional prosperity by investing in a sustainable transportation network that supports economic growth, while balancing quality of life.
- 2) **Mobility**
Through sound planning and programming, increase transportation connectivity and available transportation options to reduce congestion.
- 3) **Innovation**
Lead region in planning and advocating for emerging transportation technologies which address future transportation, work place and development trends.
- 4) **Funding**
Support transportation infrastructure development through excellent stewardship of tax payer dollars, maximizing opportunities from existing sources, and advocating for additional transportation revenues.



Across the region, NVTa is focused on multimodal transportation solutions.

VISION

The Northern Virginia Transportation Authority leads Northern Virginia into a transportation future equipped with multi-modal transportation options for the community that advance the overall quality of life, environment, and economic prosperity for the region. Using innovation, partnerships and collaboration, the NVTa delivers effective long-term planning, transparent policy processes and decision making, as well as efficient allocation of critical transportation resources which advance projects to move Northern Virginia forward as a preeminent region in the country.

Goal I: Regional Prosperity



Foster regional prosperity by investing in a sustainable transportation network that supports economic growth, while balancing quality of life.

Economic growth and transportation are integrally linked, as are traffic congestion and quality of life. The Authority's robust transportation plans and investments support continued regional prosperity and improve multimodal transportation options in Northern Virginia. While the Authority has an established reputation for creating a transportation network that sustains economic growth, there are ways in which the Authority can make a bigger impact. To date, the Authority has conducted research and a public survey to better understand how the Northern Virginia transportation network impacts economic growth and quality of life. The Authority can enhance communications with key audiences regarding the economic and quality of life impacts of its multimodal transportation investments.



The NVTa's policies and priorities are guided by two overarching goals: reduce congestion and move the greatest number of people in the most cost-effective manner.

Strategy	Action
Regional Coordination <ul style="list-style-type: none"> Coordinate with the NoVA business community to better understand how the NoVA transportation system affects regional prosperity and identify how different types of multimodal regional transportation projects support economic growth and raise quality of life for Northern Virginians. Estimate the economic impact of transportation investments (funded by NVTa and others) in NoVA. 	Meet with the economic development groups in each of the nine member jurisdictions (individually or collectively).
	Meet with at least one Chamber of Commerce in each of the nine member jurisdictions (individually or collectively).
	Meet with the Greater Washington Board of Trade and a selection of other neighboring business community groups in the Washington D.C. metro region.
	Conduct and compile objective, independent research, including a periodic update of the GMU economic impact analysis and public opinion survey.

Goal I: Regional Prosperity (continued)



Foster regional prosperity by investing in a sustainable transportation network that supports economic growth, while balancing quality of life.

Strategy	Action
Advocacy/Education <ul style="list-style-type: none"> Increase awareness and understanding of the economic impact of NVTa's multimodal transportation investments. 	Develop appropriate messaging based on above findings to specific target audiences: <ul style="list-style-type: none"> NoVA residents and business community NoVA General Assembly members Local elected officials NoVA Congressional caucus NVTa stakeholders

NVTa's Regional Partners



Goal II: Mobility



Through sound planning and programming, increase transportation connectivity and available transportation options to reduce congestion.

Multimodal regional transportation planning and programming are the foundation for making sound investments. The mobility goal of the Authority focuses on its core activity of multimodal regional transportation planning and the programming of investments in regional projects. The Authority will develop and regularly update TransAction and the Six Year Program through public engagement and a data driven process. The Authority will also refine the principles of long term benefits into implementable practices. Collaboration with member jurisdictions and agencies will be necessary for planning and programming that increase connectivity and improve regional mobility. In addition, the Authority will boost communications with target audiences to increase awareness of the Authority's impact on regional mobility.



NVTA works with several transit agencies across Northern Virginia including, VRE, WMATA, NVTC, DRPT and PRTC.

Strategy	Action
Multimodal Regional Transportation Planning and Programming <ul style="list-style-type: none"> • Develop and regularly update TransAction, NVTA's long range multimodal transportation plan for NoVA, utilizing regional corridors. • Develop and regularly update NVTA's Six Year Program, to fund projects that address regional transportation needs in NoVA. • Coordinate with VA, DC, MD and TPB to advance multimodal regional and extra-territorial projects that are important to NoVA. • Refine the principles of long term benefits. 	Develop a regional performance dashboard on congestion trends, travel demand patterns, incident impacts, etc., that can feed into regional transportation planning and project development.
	Develop 'NoVA Transportation Trends' supplement to NVTA's Annual Report, starting with 2017.
	Conduct ongoing peer reviews with similar regions elsewhere in the US to better understand the performance of transportation in NoVA.
	Expand analytical capabilities ranging from sketch planning to micro simulation and scenario analysis. <ul style="list-style-type: none"> • Travel demand forecasting • Model simulations

Goal II: Mobility (continued)

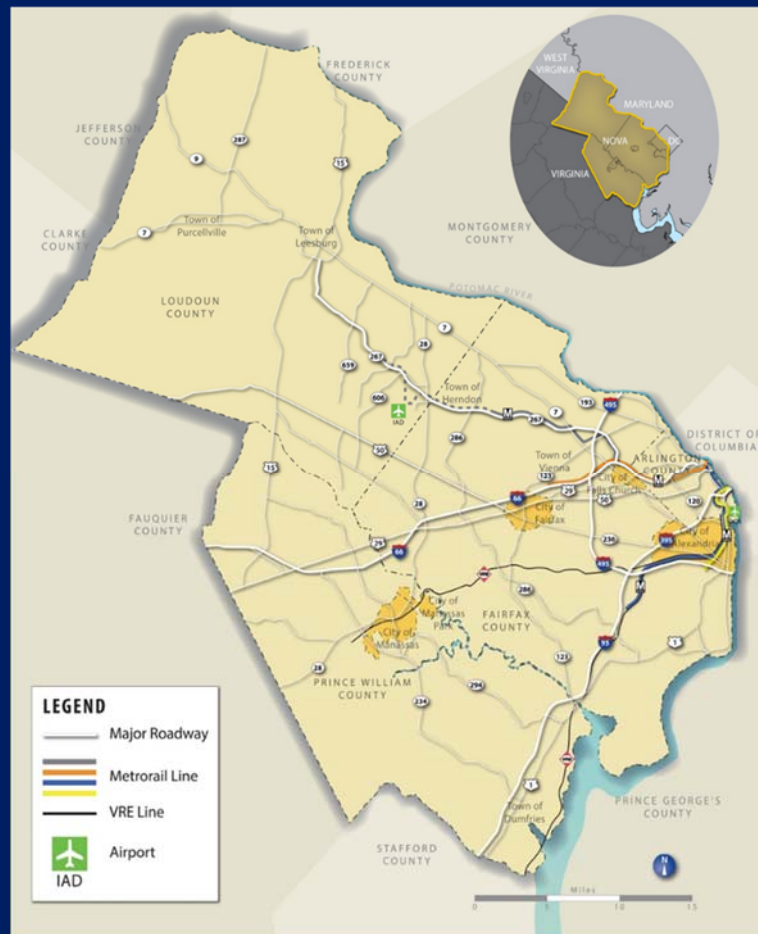


Through sound planning and programming, increase transportation connectivity and available transportation options to reduce congestion.

Strategy	Action
Advocacy/Education <ul style="list-style-type: none"> Increase awareness and understanding of the transportation impact of the NVTa's regional transportation investments. 	Develop appropriate messaging based on above findings to specific target audiences: <ul style="list-style-type: none"> NoVA residents and business community General Assembly members Local elected officials

NVTa Jurisdictions and Major Transportation Facilities

The Authority's member jurisdictions include the counties of Arlington, Fairfax, Loudoun and Prince William and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The NVTa functions as a sub-metropolitan planning organization for these jurisdictions. The values of transparency and regional collaboration have lead the Authority not only to the adoption of its first TransAction update since the passage of HB 2313, but to the development of its inaugural Six Year Program (FY2018-2023).



Goal III: Innovation



Lead region in planning and advocating for emerging transportation technologies which address future transportation, work place and development trends.

While ‘disruptive’ technologies are creating uncertainty in the future of transportation, the Authority’s readiness to innovate in anticipation of emerging transportation technologies and related trends is crucial to investing in the best transportation solutions. Examples of innovative opportunities include encouragement of shared mobility and/or vehicle ownership, incentivized travel behaviors, and new approaches to addressing ‘first/last mile’ challenges. The Authority will focus on proactively analyzing and identifying emerging innovative technologies for robust solutions. Undertaking these initiatives will make the region a leader as the future of transportation preferences, and living and working conditions transform. The Authority will also increase collaboration and communication with the state and key stakeholders to create an ongoing dialogue regarding emerging transportation technologies and the Authority’s innovations to achieve its Vision.



NVTA has funded multiple projects to widen and improve Route 1 in Northern Virginia.

Strategy	Action
Regional Coordination <ul style="list-style-type: none"> Promote multimodal initiatives such as Integrated Corridor Management (ICM). 	Coordinate with VDOT and DRPT on implementation of ICM and associated regional components, including expanded regional Travel Demand Management (TDM.)
Multimodal Regional Transportation Planning <ul style="list-style-type: none"> Plan for emerging transportation technologies and related trends. 	At the national and regional level, monitor emerging technology trends and associated changes in travel behaviors, e.g., vehicle ownership, mobility as a service, and shared vehicle use.
	Conduct and compile objective, independent research on the positive and negative impacts of emerging transportation technologies.
	Conduct studies of regional deployments of emerging transportation technologies.
	Develop policy guidance as needed to support regional deployments of emerging transportation technologies.

Goal III: Innovation (continued)



Lead region in planning and advocating for emerging transportation technologies which address future transportation, work place and development trends.

Strategy	Action
Multimodal Regional Transportation Planning <ul style="list-style-type: none">Plan for emerging transportation technologies and related trends.	Host regional discussions and events that identify/address the barriers to emerging transportation technologies and facilitate their deployment in a manner that is beneficial to the region.
Advocacy/Education <ul style="list-style-type: none">Develop and implement an advocacy and education strategy for emerging transportation technologies and shared mobility opportunities.	Work collaboratively with the region on public outreach regarding emerging technology and shared mobility.
	Increase advocacy and education of emerging transportation technologies.



Construction began in October 2017 for a new pedestrian bridge on Van Buren Street, which will provide safe access to the East Falls Church Metro Station. NVTA funded this project through its FY2014 program.

Goal IV: Funding



Support transportation infrastructure development through excellent stewardship of tax payer dollars, maximizing opportunities from existing sources, and advocating for additional transportation revenues.

Transparency, stewardship and accountability are the Authority's core values for funding, which exhibit the importance of regionalism leading to responsive transportation solutions. Funding is the foundation from which the Authority has the ability to understand, coordinate, plan and deliver multimodal regional transportation solutions. In an effort to enhance the Authority's fiscal strength and increase awareness of the Authority's role in funding multimodal regional projects, the Authority will identify opportunities with key stakeholders and agencies to advance the recognition of the Authority's role in funding transportation infrastructure.



NVTA celebrated the completion of a new intersection along Loudoun County Parkway in September 2017.

Strategy	Action
Transparency/Stewardship/Accountability <ul style="list-style-type: none"> • Ensure NVTA's funding information is transparent and available. • Cement the NVTA's reputation as a predictable long-term funding partner. • Protect and enhance the NVTA's credit rating. • Protect the NVTA's regional transportation investments. • Streamline the SYP project application process. 	Disseminate accurate financial information amongst member jurisdictions and the public with clarity and transparency.
	Develop and implement multi-year funding strategies in support of NVTA Programs.
	Work regionally in the development of conservative revenue estimates.
	Achieve clean audit opinions.
	Exercise prudent use of debt capacity, recognizing the impact on annual PayGo availability.
	Ensure compliance of all current and proposed activities with:
	<ul style="list-style-type: none"> • Investment Policy • Debt Policy • Post Issuance and Tax Compliance Policy • State, Federal and IRS Regulatory Requirements

Goal IV: Funding (continued)



Support transportation infrastructure development through excellent stewardship of tax payer dollars, maximizing opportunities from existing sources, and advocating for additional transportation revenues.

Strategy	Action
Transparency/Stewardship/ Accountability <ul style="list-style-type: none"> • Ensure NVTA's funding information is transparent and available. • Cement the NVTA's reputation as a predictable long-term funding partner. • Protect and enhance the NVTA's credit rating. • Protect the NVTA's regional transportation investments. • Streamline the SYP project application process. 	Build capacity to receive, administer and account for federal and state grants.
	Build capacity to ensure fulfillment of project scope of approved regional projects, including implementation of a monitoring system.
	Implement a cost-effective online project application system that reduces jurisdictional and NVTA staff time expended on preparing and reviewing responses to NVTA's Calls for Regional Transportation Projects.
Regional Coordination <ul style="list-style-type: none"> • Coordinate across the region to enhance funding of transportation infrastructure. 	Identify and support opportunities for joint and solo applications to regional, state and federal sources for economy of scale, efficiency and competitiveness.
	Pursue grant opportunities on behalf of the region.
Advocacy/Education <ul style="list-style-type: none"> • Protect and increase the Authority's fiscal strength. 	Enhance existing strong ties to the General Assembly to elevate/strengthen awareness of NVTA's role, and represent NVTA's interests to protect and enhance funding legislation for regional projects.
	Support regional efforts to identify funding for operating and capital costs to meet current and future travel demand and emerging transportation technologies.
	Work with the business community to protect and enhance funding legislation.



NVTA celebrated the completion of several road widening projects along Route 28 in October 2017.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mary Hynes, Chair, Governance and Personnel Committee

DATE: November 3, 2017

SUBJECT: Adoption of the NVTa 2018 State and Federal Legislative Program

1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTa) adoption of the 2018 State and Federal Legislative Program.
2. **Suggested Motion:** *I move adoption of the NVTa 2018 State and Federal Legislative Program.*
3. **Background:**
 - a. The Governance and Personnel Committee (GPC) started discussions of the 2018 legislative issues in May 2017.
 - b. A draft Program was reviewed in September and October of 2017.
 - c. A revised Program draft was distributed to Authority Members and member jurisdictions and agencies on October 23rd with comments requested by October 31st.
 - d. Comments were received from VDOT and VRE, and have been incorporated in the attached draft.
 - e. The attached draft is highlighted to reflect areas that were updated, added or moved from the adopted 2017 State and Federal Legislative Program.
 - f. The highlighted areas reflect:
 1. Highlight of the importance of a modern, efficient multimodal transportation system to the Commonwealth, noting the importance of all to work together to maintain and build multimodal infrastructure.
 2. Continue to recommend an increase in the percentage of State of Good Repair revenues for Northern Virginia.
 3. Recommendation of no decreases to the Revenue Sharing Program.
 4. Support of efforts to fully address Transit Capital Funding with statewide resources for all the Commonwealth's transit systems.
 5. Support for the establishment of Regional Gas Tax Floor.
 6. Washington Metropolitan Area Transit Authority (WMATA) support for continued rail and bus service with focus on:
 - a. Safety
 - b. Sustainable Governance, Operating and Funding Reforms
 - c. Maximizing the use of existing WMATA Infrastructure

7. Virginia Railway Express (VRE) – support for efforts to identify funding for operating and capital costs to sustain current service, as well as address natural demand growth in the region.

Attachment: Draft 2018 State and Federal Legislative Program



2018 State and Federal Legislative Program

STATE

TRANSPORTATION FUNDING

The passage of HB 2313 (2013) was the result of bipartisan cooperation throughout the Commonwealth. The regional funding provided through HB 2313 is a significant step towards addressing the transportation needs of Northern Virginia. The Authority will continue to work with the Commonwealth to ensure that we are all fully utilizing the resources provided by HB 2313 to implement the necessary improvements to Northern Virginia's transportation infrastructure.

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 and reaffirms previous positions)

STATE FUNDING

Allocation of Statewide Revenues: It is important that Northern Virginia continues to receive its fair share of statewide revenues, as required in HB 2313. This is especially important as various formulas and processes for transportation funding are being created and/or modified.

A. **State of Good Repair:** The Authority recommends an increase in the percentage of State of Good Repair revenues that come to Northern Virginia.

- The Authority is concerned that Northern Virginia is currently expected to receive 10.6 percent of State of Good Repair funds, while as of May 2017 only 39.4 percent of all secondary roads in Northern Virginia are in Fair or Better Condition, far less than the Commonwealth's average of 60 percent. With statewide funding for State of Good Repair increasing from \$80 million to over \$300 million in FY 2021, the Authority hopes that some of this increased funding can be dedicated to repairing critical secondary road pavement in our region. As millions of people drive on our roads every day, these deteriorated pavements will only get worse until something is done to address them.

B. **Revenue Sharing:** The Authority recommends that funding of the Revenue Sharing Program not be decreased below its current level of \$100 million.

- The Authority is concerned about efforts to decrease funding for the Revenue Sharing Program over the next several years. By design, the Revenue Sharing Program has allowed more projects throughout the Commonwealth to move forward through the leveraging of funds with local sources. Reducing the funding in this program will slow

efforts to improve our transportation system.

- C. **Transit Capital Funding:** The Authority supports efforts to fully address this anticipated state funding reduction with statewide resources to ensure that all the Commonwealth's transit systems continue to receive appropriate state resources to provide critical transit services. Accessible and affordable transit services are an integral component to resolving Northern Virginia's traffic congestion challenges. The Commonwealth's projected available funds for transit capital projects are expected to drop 44 percent by 2021 unless another source of revenue is identified. Revised
- D. **Regional Gas Tax Floor:** The Authority supports establishing a floor on the regional gas tax that would put it on par with the floor for the statewide gas tax established in HB 2313. Currently a 2.1 percent motor vehicle fuels tax is levied on fuels sold/delivered in bulk in Northern Virginia. The revenues from these taxes, which must be spent on transportation purposes have not met expectations when compared to state gas tax revenues in the same time period. The Revenue Advisory Board estimated that this change could bring \$25 million/year to Northern Virginia Transportation jurisdictions.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (WMATA)

WMATA bus and rail services continue to support job and population growth in the Commonwealth of Virginia and Northern Virginia. WMATA's Virginia jurisdictional partners are on track to enhance the system through significant investments, e.g. Silver Line completion, new Potomac Yards station and numerous park and ride garages along I-66. WMATA, its funding partners, stakeholders and users are at a critical crossroads as we collectively try to determine the future of this important transportation infrastructure and also protect the cumulative billions of dollars already invested by local, state and federal government, by this Authority and by the private sector.

Metrorail in particular is a significant driver of the Commonwealth's and Northern Virginia's economy. The transit system station locations are the focus of some \$25 billion in residential and commercial development and economic activity around rail facilities generates \$600 million a year in state tax revenues.

- A. **Safety:** The Authority supports adequate funding for and oversight of WMATA as it enhances the safety and security of the system and its riders. The Authority applauds work being done to stand up the Metro Safety Commission to ensure adequate oversight of WMATA's efforts.
- The Commonwealth is a valuable partner in ensuring that WMATA continues to move ahead with important safety and infrastructure capital improvements in its system, and must work with the Federal Government to ensure that it, too, provides sufficient resources.
- B. **Sustainable Governance, Operating and Funding Reforms:** The Authority supports appropriate changes in governance structures and policies, operational practices, and funding sources to address WMATA's current and long term challenges.
- Extending the \$300 million annually provided by the federal government, the Commonwealth, Maryland, and the District of Columbia, as provided in Passenger Rail Investment and Improvement Act of 2008 (PRIIA) beyond 2019 is critical. This funding

addresses urgent capital needs and is especially important as WMATA works with the federal government and its state and local jurisdictions to improve safety and state of good repair issues throughout its system.

- The system staff, board and stakeholders must identify, adopt and implement reforms in all three areas in order to provide the Commonwealth, Northern Virginia and the National Capital Region with a transit system capable of supporting continued economic and population growth and national security response.
- WMATA Board governance reforms should recognize that those jurisdictions that fund Metro have a role in decision-making.
- Capital and operating funding agreements among all Metro stakeholders is essential to ensuring sustainable funding for maintenance and enhancements.

C. **Maximize Metrorail's Existing Infrastructure:** The Authority supports continued local, regional, state and federal investment in Metro that helps accommodate additional passenger growth in Northern Virginia, which is important for the entire Commonwealth and serves federal facilities in the National Capital Region.

- While focusing on safety and state of good repair, the region must also work to address the WMATA capacity needs that serve Northern Virginia residents and businesses and federal facilities. The region is projected to continue to grow over the coming decades, placing more pressure on a Metro system that is already nearing capacity.
- Improvements to the system's core capacity are needed to attract and accommodate additional riders. Capital and operating resources and efficiencies are critical to ensuring that these needs are addressed. (Revises and Reaffirms Previous Position)

VIRGINIA RAILWAY EXPRESS (VRE)

The Authority supports efforts to identify funding for operating and capital costs to sustain current service, as well as funding to address natural demand growth in the region.

- VRE's 2040 System Plan identified capital and operating requirements needed for the system; and the associated Financial Plan found a clear need for increased funding even without any expansion of service. While some elements of the 2040 Plan have been funded through Smart Scale and the Atlantic Gateway projects, additional funding for capital and operating remains a critical need to sustain the current level of service and meet future demand.
- VRE currently provides approximately 20,000 rides a day. Most of those utilizing the system are transit choice riders who would otherwise be driving on Northern Virginia's already congested roadways. VRE provides the equivalent of an additional lane on the I-95/I-395 and I-66 Corridors of Statewide Significance during peak periods, with less pollution, energy consumption and accident cost from highway operation.

PEDESTRIAN AND TRANSIT SAFETY

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.

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)

LAND USE PLANNING

The Authority supports land use and zoning as fundamental local responsibilities and objects to certain land use provisions included in state law that could override the work done by our local governments and our residents, property owners, and the local business communities on land use and transportation plans.

Land use provisions included in legislation during the 2012 Session provide that VDOT and the Commonwealth Transportation Board (CTB) can decide whether local transportation plans are consistent with the Commonwealth's current priorities. If they decide 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 governments to the Commonwealth. (Reaffirms previous position)

The Authority supports the ability of its member jurisdictions to collect both in-kind and cash proffers that assist with providing necessary transportation facilities and infrastructure to serve new development and help address transportation congestion and accessibility. Proffers have been a critical element in leveraging local, regional, state, and federal funds, which come together to fully fund necessary transportation projects in our region. Member jurisdictions and their landowner partners should have sufficient flexibility to explore all options to provide critical transportation facilities. (Reaffirms previous position)

SECONDARY ROAD DEVOLUTION/LOCAL MAINTENANCE PROGRAMS

The Authority opposes the transfer of secondary road construction and maintenance responsibilities to counties, especially if these efforts are not accompanied with corresponding revenue enhancements. While there may be 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.

The Authority opposes any legislative or regulatory moratorium on the transfer of newly constructed secondary roads to VDOT for the purposes of ongoing maintenance.

The Authority opposes changes to maintenance allocation formulas detrimental to localities maintaining their own roads. 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)

MAXIMIZING USE OF FACILITIES AND OPERATIONS

A vital component of our transportation network is transportation demand management, such as high occupancy vehicle use, and teleworking, safe pedestrian and bicyclist movement; and encourage user friendly access to transit. The Authority supports these efforts to help mitigate roadway congestion and provide benefits to employers and employees. (Reaffirms Previous Position)

FEDERAL

SURFACE TRANSPORTATION PROGRAM REAUTHORIZATION

In December 2015, Congress passed the Fixing America's Surface Transportation Act (FAST Act), a five-year package that provides \$305 billion in new spending obligations from the Highway Trust Fund spanning fiscal years 2016 through 2020: \$225.2 billion for highways, \$48.7 billion for mass transit, and \$7 billion for highway and motor carrier safety. The U.S. Department of Transportation (USDOT) is currently implementing the FAST Act. As the implementation of the FAST Act occurs, **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; it is essential **that programs receive the funding amount authorized in the FAST Act.**

USDOT must coordinate with regional agencies, including the Northern Virginia Transportation Authority and the Transportation Planning Board, and local governments as it works to implement the FAST Act, specifically, during the development of rules to establish performance measures and standards for numerous programs;

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Regional Surface Transportation Program (RSTP) are essential to the region. These two programs are presently overextended and additional funding for both is crucial to address needs throughout the Country.

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

A. **Extending Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Funding and Safety:** The Authority supports WMATA's efforts to enhance the safety and security of the system and its riders, through adequate funding and oversight.

- The federal government is a valuable partner in ensuring that WMATA continues to move ahead with important safety and infrastructure capital improvements in its system. The \$300 million annually provided by the federal government, the Commonwealth, Maryland, and the District of Columbia, as provided in Passenger Rail Investment and Improvement Act of 2008 (PRIIA) addresses urgent capital needs and is especially important as WMATA works with the federal government and its state and local jurisdictions to improve safety and state of good repair issues throughout its system.
- This authorization, which must continue to be accompanied by annual appropriations, is especially important as WMATA works with the federal government and its state and local jurisdictions to improve safety and state of good repair issues throughout its system. (Reaffirms Previous Position)

B. **Maximize Metrorail's Existing Infrastructure:** The Authority supports continued local, regional, state and federal investment in Metro that helps accommodate additional

passenger growth in Northern Virginia, which is important for the entire Commonwealth and serves federal facilities in the National Capital Region.

- While focusing on safety and state of good repair, the region must also work to address the WMATA capacity needs that serve Northern Virginia residents and businesses and federal facilities. The region is projected to continue to grow over the coming decades, placing more pressure on a Metro system that is already nearing capacity.
- Improvements to the system's core capacity are needed to attract and accommodate additional riders. Capital and operating resources and efficiencies are critical to ensuring that these needs are addressed. (Revises and Reaffirms Previous Position)

VIRGINIA RAILWAY EXPRESS (VRE)

The Authority supports efforts to identify funding for operating and capital costs to sustain current service, as well as funding to address natural demand growth in the region.

- VRE's 2040 System Plan identified capital and operating requirements needed for the system; and the associated Financial Plan found a clear need for increased funding even without any expansion of service. While some elements of the 2040 Plan have been funded through Smart Scale and the Atlantic Gateway projects, additional funding for both capital and operating remains a critical need to sustain the current level of service and meet future demand.
- VRE currently provides approximately 20,000 rides a day. Most of those utilizing the system are transit choice riders who would otherwise be driving on Northern Virginia's already congested roadways. VRE provides the equivalent of an additional lane on the I-95/I-395 and I-66 Corridors of Statewide Significance during peak periods with less pollution, energy consumption and accident cost from highway operation.
- Federal funding and cooperation is critical to the expansion of the Long Bridge, currently a significant impediment to enhancing passenger and freight rail service in the Northeast Corridor. Expanding the Long Bridge is identified in VRE's 2040 Plan.
- The Authority urges the Federal government to complete implementation of the Positive Train Control initiative in order to improve employee and passenger safety in rail corridors used by VRE.

FEDERAL GOVERNMENT RELOCATION AND CONSOLIDATION

The Authority supports greater coordination and sufficient funding to address the planning and transportation issues associated with any future Base Realignment and Closure Commission recommendations or other federal Government Relocations and Consolidations. (Reaffirms previous position)

FUNDING FOR TRANSPORTATION EMERGENCY PREPAREDNESS

The Authority calls upon Congress to provide increased emergency preparedness and 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 Authority calls upon Congress to provide increased funding to transportation agencies in the metropolitan Washington area to continue funding for MATOC's operations. 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. (*Reaffirms previous position*)

FLIGHT OPERATIONS AT REAGAN WASHINGTON NATIONAL AIRPORT

The Authority supports, along with other localities and regional bodies, efforts to maintain 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. The region has encouraged air expansion at Dulles International 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 International Airport. (*Reaffirms previous position*)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Michael Longhi, Chief Financial Officer

DATE: November 3, 2017

SUBJECT: Memorandum of Agreement for the Transform 66 Outside the Beltway
Concessionaire Payment

1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) approval of a Memorandum of Agreement (MOA) related to the Transform 66 Outside the Beltway (I-66 OTB) concession payment.
2. **Suggested Motion:** *I move Authority approval of the draft Transform I-66 Outside the Beltway Project MOA, subject to non-sustentative final revisions by NVTA's Council of Counsels and authorize the Executive Director to sign.*
3. **Background:**
 - a. The Commonwealth of Virginia's Transform I-66 OTB project is a multimodal public private partnership between the Virginia Department of Transportation (VDOT), the Department of Rail and Public Transportation (DRPT) and private partner, Express Mobility Partners, which when finalized, will bring a \$2.3 billion investment in the I-66 Corridor, to move more people while providing reliable trips and new multimodal travel options.
 - b. The Commonwealth anticipates financial close on the I-66 OTB concession agreement with Express Mobility Partners in November 2017.
 - c. The final agreement is anticipated to include up to a \$500 million concessionaire payment for multimodal projects within the I-66 OTB corridor.
 - d. The NVTA was requested by Secretary Layne, to solicit eligible projects and make project recommendations to the Commonwealth Transportation Board (CTB).
 - e. On July 13, 2017, the NVTA approved a list of 14 projects totaling \$496 million for CTB consideration and approval for the \$500M concessionaire payment. (Attachment 1)
 - f. The CTB is anticipated to take action on the projects submitted for the \$500 million concessionaire payment at their December 2017 meeting.
 - g. NVTA staff and Council of Counsels drafted an MOA documenting the roles and responsibilities between the CTB and the NVTA regarding the use and governance of the \$500M.

h. The CTB is anticipated to take action on the MOA at their December 2017 meeting.

4. Discussion:

- a. The attached draft Transform 66 Outside the Beltway Project MOA is under review by the Commonwealth. (Attachment 2)
- b. The MOA covers NVTa's current activity in a Call for Projects and the formulation of project recommendations to the CTB.
- c. The MOA includes provisions for the NVTa to:
 - i. Receive the concession payment from the Commonwealth equal to the total projects and associated costs approved by the CTB;
 - ii. Make appropriate reimbursements on approved projects to the project sponsors;
 - iii. Transfer back to the Commonwealth, any unused project funding;
 - iv. Submit additional project funding requests for CTB approval for any unallocated portion of the \$500M concessionaire payment and earned interest.
- d. The MOA details the receipt, accounting, administration, project reimbursement and closeout of the concession payment funds. The structure detailed in the MOA will ensure the concession payment funds and the NVTa's HB2313 funds will be held and accounted for separately.
- e. NVTa's proposed accounting for the concession funds is transparent, utilizing many of the same practices and procedures already developed for HB2313 project reimbursements.
- f. NVTa's audit and accountability responsibilities are well detailed in the MOA and are based on a proprietary special revenue fund as defined by the Governmental Accounting Standards Board and will be included on the Authority's Audited Financial Statements, until such time as the fund is closed out.

Coordination:

NVTa Council of Counsels

Attachments:

Attachment 1 – July 17 Letter to Secretary of Transportation Layne

Attachment 2 - Memorandum of Agreement, Transform 66: Outside the Beltway Project (Draft)



Attachment 1

Northern Virginia Transportation Authority *The Authority for Transportation in Northern Virginia*

July 17, 2017

The Honorable Aubrey L. Layne, Jr.
Secretary of Transportation
Patrick Henry Building
1111 East Broad Street, Third Floor
Richmond, Virginia 23218

Reference: Northern Virginia Transportation Authority Funding Recommendations to the Commonwealth Transportation Board for the Transform 66 Outside the Beltway Concessionaire Payment

Dear Secretary Layne;

Thank you for seeking the Northern Virginia Transportation Authority's (NVTA) recommendations to the Commonwealth Transportation Board (CTB) for projects to be funded through the Transform 66 Outside the Beltway Concessionaire Payment. The NVTA appreciates the Commonwealth's efforts to transform I-66, bringing multimodal solutions to this highly congested corridor. Providing the opportunity for the NVTA to submit recommendations, as the regional transportation planning authority, further demonstrates your commitment to ensuring the Northern Virginia's input is included in this important process.

To develop these recommendations for CTB consideration, the Authority issued a call for projects on June 8, 2017, with a deadline of June 28, 2017. Twenty-six project applications were received from seven jurisdictions/agencies with a total funding request of \$1,173,982,411. We understand up to \$500 million is anticipated by the Commonwealth through the concessionaire payment.

NVTA staff reviewed the project applications and followed up with jurisdiction and agency staff as needed, to clarify application and project details. NVTA applied an objective evaluation process that considered:

Eligibility Criteria

- a. Regional transportation plans that included the project;
- b. Supporting documentation for the project from the sponsor's governing body;
- c. Project location and nexus to the I-66 OTB corridor;
- d. Utilization of concessionaire funding by toll day-one (mid- 2022);
- e. Commitment of any required operation and/or maintenance funds; and

Attachment 2

MEMORANDUM OF AGREEMENT

TRANSFORM66: OUTSIDE THE BELTWAY PROJECT

This Memorandum of Agreement (“MOA”) is entered into on _____, 2017, between the Commonwealth Transportation Board (“CTB”), and the Northern Virginia Transportation Authority (“NVTA”) (collectively, the “Parties”).

RECITALS

WHEREAS, the CTB, the Virginia Department of Transportation (“VDOT”), and the Virginia Department of Rail and Public Transportation (“DRPT”) have embarked upon a multimodal transportation program, Transform66, which seeks to fund and implement solutions to move more people in the Interstate 66 (“I-66”) corridor between Haymarket, Virginia and Route 29 in the Rosslyn area of Arlington County, Virginia; and

WHEREAS, the Transform66 program is composed of two distinct components: (1) the Transform66: Inside the Beltway Project, which involves multimodal transportation improvements in the I-66 corridor beginning at the intersection of I-66 and I-495 (the “Beltway”) and ending at U.S. Route 29 in the Rosslyn area of Arlington County, Virginia (the “Inside the Beltway Component”), and (2) the Transform66: Outside the Beltway Project, which involves multimodal transportation improvements in the I-66 corridor beginning at Haymarket, Virginia, and ending at the Beltway (the “Outside the Beltway Component”); and

WHEREAS, the goals of the Outside the Beltway Component are to (1) move more people; (2) enhance transportation connectivity; (3) improve transit service; (4) reduce roadway congestion; and (5) increase travel options (collectively, the “Improvement Goals”), all of which will benefit the users of the portion of I-66 beginning at the Beltway and ending at Route 15 in Haymarket, Virginia (the “Facility”); and

WHEREAS, the Outside the Beltway Component will facilitate implementation of projects that are reasonably related to or benefit the users of the Facility, including but not limited to multimodal transportation improvements to the roadways and associated transportation and transit facilities in the vicinity of the Facility (“Projects”); and

WHEREAS the developer of the Outside the Beltway Component (“Developer”) will provide the Commonwealth with a concession payment to support corridor improvements for the

Outside the Beltway Component in the amount of at least Five Hundred Million Dollars (\$500,000,000.00) (“Concession Payment”) no later than _____, 2017; and

WHEREAS, in accordance with § 33.2-1528 of the *Code of Virginia* (1950), the Commonwealth will establish a separate subaccount (“Concession Payments Account”) in which to hold the Concession Payment, from which the CTB may allocate funds to NVTA as provided for herein; and

WHEREAS, in accordance with § 33.2-2500(4) and § 33.2-2512(10) of the *Code of Virginia* (1950), NVTA may enter into agreements with any federal, state, local or private entity to provide, or cause to be provided, transportation facilities and services to the area embraced by NVTA; and

WHEREAS, NVTA, on behalf of the CTB, will fund Projects selected by NVTA and approved by the CTB for the Outside the Beltway Component, designed specifically to attain the Improvement Goals; and

WHEREAS, the CTB and NVTA agree that all such Projects shall be located within the geographical boundaries of Planning District 8, as those boundaries existed on the original signature date of this Agreement (“Planning District 8”); and

WHEREAS, the CTB desires to delegate to NVTA the authority to select and administer the implementation of Projects designed specifically to attain the Improvement Goals to be financed in whole or in part from the Concession Payment transferred to NVTA as provided in this MOA; and

WHEREAS, such delegation to NVTA shall not constitute approval by NVTA of the Commonwealth’s actions to impose tolling along the Facility; and

WHEREAS, as set forth in **Exhibit 1** hereto, NVTA has submitted 14 projects (“Initial Projects”) with associated funding recommendations totaling \$496,287,000.00 for CTB approval; and

WHEREAS, after approving any such Initial Projects, CTB will transfer a portion of the Concession Payment equal to the associated funding recommendation for such approved Initial Projects within 30 days; and

WHEREAS, if any portion of the Concession Payment is transferred to NVTA but not used for a particular CTB approved Project, NVTA will return such excess portion back to CTB within 30 days of NVTA’s receipt of notice of cancellation and/or Project closeout for such Project; and

WHEREAS, subsequent to the submittal of the Initial Projects, NVTA may continue to select and submit additional Projects for approval by the CTB in accordance with this MOA (“Additional Projects”) until the entire Concession Payment has been used by NVTA for CTB approved Projects;

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein, and the mutual benefit to the Parties of attaining the Improvement Goals, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. Nature of the Parties’ Interest under This MOA

This MOA provides for the transfer to and use by NVTA of specified funds deposited into the Concession Payments Account, as allowed by law and according to the terms of this MOA, for the selection and administration of Projects to attain the Improvement Goals. This MOA is specifically subject to, and is governed by applicable state and federal laws concerning the allowable use of concession payments, including but not limited to § 33.2-1528, § 33.2-2500(4) and § 33.2-2512(10) of the *Code of Virginia* (1950), as amended (“Virginia Code”), 23 U.S.C. §§ 129 and 166 and the terms of any agreement by and between the Federal Highway Administration (“FHWA”) and VDOT that may be required in order to toll the Facility.

This MOA does not grant NVTA any authority over I-66, the tolling of I-66, or any other roadways in the I-66 corridor. It also does not obligate VDOT or the CTB to provide any specified amount of revenues from the Outside the Beltway Component beyond the Concession Payment and interest allocated by the CTB in compliance with Virginia Code § 33.2-1528 as provided in this MOA.

II. Basic Agreement; Roles and Responsibilities

A. CTB shall have the following roles and responsibilities:

1. Concession Payments Account Establishment. Subject to any applicable and necessary approvals of the CTB and FHWA, and in accordance with law, the CTB shall establish the Concession Payments Account in which to hold the Concession Payment in a separate subaccount of the Transportation Trust Fund. In addition, the Concession Payments Account shall hold all interest, dividends, returns from NVTA and appreciation that accrue to the Concession Payments Account and that are not otherwise specifically directed by law or reserved by the CTB for other purposes allowed by law.

93 **2. Approval of Projects of the Outside the Beltway Component and Payment**
94 **of Concession Payment.** Provided NVTA complies with the criteria established
95 herein for selection of Projects, the CTB shall consider and approve such Projects,
96 and transfer to NVTA a portion of the Concession Payment from the Concession
97 Payments Account equal to the funding recommendations approved by the CTB for
98 the Initial Projects set forth in **Exhibit 1**, and thereafter for approved Additional
99 Projects set forth in the applicable subsequent Project list(s), within 30 days of the
100 approval of such Projects by CTB. All transfers from the Concession Payments
101 Account contemplated after the initial fiscal year of this MOA will be subject to the
102 appropriation of funds by the General Assembly.

103
104 B. NVTA shall have the following roles and responsibilities:

105 **1. Use of Concession Payment; Compliance with Laws Limiting Use.** Until all
106 funds remaining in the Concession Payments Account have been used by NVTA
107 for CTB approved Projects, NVTA shall submit to the CTB, a list or lists of Projects
108 proposed to be funded in whole or in part by the Concession Payment. Such
109 Projects shall be selected by NVTA in accordance with a process established by
110 NVTA pursuant to this MOA. Such Projects shall be separately identified with
111 supporting documentation. The CTB shall consider and approve the Projects
112 selected by NVTA, and transfer to NVTA a portion of the Concession Payment
113 from the Concession Payments Account equal to the funding recommendations
114 approved by the CTB for the Initial Projects set forth in **Exhibit 1**, and thereafter
115 for approved Additional Projects set forth in the applicable subsequent Project
116 list(s), pursuant to II.A.2, provided the Projects meet the criteria below and are
117 selected in accordance with NVTA's selection process described in II.B.2. Upon
118 receipt from the Commonwealth, NVTA will hold any transfers from the
119 Concession Payments Account in a fund within its general ledger system of
120 accounting referred to as the I-66 Outside the Beltway Concession Payment Fund
121 ("I-66 OTB Fund"). Each proposed Project must meet each of the following five
122 criteria:

- 123 (a) Must benefit the users of the Facility;

(b) Must have the capacity to attain one or more of the Improvement Goals;
(c) Must be one of the following multimodal transportation improvements serving Planning District 8:

i. New or enhanced local and commuter bus service, including only capital , and transit priority improvements;

ii. Vanpool, and formal and informal carpooling programs and assistance;

iii. Capital improvements for Washington Metropolitan Area Transit Authority rail and bus service, including only capital expenses, and improved access to Metrorail stations and Metrobus stops;

iv. Park and ride lot(s) and access or improved access thereto;

v. Roadway improvements to address impacts from the dynamic tolling of the Facility on roadways in the vicinity of the Facility;

vii. Roadway operational improvements in the vicinity of the Facility;

viii. Transportation Systems Management and Operations as defined in 23 U.S.C. § 101(a)(30) on December 1, 2015

(d) Must demonstrate the ability to obligate the Initial Project funds to the cost of such Projects by June 30, 2019 and to substantially expend such Initial Project funds by June 30, 2022;

(e) Must demonstrate the ability to obligate any Additional Project funds to the cost of such Projects within 12 months of their approval by the CTB and to substantially expend such Additional Project funds within 48 months of their approval by the CTB; and

(e) Must demonstrate that the Projects will be in compliance with all applicable laws, rules and regulations and have received or will receive all required regulatory approvals.

Under no circumstances shall the aforesaid criteria be modified except by written amendment to this MOA agreed to in writing by the Parties.

NVTA shall have no right to use the Concession Payment to pay any debt, obligation or liability unrelated to the Outside the Beltway Component, or for any purposes other than those specified in this MOA.

NVTA understands and agrees that in the selection and implementation of Projects using the Concession Payment, it is bound by the provisions of Virginia Code § 33.2-1528 as well as all other state and federal laws and regulations that limit the use of Concession Payment, and Concession Payment from interstate highways specifically. Accordingly, NVTA agrees to provide VDOT access to all records relating to Projects and the use of the Concession Payment. Further, NVTA will provide all such records for inspection and audit by VDOT, DRPT, and federal agencies, including but not limited to the United States Department of Transportation, the Federal Highway Administration, and the Federal Transit Administration, or their designees, upon reasonable notice at all times during the term of this MOA.

2. Project Selection Process: Any Project to be proposed for CTB approval shall be selected by NVTA through a process established by NVTA. Such process shall include the following elements:

(a) A request to submit proposed Projects issued by NVTA to all jurisdictions and other public transportation providers in Planning District 8 (The form of such request shall be substantially in the form of the Project Submittal Form attached hereto as **Exhibit 2**);

(b) The evaluation, prioritization, and selection of proposed Projects by NVTA, and the submission of selected Projects by NVTA to the CTB.

The CTB shall consider and approve the Projects selected by NVTA and pursuant to II.A.2, provided the Components meet the criteria in II.B.1.

181 **3. Monitoring:** NVTA shall provide an annual report to the CTB updating CTB on
182 the status of the Projects within 120 days of the end of NVTA's fiscal year.

183 **4. Accounting.** NVTA shall receive and manage, as a fiduciary, the Concession
184 Payment funds allocated by the CTB and held by NVTA in the I-66 OTB Fund.
185 All interest earned on the I-66 OTB Fund, net of the transaction costs directly
186 related to the interest earnings, shall accrue to and remain in the I-66 OTB Fund for
187 the benefit of approved projects. However, any remaining Project fund balances
188 at Project closeouts and any Project funds not used for a particular Project because
189 of the cancellation of that Project will be returned to the Concession Payments
190 Account by NVTA within 30 days of NVTA's receipt of such notice of such Project
191 closeout or cancellation for use by NVTA for Additional Projects selected by
192 NVTA in accordance with II.B.2 and approved by the CTB in accordance with
193 II.A.2. NVTA shall maintain all funds and accounts containing such funds from
194 this MOA separate and apart from all other funds and accounts of NVTA. The
195 revenues and expenses relating to the use of the Concession Payment, and the
196 Projects undertaken with the Concession Payment from this MOA, shall not be
197 commingled with any other funds, accounts, venues, or expenses of NVTA. NVTA
198 shall create and maintain for the term of this MOA segregated accounting and
199 financial reporting for the Projects financed by the Concession Payment provided
200 by this MOA and reported as a separate fund in NVTA's financial statements, and
201 such accounting shall constitute a proprietary "special revenue fund" as defined by
202 the Governmental Accounting Standards Board. Expenditures will be recorded and
203 reported for each Project. The I-66 OTB Fund will be included in the NVTA's
204 Annual Audited Financial Statements ("Audited Statements"). A copy of the
205 Audited Statements for any fiscal year in which payments are made for any Projects
206 from the I-66 OTB Fund will be provided to CTB. Upon exhaustion of the
207 Concession Payments Account and all I-66 OTB Fund revenues, interest earnings
208 and fund balance, an I-66 OTB Fund close out statement will be provided as part
209 of the NVTA's Audited Statements for that fiscal period, and the close out
210 statement will be included in the final Audited Statements provided to the CTB
211 under this Agreement.

212 The Concession Payment provided to NVTa pursuant to the terms of this
213 MOA shall be held by NVTa with a financial institution under an arrangement that,
214 to the extent reasonably practicable, preclude such funds from being an asset
215 subject to the claims of creditors of NVTa, or other claims related to the Projects
216 undertaken in accordance with this MOA.

217 **5. Quality Management.** NVTa shall through the tool of its Standard Project
218 Agreement, require the recipient entity under any Standard Project Agreement to
219 be responsible for all quality assurance and quality control activities necessary to
220 properly manage the funding of the development, design, construction, purchases,
221 acquisition, operation and maintenance of any Project undertaken pursuant to this
222 MOA.

223 **6. Public Information.** During the term of this MOA, NVTa shall provide
224 information to the public concerning the Projects it has undertaken, including any
225 public meetings and public hearing that may be required by law or regulation.

226 **7. Regulatory Approvals.** NVTa shall, through the tool of its Standard Project
227 Agreement, require the recipient entity under any Standard Project Agreement to
228 obtain, keep in effect, maintain, and comply with all regulatory approvals necessary
229 for funding the development, operation, and maintenance of any Projects funded
230 under this MOA.

231 **8. Contracting Practices.** During the term of this MOA, NVTa through the tool
232 of its Standard Project Agreement, shall require the recipient entity under any
233 Standard Project Agreement to covenant and agree, that with respect to the Projects
234 it has undertaken, it will comply with all requirements of state and federal laws
235 relating to anti-discrimination, including but not limited to Titles VI and VII of the
236 Civil Rights Act of 1964, as amended, and the Americans with Disabilities Act, and
237 shall contractually require the same of all contractors, subcontractors, vendors, and
238 recipients of any funding. NVTa recognizes the importance of the participation of
239 minority, women-owned and small businesses through the federal and local
240 Disadvantaged Business Enterprise programs and will abide by such programs in
241 implementing Projects through the tool of its Standard Project Agreement.

NVTA shall through the tool of its Standard Project Agreement, require the recipient entity under any Standard Project Agreement to comply with all applicable federal requirements, including those applicable to highways that are part of the National Highway System.

9. Insurance and Indemnity by Contractors. NVTA shall, through the tool of its Standard Project Agreement, require the recipient entity under any Standard Project Agreement to include the Commonwealth of Virginia, the CTB, VDOT, DRPT, and their officers, employees and agents, as additional insureds on any insurance policy issued for the work to be performed by or on behalf of such recipient entity on the Project undertaken by such recipient entity.

III. Term. Unless this MOA is otherwise terminated in accordance with VII, the term of this MOA shall commence on the date last signed by the Parties (“the Effective Date”) and shall expire upon the exhaustion of all funds within the Concession Payments Account and the I-66 OTB Fund.

V. Entire Agreement. This MOA constitutes the entire and exclusive agreement between the Parties relating to the specific matters covered. All prior written, and prior or contemporaneous verbal agreements, understandings, and representations are superseded, revoked, and rendered ineffective for any purpose.

VI. Amendment. This MOA may be altered, amended or revoked only by an instrument in writing signed by all Parties or their permitted successor(s) or assignee(s).

VII. Termination. This MOA may be terminated (a) by a Party for material non-compliance with this MOA which has not either been remedied, or a remedy commenced and diligently pursued thereafter, within 120 days after written notice from the other Party, and (b) by written agreement of the Parties. However, prior to any termination, the Parties shall meet and confer to make a good faith attempt to resolve any non-compliance issues as follows. Within 30 days of the notice, the Commissioner of Highways and the NVTA Executive Director shall meet to discuss resolution of the non-compliance issues. If a resolution cannot be reached within 30 days, the Secretary of Transportation and the Chairman of NVTA shall meet within 30 days to discuss resolution of the non-compliance issues. If a resolution cannot be agreed upon within 30 days, the termination shall be effective as set forth in the written notice and in accordance with this MOA.

VIII. Notices. Notices shall be made in writing and shall not be effective for any purpose unless and until actually received by the addressee or unless served personally, by independent reputable overnight commercial courier, by facsimile transmission followed by a timely service of the original, or by deposit in the United States mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

If to NVTa:

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

Fax:

If to CTB:

c/o Secretary of Transportation

Fax:

Any Party may, by notice as specified above, in writing designate an additional or a different entity or mailing address to which all such notices should be sent.

VIII. Relationship of the Parties. The relationship of NVTa to CTB shall be one of an independent contractor, not an agent, partner, lessee, joint venture, or employee.

IX. No Third Party Beneficiaries. Nothing contained in this MOA is intended or shall be construed as creating or conferring any rights benefits or remedies upon or creating any obligations of the Parties toward any person or entity not a party to this MOA .

X. Governing Law. This MOA shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.

XI. Assignment. This MOA may be assigned only with the written approval of the other Parties. In the event of an agreed assignment, there will be an amendment to this MOA to reflect the change in Parties.

XII. Survival. If any provisions in this MOA are rendered obsolete or ineffective, the Parties agree to negotiate in good faith appropriate amendments to, or replacement of such provisions, in

order to restore and carry out the original purposes to the extent practicable. If any provision is rendered void or invalid, all remaining provisions shall survive.

XII. Notice of Legal Proceedings. The Parties agree to promptly notify each other if they become aware of any claim or legal proceeding that could impact the program, projects, and activities undertaken pursuant to this MOA.

XIII. Construction of Agreement. This MOA is intended by the Parties to be construed as a whole, and indivisible, and its meaning is to be ascertained from the entire instrument. All parts of the MOA are to be given effect with equal dignity, including but not limited to the recitals at the beginning of this MOA, and all such parts, including the recitals, are to be given full force and effect in construing this MOA. No provision of any recital shall be construed as being controlled by, or having less force and effect, than any other part of this MOA because the provision is set forth in a recital.

XIV. No Personal Liability. 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.

XV. No Waiver of Sovereign Immunity. Nothing in this MOA shall be deemed a waiver of sovereign immunity by any Party.

This space intentionally left blank

In witness whereof, the Parties hereby cause this MOA to be executed, each by its duly authorized officers,
as of the date below.

COMMONWEALTH TRANSPORTATION BOARD

The Honorable Aubrey L. Layne, Jr
Secretary of Transportation

Date: _____

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Monica Backmon
Executive Director

Date: _____

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mayor Parrish, Chair, NVTA Finance Committee

DATE: November 3, 2017

SUBJECT: Finance Committee Report of the October 19, 2017 Meeting

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with a report of NVTA Finance Committee activities.
2. **Background:** The Finance Committee last met on October 19, 2017. The next meeting is scheduled for November 16, 2017 at 1:00PM. The following summarizes the October 19th meeting:
3. **Action Items:**
 - a. **FY2017 Financial and Compliance Audit Reports**
 - i. The NVTA contracted with PBMares, LLP to undertake the annual, independent audit of its financial activities required of political subdivisions in the Commonwealth of Virginia.
 - ii. The Committee received a presentation on the FY2017 audit from Mr. Michael Garber, Partner with PBMares Inc. During the briefing Mr. Garber reviewed the roles and responsibilities of the Finance Committee, NVTA staff and the PBMares audit team in undertaking the audit. Mr. Garber also recapped the audit processes undertaken with reference to the specific NVTA fund structure and financial statements.
 - iii. PBMares issued an unmodified (clean) opinion, reflecting that the Authority's financial statements, in all material respects, fairly and accurately present the financial position of the NVTA for FY2017.
 - iv. The Committee unanimously agreed to recommend Authority acceptance of the NVTA Financial and Compliance Audit Reports for FY2017.
4. **Discussion Items:**
 - a. **Accounting requirements to 'Mark to Market'.**
 - i. The Committee requested that the mark to market accounting transaction requirements discussed at the September meeting be reviewed.
 - ii. Mr. Longhi reviewed the basis and purpose for the transactions, noting the impact on the NVTA Financial Statements. Mr. Longhi also noted that since the NVTA investment portfolio is managed on a hold to maturity basis individual market changes will not result in actual gains or losses in the portfolio.

- b. Investment Portfolio Report.** The Committee received a FY2018 first quarter report of investment performance noting the portfolio exceeded the policy specified performance benchmarks while maintaining a high level of diversification and liquidity.
- c. Monthly Revenue Report.** The Committee received the monthly Authority revenue reports. The reports showed revenues are performing as estimated, with six of nine jurisdictions completing the annual certification and receiving 30% distributions.
- d. Monthly Operating Budget Report.** The Committee received a year to date report on the Authority's FY2017 Operating Budget. All operating revenues for the year have been collected. Expenditures are within budget with the reports showing 23% of the expenditure budget has been utilized through 25% of the fiscal year.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mary Hynes, Chair, Governance and Personnel Committee

DATE: November 3, 2017

SUBJECT: Governance and Personnel Committee Report of the October 12, 2017 Meeting

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) a report of the monthly activities of Governance and Personnel Committee (GPC).
2. **Background:** The GPC last met on October 12, 2017. The next meeting has not been scheduled. The following summarizes the October 12th meeting:
3. **Discussion Items:**
 - a. **Executive Director's Annual Performance Review**
 - i. An outline of the steps to be taken to complete the Executive Director's annual performance review was reviewed and discussed.
 - ii. The committee agreed to start the review process, which will include the opportunity for all Authority members to contribute comments.
 - b. **2018 Legislative Program Development**
 - i. Ms. Tracy Baynard (NVTA Legislative Liaison) reviewed an early draft of the 2018 Legislative Program recapping changes requested at the last GPC meeting.
 - ii. The Committee exchanged ideas and comments on the draft 2018 Legislative Program with a target of first presentment to the Authority at the November 9, 2017 meeting.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Monica Backmon, Executive Director

DATE: November 3, 2017

SUBJECT: Executive Director's Report

1. **Purpose:** To inform the Northern Virginia Transportation Authority (NVTA) of items of interest not addressed in other agenda items.
2. **Transform I-66 Outside the Beltway Project.** Financial close for the Transform 66 Outside the Beltway Project is anticipated in November. As such, it is anticipated that the Commonwealth Transportation Board will take action on the projects to receive the concessionaire payment funding at their December meeting. The Authority recommended a list of 14 projects totaling \$496.2M for concessionaire payment funding in July.
3. **Modifications to Smart Scale.** At the October 24, 2017 meeting, the CTB adopted a resolution on the proposed changes to Smart Scale. The following notes some of the highlights that resulted from CTB meetings and feedback from applicants and the SMART SCALE team. The following proposed changes will not be advanced:
 - **Congestion Mitigation**-Adjusting person throughput calculation to better reflect the size of project improvements.
 - **Accessibility**-Eliminate the 45 and 60-minute cap for auto and transit job access, respectively.
 - **Application Limits**-Application limit increased to 10 (8 was recommended) for localities/PDCs/MPOs with a population greater than 500k.
 - A Commonwealth Transportation Board member may allow one additional application from one county within their district if (i) the project is located within a town that is ineligible to submit projects and (ii) the county in which the town is located submitted the maximum number of applications allowed.
 - **NVTA Resolution of Support** needed for the following project types:
 - Projects in a Corridor of Statewide Significance
 - Projects in a Regional Network

Attachment C notes the resolution as adopted by the CTB.

- 4. Annual Report to the Joint Commission on Transportation Accountability.** The NVTa is required to submit an annual report to the Joint Commission on Transportation Accountability (JCTA) regarding the usage of funding generated pursuant to the provisions of HB 2313. To meet this requirement, the NVTa staff has prepared a report to inform the JCTA on the uses of the Northern Virginia Transportation Authority Fund for FY2017. See attachment D.
- 5. NVTa Standing Committee Meetings**
- **Finance Committee:** The NVTa Finance Committee is scheduled to meet on Thursday, December 21, 2017 at 1:00pm.
 - **Governance and Personnel Committee:** The NVTa Governance and Personnel Committee next meeting is TBD.
 - **Planning and Programming Committee:** The NVTa Planning and Programming Committee next meeting is TBD.
- 6. NVTa Statutory Committee Meetings:**
- **Planning Coordination Advisory Committee:** The next meeting of the NVTa Planning Coordination Advisory Committee is TBD.
 - **Technical Advisory Committee:** The next meeting of the NVTa Technical Advisory Committee is TBD.
- 7. CMAQ-RSTP Transfers:**
- CMAQ and RSTP Transfers requested since the last Executive Director's report are presented in Attachment A.
- 8. FY2014-2016 NVTa Regional Projects Status Report:**
- Please note the updated Regional Projects Status Report (Attachment B), which provides a narrative update for each project and the percent of project reimbursements to date.

Attachments:

- A. CMAQ-RSTP Transfers
- B. FY2014-2017 NVTa Regional Projects Status Report
- C. Adoption of Revised Policy and Approval of Guide for Implementation of the SMART SCALE Project Prioritization Process
- D. Annual Report to the Joint Commission on Transportation Accountability

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Monica Backmon, Executive Director

DATE: November 3, 2017

SUBJECT: Approval of Reallocation of Congestion Mitigation and Air Quality (CMAQ) funds
for Arlington County

- 1. Purpose:** To inform the Northern Virginia Transportation Authority of the Regional Jurisdiction and Agency Coordinating Committee (RJACC) Approval of the Reallocation of Congestion Mitigation and Air Quality (CMAQ) funds for Arlington County.
- 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 Regional Jurisdiction and Agency Coordinating Committee (RJACC).

On October 25, 2017, Arlington County requested the following reallocation:

- \$500,000 in previous year CMAQ funds from Traffic Signal Optimization (UPC 99179) to Traffic Signal Optimization (UPC 70625). The purpose of this transfer is to rebalance funding between the two UPCs, which provide funding for one project but for specific uses.

The RJACC approved this request on November 2, 2017.

Attachment(s): DRAFT Letter to VDOT NOVA District Administrator Cuervo
Request from Arlington County

Coordination: Regional Jurisdiction and Agency Coordinating Committee



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

November 9, 2017

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) funds for Arlington County

Dear Ms. Cuervo:

On September 11, 2008, the Northern Virginia Transportation 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 Regional Jurisdiction and Agency Coordinating Committee (RJACC).

On October 25, 2017, Arlington County requested the following reallocation:

- \$500,000 in previous year CMAQ funds from Traffic Signal Optimization (UPC 99179) to Traffic Signal Optimization (UPC 70625). The purpose of this transfer is to rebalance funding between the two UPCs, which provide funding for one project but for specific uses.

NVTA's delegation requires that the RJACC notify the NVTA of these requests. The RJACC approved the request on November 2, 2017, and the NVTA was informed at their November 9, 2017, meeting. The NVTA has not objected to these reallocations.

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
RJACC Chairman

cc: Martin E. Nohe, Chairman, NVTA
Monica Backmon, Executive Director, NVTA
Dennis M. Leach, Director of Transportation, Arlington County



DEPARTMENT OF ENVIRONMENTAL SERVICES
Division of Transportation and Development Services

2100 Clarendon Boulevard, Suite 900, Arlington, VA 22201
TEL 703-228-3681 FAX 703-228-7548 www.arlingtonva.us

October 25, 2017

Ms. Noelle Dominguez, Chair
Northern Virginia Transportation Authority
Regional Jurisdiction and Agency Coordinating Committee
3040 Williams Drive, Suite 200
Fairfax, VA 22031

Dear Ms. Dominguez:

Arlington County seeks approval from the Northern Virginia Transportation Authority's Regional Jurisdiction and Agency Coordinating Committee to reallocate Congestion Mitigation and Air Quality (CMAQ) funding between projects that were previously approved by the NVTA. The County is requesting to transfer \$500,000 from UPC 99179 (Traffic Signal Optimization) to UPC 70625 (Traffic Signal Optimization). The purpose of this transfer of CMAQ funding is to rebalance funding between the two UPCs, which provide funding for one project, but for specific uses.

If you have any questions or comments on this request, please contact Sarah Crawford, Arlington Regional Transportation Planning Program Coordinator at (703) 228-3397 or via e-mail at scrawford@arlingtonva.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "D M Leach".

Dennis M. Leach
Director of Transportation

cc: Pierre Holloman, RJACC Vice Chair
Carol Bondurant, VDOT NoVa District

CMAQ/RSTP Transfer Request Form

(One Sheet Needed Per Donor Project)

Date: 10/27/2017

Name of Jurisdiction/Agency Requesting: Arlington County

Current Balance of CMAQ/RSTP Funds Currently Allocated to Donor Project (Prior to this Transfer):

From (Donor):

To (Recipient):

UPC	Project Description	Type of Funds	Transfer from Previous Fiscal Years	If No, Year Requested	Transfer Amount	UPC	Project Description	Previously Approved by NVTA	If Yes, Year Approved	JACC Approval (NVTA)	Authority Approval (NVTA)	Funds Verified (VDOT)	Completed (VDOT)
99179	Traffic Signal Optimization	CMAQ	Y		\$500,000.00	70625	Traffic Signal Optimization	Y	2004				

TOTAL OF TRANSFER

\$117,685.00

Attach Signed Request of Transfer Letter



NVTA FY2014-17 Program Project Status

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Arlington County	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 (new trail connection to the Mt. Vernon trail) to/from the District of Columbia that will promote alternate modes of commuting into and out of the District.	\$4,335,000 (FY2014)	Construction	Planning and design underway (awaiting IMR approval from FHWA); construction of the interchange begins in Fiscal Year 2020; construction of the local road that connects to the interchange (Long Bridge Drive) began in early October 2016. The utility undergrounding along Long Bridge Drive was complete on July 11, 2017 and the roadway re-alignment construction began on July 24, 2017.	By end of Calendar year 2018 (Long Bridge Drive) and by end of Calendar year 2022 (interchange)	Mid-2020	12.6%
Arlington County	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.	\$12,000,000 (FY2014)	Construction	Streetscape and Undergrounding plan approval received in May 2017. Washington Gas relocations to be completed by the end of 2017. Construction Bid opened on Oct 5, 2017, with construction expected to be under way in Jan 2018.	Summer 2020	Summer 2020	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Arlington County	Columbia Pike Multimodal Street Improvements (East End) – Includes a modified street cross-section along the eastern portion of Arlington's 3.5 mile Columbia Pike corridor. Specific works includes realignment of road including shifting the roadway south of its existing location, eliminating the s-curves, utility undergrounding and enhancing pedestrian facilities	\$10,000,000 (FY2015-16)	Engineering Construction	Segment A (East End) has been split into two sections. First section is Orme to Oak (West) and the second is Oak to Joyce Street (East). Right-of-Way acquisition underway, but must be completed prior to final plan approval and construction. Design approval is expected in late 2018. Segment A East is subject to negotiations with Arlington National Cemetery.	Western Half – Fall 2021; Eastern Half – projected Spring 2022 (depending on negotiations)	Western Half – Fall 2021; Eastern Half – projected Spring 2022 (depending on negotiations)	8.9%
Arlington County	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.	\$1,500,000 (FY2014)	Construction	Construction started July 6, 2015. All punch list items have been completed. Remaining funds will be used to implement the real-time information signage installation. The planning process for this task has just begun. The signage is expected to be installed by the end of calendar year 2017.	Spring 2017. Signage phase to be completed by the end of 2017.	Spring 2017. Signage phase to be completed by the end of 2017.	83.5%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Arlington County	Ballston-MU Metrorail Station West Entrance – Constructs a second entrance to the Ballston-MU Metrorail Station, at North Fairfax Drive and North Vermont Street. Includes two street-level elevators & escalators, connecting to an underground passageway & new mezzanine. It will have fare gates, fare vending machines and an attended kiosk. Provides direct access, relieves congestion at the current entrance and provides for more even distribution along the platform	\$12,000,000 (FY2015-16)	Design	Design work is expected to run two years starting in Summer 2018; we have not started design because WMATA was not able to begin reviewing project status until last month. County and WMATA staff have reinitiated coordination on the project. WMATA is reviewing the 2005 30% design plans and preparing an estimated level of support for the project. County staff is drafting the project coordination agreement, design support agreement, and scope of work for A&E hire. Project activity expected to increase once WMATA support is defined for project management, design, technical, operations, and construction. Construction is targeted to start in fall of 2020.	Start of construction in fall 2020	Summer 2020	0.2%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Arlington County	Glebe Road Corridor Intelligent Transportation System Improvements – Design and construction of Intelligent Transportation System (ITS) and Adaptive Traffic Control System, including hardware and software for real time traffic data collection, Forward Looking Infra Red (FLIR) traffic detection, 3D pedestrian and bike detection, interactive audible ADA accessible pedestrian crossings, CCTVs, backup power supply information systems, queue detections, and dynamic message signs.	\$2,000,000 (FY2015-16)	Engineering Construction	Task 1 – On Site Support - Engineer has been procured for this project. Task 2 – Chain Bridge ITS upgrades – 30% design submitted to VDOT. Task 3 – Chain Bridge Fiber communication – In construction phase. Task 4 – ITS Equipment Installations – Field assessment underway. Task 5 – TSP equipment installation – Waiting on contract to procure TSP equipment.	Task 2 – Summer 2019 Task3 - November 2017 Task 4 – Dec. 2017 Task 5 – Summer 2018	Task 2 – Summer 2019 Task3 - November 2017 Task 4 – Dec. 2017 Task 5 – Summer 2018	6.7%
Arlington County	Lee highway Corridor ITS Enhancements – The project proposes to address congestion, safety, and transit issues by installing an Intelligent Transportation System (ITS) and corresponding Adaptive Traffic Control System program, to better manage traffic flow for both automobiles and buses. The project will install additional Bluetooth devices, count stations, CCTV cameras, and Forward Looking Infrared (FLIR) detectors in order to monitor traffic flow and safety of all modes. At the interchange of Lee Highway and I-66, the project will upgrade two signals, providing a better-timed connection between I-66 and Lee Highway. The project will also upgrade existing mast arm signals and add or improve existing streetlights along Lee Highway.	\$3,000,000 (FY2017)	Design, PE, ROW, Construction	Preliminary field assessment has been completed. Survey has been completed for four out of seven intersections; final survey schedule to be complete by October 2017. Procurement of consultant thru existing on call contract underway.	June 2020	June 2020	1.8%

Arlington County	<p>Crystal City Streets: 12th Street Transitway, Clark/Bell Realignment & Intersection Improvements – The goal is to streamline the existing road network, make movements for all modes of transportation more efficient, create new connections to the street grid network, and to construct an extension of the Crystal City-Potomac Yard (CCPY) Transitway. It includes reconfiguring the street between South Eads Street and South Clark Street to provide exclusive transit lanes, reconfigure and realign a segment of Clark Street with Bell Street, and the intersection improvements around 23rd Street South and US-1 will simplify the design of three closely-spaced intersections that are confusing and inefficient for all modes.</p>	\$11,600,000 (FY2017)	Design, PE, ROW, Construction	<p>Design work began in fall 2016. 12th Street plans are at 30%. A public meeting was held on April 5, 2017. The County has decided to combine this phase of the project with the larger CCPY extension project to Pentagon City Metro. County engineers will bring that phase to 30% and then complete overall design concurrently.</p> <p>23rd street has been split into 3 phases. The segment between US1 and Eads will be completed in Phase 1 using County design team as well as County road crews for construction. This should be completed in spring 2018. Phase 2 will include the reconfiguration of US1 interchange and adjacent pedestrian facilities, to be designed immediately. Phase 3 addresses the section of 23rd Street from Eads to Crystal Drive. This will be completed in conjunction with adjacent private-sector redevelopment projects in the future.</p> <p>Clark/Bell Realignment has completed 30% design. Comment resolution is currently scheduled and the design is progressing into the 60% level.</p>	June 2020	June 2020	0%
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Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Fairfax County	Innovation Metrorail Station – Construction of the Silver Line Phase II extension of the rail system from Washington DC, to and beyond the Dulles International Airport. This multimodal facility will include bus bays, bicycle parking, kiss-and-ride and taxi waiting areas, as well as pedestrian bridges and station entrances from both the north and south sides of the Dulles Airport Access Highway/Dulles Toll Road.	\$41,000,000 (FY2014)	Design Construction	Pedestrian bridge assembly, precast, and masonry work is currently underway for station entrances. The County has awarded the contract for construction and work is expected on the kiss and ride, bike facilities and taxi waiting areas. The bus bays have been completed.	Spring 2019	Spring 2019	91.7%
	Innovation Metrorail Station (Continuation) - Construction of the Silver Line Phase II extension of the rail system from Washington DC, to and beyond the Dulles International Airport. This multimodal facility will include bus bays, bicycle parking, kiss-and-ride and taxi waiting areas, as well as pedestrian bridges and station entrances from both the north and south sides of the Dulles Airport Access Highway/Dulles Toll Road.	\$28,000,000 (FY2015-16)	Construction	Pedestrian bridge assembly, precast, and masonry work is currently underway for station entrances. The County has awarded the contract for construction and work is expected on the kiss and ride, bike facilities and taxi waiting areas. The bus bays have been completed.	Spring 2019	Spring 2019	41.5%
Fairfax County	West Ox Bus Garage - Expands capacity of the West Ox bus facility and allows for additional, increased Fairfax Connector bus service. Includes 9 maintenance bays and expansion of facilities for bus drivers and security.	\$20,000,000 (FY2015-16)	Construction	The construction is substantially complete. Punch list items and post-construction Fire Marshal storage requirements are being addressed. Move-in is being scheduled for the end of November 2017.	November 2017	November 2017	55.5%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Fairfax County	VA Route 28 Widening – Prince William County Line to Route 29 - Widen from 4 to 6 lanes including intersection improvements and pedestrian/bicycle facilities.	\$5,000,000 (FY2015-16)	PE and Environmental Study	Design: Project PIM anticipated in late 2017. Looking at the traffic study and the capacity needs, may need to consider some adjustments to the scope of the project. Environmental: NTP for the Cultural Resources section of NEPA documentation issued on 10/20/16. Archeological survey ongoing; will be finalized after design consultant identifies all potential SWM locations. Traffic: NTP issued mid-March 2016, counts completed in May 2016, draft traffic report review completed. Utility Designation: NTP given to consultant in March 2016. Utility designation survey completed in May 2016. Geotech: NTP for Phase II Geotechnical work issued on 12/21/16. Survey ongoing. Geotechnical studies will be completed after design consultant identifies all potential SWM locations.	2023	Late 2018 or early 2019	38.7%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
	VA Route 28 Widening – Prince William County Line to Route 29 (continuation) - Widen from 4 to 6 lanes including intersection improvements and pedestrian/bicycle facilities.	\$5,000,000 (FY2017)	PE, ROW	Continuation of the 2015-16 project.	2020	June 2018	0%
Fairfax County	Fairfax County Parkway Improvements – A Study of short and long-term corridor improvements, Environmental Assessment (EA)/ Finding of No Significant Impact (FONSI), and/or Preliminary Engineering for five segments of the Parkway.	\$10,000,000 (FY2015-16)	Design, Environmental, PE	VDOT advertised the final RFP for a design consultant on 7/18/2016 and completed technical interviews in September. Traffic counts completed in Nov 2016. Survey completed in Spring 2017. VDOT awarded the contract on 5/1/2017 and started working on traffic analysis and alternatives development. Public information meeting expected on December 5. Staff plans on sending out postcard notifications within the corridor for the meeting.	2022	Spring 2019	40%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Fairfax County	Route 286 Fairfax County Parkway Widening: Route 123 to Route 29 – Widen Route 286 from four lanes (undivided) to six lanes (divided). It also includes bike-ped amenities such as paved trail. Intersection improvement and access management will be considered in design.	\$10,000,000 (FY2017)	ROW	VDOT advertised the final RFP for design consultant on 7/18/2016 and completed technical interviews in September. Traffic counts completed in Nov 2016. Survey completed in Spring 2017. VDOT awarded the contract on 5/1/2017 and started working on traffic analysis and alternatives development. Public information meeting expected on December 5. Staff plans on sending out postcard notifications within the corridor for the meeting.	2022	Spring 2021	0%
Fairfax County	Rolling Road Widening – Widen Rolling Road from 2 to 4 lanes from Old Keene Mill Road (VA 644) to Franconia Springfield Pkwy (VA 289) and Fairfax County Parkway (VA 286). Project will add pedestrian and bicycle facilities.	\$5,000,000 (FY2015-16)	Design, PE, ROW	Phase 1 (interim improvements at Old Keene Mill Road and Rolling Road intersection) design is in progress. Phase 2 (the roadway widening) design is in progress. Undergrounding of utilities option is being looked into by VDOT. A revised project schedule will be determined once the scope is finalized.	TBD	Summer 2017	62.5%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Fairfax County	Frontier Drive Extension - Extend Frontier Drive from Franconia-Springfield Parkway to Loisdale Road, including access to Franconia-Springfield Metrorail Station and interchange improvements (braided ramps) to and from the Parkway. Provide on-street parking along Frontier Drive where feasible, as well as add pedestrian and bicycle facilities.	\$2,000,000 (FY2015-16)	Design, PE	VDOT is administering this project. Design and Preliminary Engineering related efforts are underway. Preliminary Field inspection meeting was held on February 8, 2017. Final draft IMR has been submitted and was sent to VDOT Central Office for final approval on May 4, 2017. Public information meeting to be held during the week of December 11, 2017. A Public Hearing will likely take place in early spring 2018 with design approval anticipated by summer 2018.	2022-2023	Fall 2018 (Full payment made to VDOT)	100%
Fairfax County	Route 7 Widening: Colvin Forest Drive to Jarrett Valley Drive – Widen Route 7 from four to six lanes, improve intersections, and add 10-ft shared use path on both sides with connections to local trails.	\$10,000,000 (FY2017)	ROW	30% plans completed. Public information meeting held on 6/16/16. Public hearing held on 11/15/16. The Design Build RFQ was released on August 15, 2017. The RFP will be issued later this year or early next year.	2025	June 2020	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
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.	\$1,000,000 (FY2014)	ROW Acquisition	On September 22, 2016, the Board of Supervisors authorized staff to finalize negotiations with Springfield East L.C. for a written contract in the amount of \$5,475,000 for development, construction and purchase of a turnkey Commuter Parking Lot on the property designated as Lot 1, Section 1 Village at Leesburg.	Acquisition of land anticipated by Summer 2018.	Summer 2018	0%
Loudoun County	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.	\$20,000,000 (FY2014)	ROW Acquisition Construction	Project construction continues. Current work includes utility relocation, water main, gas main, erosion and sediment control, maintenance of traffic, earthwork/grading, and storm pipe installation throughout the project. Also, grading, asphalt placement, and construction of the soundwall along the NB roadway has begun. Construction of the Bridge substructure of southbound bridge over W & OD Trail is ongoing. Construction of the stormwater ponds was completed.	December 2018	December 2018 (Full payment made to VDOT)	100%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Loudoun County	Belmont Ridge Road - Truro Parish Road to Croson Ln – The road will be widened from a substandard two-lane rural section to a four-lane arterial standard with the appropriate auxiliary turn lanes and signalization.	\$19,500,000 (FY2015-16)	Construction	100% design plans were submitted to Building & Development and VDOT on November 30, 2016. Coordination of utility relocation designs with Dominion Virginia Power, Verizon, and adjacent property owners continues. DTCI and its consultant, Dewberry, are also working to finalize the dedication and easement plats. DTCI staff continues to work with Dominion Virginia Power and Loudoun Water to bring resolution to utility issue on an impacted property. Land acquisition continues.	Summer 2018	Summer 2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Loudoun County	Loudoun County Parkway (VA Route 607) – U.S. 50 to Creighton Rd – Provides for the design, right-of-way acquisition and construction of Loudoun County Parkway from Creighton Road to U.S. Route 50. The project will be designed as a four-lane urban major collector with a divided median in a six-lane ultimate right-of-way, associated turn lanes and shared use path.	\$31,000,000 (FY2015-16)	Construction	A portion of the project is administered by VDOT as a Design Build contract. The intersection of Loudoun County Parkway and Old Ox Road (Route 606), which was funded by NVTA, opened to traffic on September 6, 2017 following a Ribbon cutting ceremony. One lane of Route 606/Loudoun County Pkwy intersection opened in September 2017, two lanes to open by December 2017; two lanes of Route 606 between the Greenway and Commerce Center Court will open in December 2017; the remainder of the road improvements completed August 2018.	Mid 2021	Mid 2021	0.4%
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. The total distance for the project will be 1.3 miles and will include the construction of a 10 foot wide multi-use trail on the west side and a five foot wide sidewalk on the east side, along the entire route.	\$3,000,000 (FY2014)	Design	Design public hearing was held in November 2016. Design work is ongoing. Design and Construction of the Duct Bank is scheduled to begin spring 2018. Most of the partial take offers have been submitted. Currently negotiating full and partial takes.	April 2021	December 2017.	70.1%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
	Route 1 Widening from Featherstone Road to Marys Way (continuation) - Widening of Route 1 from a 4 lane undivided highway to a 6 lane divided highway. The total distance for the project will be 1.3 miles and will include the construction of a 10 foot wide multi-use trail on the west side and a five foot wide sidewalk on the east side, along the entire route.	\$49,400,000 (FY2015-16)	Design ROW Acquisition Construction	Right of Way plan approval and authorization received from VDOT for total and partial takes. There are approximately 70 parcels impacted with 11 properties with possible major impacts. 9 total acquisition offers distributed and 2 total acquisition offers pending. Appraisals for partial takes ongoing. Duct bank construction and utility relocations anticipated advertisement in January 2018 with construction in March 2018. Road Construction advertisement anticipated for fall 2018 with construction in winter 2019.	April 2021	April 2021	1.4%
	Route 1 Widening from Featherstone Road to Marys Way (continuation) - Widening of Route 1 from a 4 lane undivided highway to a 6 lane divided highway. The total distance for the project will be 1.3 miles and will include the construction of a 10 foot wide multi-use trail on the west side and a five foot wide sidewalk on the east side, along the entire route.	\$11,000,000 (FY2017)	Construction	Continuation of the FY2014 and FY2015-16 projects above.	April 2021	April 2021	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Prince William County	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 the construction of a multi-use trail on the south side and a sidewalk on the north side.	\$28,000,000 (FY2014)	Engineering ROW Acquisition Construction	ROW acquisition and utility relocations are complete. Project rebid as a standalone project. Construction contract awarded to General Excavation, Inc., on June 20, 2017. Utility relocations are complete and bridge work is ongoing.	October 2019	October 2019	10.8%
Prince William County	Route 28 Widening from Route 234 Bypass to Linton Hall Road - Widen approximately 1.5 miles of Route 28 from a 4 lane undivided highway to a 6 lane divided highway, which will include a multi-use trail and sidewalk.	\$16,700,000 (FY2015-16)	Design ROW Acquisition Construction	Project was bid as an unsolicited PPTA (Public-Private Transportation Act) proposal. The Technical Proposal was received on September 8, 2017 and the review of the technical proposal is due October 31, 2017. Estimated Contract award anticipated for mid-December 2017. Negotiations after the technical review are ongoing.	Summer 2021	Design January 2018 thru summer 2019. Construction to begin summer 2019.	0%
	Route 28 Widening from Route 234 Bypass to Linton Hall Road (continuation) - Widen approximately 1.5 miles of Route 28 from a 4 lane undivided highway to a 6 lane divided highway, which will include a multi-use trail and sidewalk.	\$10,000,000 (FY2017)	Construction	Continuation of the FY2015-16 project above.	Summer 2021	Design January 2018 thru summer 2019. Construc tion to begin summer 2019.	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
City of Manassas/Prince William County	Route 28 (Manassas Bypass) Study – Godwin Drive Extended - This study will evaluate the scope, cost, environmental, traffic forecasts, alternative alignments and feasibility factors required to gain approval for Route 28 corridor congestion improvements between the City of Manassas and Fairfax County.	\$2,500,000 (FY2015-16)	Engineering Study	Steering Committee approved four alternatives for detailed analysis. Consultant conducted travel demand model runs and analyzed the highest ranked alternatives against performance criteria determined by the technical committee. Board initiated a Comp Plan Amendment to include the results of the study in the Thoroughfare Plan. Public information meetings were held in Sept. 2017. NEPA study to begin winter 2017.	Location study (phase 1 of the overall study) to be completed by November 2017. NEPA (phase 2) to be completed by the end of 2019.	Location study (phase 1 of the overall study) to be completed by November 2017. NEPA (phase 2) to be completed by the end of 2019.	23.7%
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.	\$2,000,000 (FY2014)	Design Environmental	The Records of Decision (RODs) were issued on Oct 31 and Nov 1, 2016. The design-build RFP was issued on November 28, 2016. Design Build proposals were received in March, 2017. WMATA and the City are currently reviewing proposals and working with the respective design build vendors to evaluate the proposals, including cost savings opportunities within the context of the procurement. Contract award forecasted spring 2018.	TBD after contract award.	TBD after contract award.	44.8%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
	Potomac Yard Metrorail Station (continuation) - Planning, design, and construction of a new Metrorail station and ancillary facilities at Potomac Yard along the existing Metrorail Blue and Yellow lines between the Ronald Reagan Washington National Airport Station and the Braddock Road Station.	\$1,500,000 (FY2015-16)	Planning, PE, Design	The Records of Decision (RODs) were issued on Oct 31 and Nov 1, 2016. The design-build RFP was issued on November 28, 2016. Design Build proposals were received in March, 2017. WMATA and the City are currently reviewing proposals and working with the respective design build vendors to evaluate the proposals, including cost savings opportunities within the context of the procurement. Contract award forecasted spring 2018.	TBD	TBD	0%
	Potomac Yard Metrorail Station (continuation) - Planning, design, and construction of a new Metrorail station and ancillary facilities at Potomac Yard along the existing Metrorail Blue and Yellow lines between the Ronald Reagan Washington National Airport Station and the Braddock Road Station.	\$66,000,000 (FY2017)	Design, PE, Construction (Design-Build)	Records of Decision were issued on Oct 31 and Nov 1, 2016. The design-build RFP was issued on November 28, 2016. Contract award forecasted Spring 2018.	TBD	TBD	0%
City of Alexandria	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.	\$450,000 (FY2014)	Asset Acquisition, Construction	Since January 2017, 12 shelters have been constructed and opened to the public. Site 13 is currently under construction.	Summer 2018	Summer 2018	23.7%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
City of Alexandria	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.	\$660,000 (FY2014)	Design Asset Acquisition	Kittelson & Associates is preparing design plans and specifications for Route 1 and Duke Street TSP projects. Construction will begin in early 2018.	Summer 2018	Summer 2018	2.5%
City of Alexandria	Duke Street Transit Signal Priority - Includes design, install and implementation of a transit vehicle signal priority system (on board system on DASH and field equipment along the route) on Duke Street.	\$190,000 (FY2015-16)	Construction	Kittelson & Associates is preparing design plans and specifications for Route 1 and Duke Street TSP projects. Construction will begin in early 2018.	Summer 2018	Summer 2018	8%
City of Alexandria	West End Transitway (WET) - Will provide frequent, reliable transit service connecting major activities. The WET will connect to two metro stations (Van Dorn, Pentagon), major employment centers (Pentagon, Mark Center), and major transit nodes (Landmark Mall, Southern Towers, and Shirlington Transit Center).	\$2,400,000 (FY2015-16)	Design, Construction	The project officially kicked off on June 6, 2017. To date, the consultant team, Kimley-Horn, is finalizing the survey work and Drainage Analysis. Changing Project from Design – Bid to Design – Bid – Build. Focusing on the Northern segment. Begin drafting SOW for Northern Segment.	2023	2020	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
City of Fairfax	Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place – Widen 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.	\$5,000,000 (FY2014)	ROW Acquisition, Construction	NTP for construction was issued on September 19, 2016. Detour at CBR/Route 50 is ending.	December 2018	December 2018	59.9%
	Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place “Northfax” – Widens Route 123 (Chain Bridge Road) to 6 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.	\$10,000,000 (FY2015-16)	Construction	NTP for construction was issued on September 19, 2016.	December 2018	December 2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
City of Fairfax	Kamp Washington Intersection Improvements – Eliminates the existing substandard lane shift between Route 50 and Route 236 through the intersection; signalization phasing improvements; construction of an additional southbound lane on U.S 29 from the Kamp Washington (50/29/236) intersection to the existing third southbound lane; extension of the westbound through lanes on VA 236 (Main Street) from Chestnut Street to Hallman Street; lengthening of turn lanes to provide additional storage for turning vehicles from Route 50 to Route 50/29 and Route 236 to Route 29; new crosswalks, curb ramps, sidewalks and pedestrian signalization; and replacement of span-wire signals with mast arm signals.	\$1,000,000 (FY2015-16)	Construction	Construction began in December 2015. Project is substantially complete. Working on punch list items.	December 2017	December 2017	100%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
City of Falls Church	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.	\$700,000 (FY2014)	Engineering Environmental Construction	100% design completed. Currently in ROW phase with 8 out of 12 easements completed. Utility undergrounding contract award made to Sagres Construction Corp on June 28, 2017. Notice to Proceed issued on September 11, 2017, and currently under construction. Completion anticipated by early 2018. Continuing coordination with Washington Gas and Dominion to resolve conflicts and coordinate separate projects in the area. Project on schedule.	Fall 2018	Fall 2018	18.6%
City of Manassas	Route 28 Widening South to City Limits – Includes widening Route 28 from 4 lanes to 6 lanes from Godwin Drive in Manassas City to the southern city/Prince William County limits. This project also adds a dual left turn lane on north bound Route 28 to serve Godwin Drive. The project eliminates a merge/weave problem that occurs as travelers exit the 234 bypass and attempt to cross 2 lanes to access Godwin Drive. Signalization improvements are included.	\$3,294,000 (FY2015-16)	Engineering ROW Acquisition Construction	PE phase is ongoing. PE plans at 80%. Obtained CTB approval for "Limited Access Control Change." Received VDOT authorization to advance Right of Way acquisition and utility relocation coordination. Communicating with property owners. Project advertising expected in spring 2018.	October 2019	October 2019	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Town of Dumfries UPC 90339	Widen Route 1 (Fraleay Boulevard) Brady's Hill Road to Route 234 (Dumfries Road) - This project will complete the Northern segment of a Prince William County funded project (VDOT's Route 1 / Route 619) and will allow local traffic to travel to and from Quantico / Stafford to the Route 234 interchange and communities along the Route 1 corridor. This project will bring northbound and southbound Route 1 onto the same alignment by widening Route 1 NB from 2 lanes to 6 lanes, with a wide curb lane for on-road bicycle use and a sidewalk and multi-use trail for pedestrians and other modes. It includes replacing the bridge over Quantico Creek.	\$6,900,000 (FY2015-16)	Engineering	The project had a PFI stage milestone meeting on 9/13/2017. The town of Dumfries, NVTA, and VDOT had a funding discussion meeting on 9/20/2017. The design team is addressing/ investigating the PFI comments and discussion. The town of Dumfries will have a town council meeting to review design and any typical section adjustments or issues with the PFI design.	FY2025	Mid-2019	6.1%
Town of Herndon	Intersection Improvements (Herndon Parkway/Sterling Road) – Street capacity improvements for congestion relief. Project includes ROW acquisition and construction to build a sidewalk on the north side of Sterling Road between Herndon Parkway and the town limits.	\$500,000 (FY2014)	Final Engineering ROW Acquisition Construction	Right of way acquisition for new sidewalk connectivity and improvements has been completed. Utility relocation now underway. Sidewalk construction to occur during December 2017.	Highway capacity improvements completed November 2014. Completion of sidewalk improvements to occur during December 2017.	December 2017	40.1%
Town of Herndon	Intersection Improvements (Herndon Parkway/Van Buren Street) – Street capacity improvements for congestion relief. Project includes sidewalk/trail connectivity to Herndon Metrorail.	\$500,000 (FY2014)	Construction	Design is at 80% complete. Land acquisition and utility underground/relocation to occur during early 2019.	Expected in 2020, prior to the opening of Dulles Metrorail Phase II.	2019	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Town of Herndon	Access Improvements (Silver Line Phase II – Herndon Metrorail Station) – Provides additional vehicle and bus pull-off bays and major intersection improvements to include ADA accessible streetscape, paver crosswalks, bike-pedestrian signalization, refuge media islands and bus shelter/transit facilities.	\$1,100,000 (FY2014)	Engineering ROW Acquisition Construction	Procurement approved and awarded in March 2015. Engineering underway at 70%. Design ROW acquisition/street dedication III. to begin in in early 2018 in coordination with VDOT review to be ready for utility underground/ relocation and construction phase during 2018-2019.	Expected in 2020, prior to the opening of Dulles Metrorail Phase III.	2019	0%
Town of Herndon	East Elden Street Improvement & Widening - Widen and reconstruct East Elden Street from 4 to 6 lanes with a raised landscaped median between Fairfax County Parkway and Herndon Parkway; continue as a 4-lane section with a raised landscaped median and dedicated turning lanes between Herndon Parkway and Van Buren Street; transition to a 2-lane section with left-turn lanes between Van Buren and Monroe Street. The project will be ADA accessible to include pedestrian/audio signalization, crosswalk enhancements and bus stop improvements at select major intersections as well as proposed bike lanes along the length of the project.	\$10,400,000 (FY2015-16)	ROW, Utilities	VDOT's Location and Design Public Hearing was held on October 27, 2016. On February 14, 2017, Herndon's Town Council held a public meeting and adopted a resolution that listed public comments to be incorporated into VDOT's engineering design plans. On May 9, 2017, Town Council adopted a resolution recommending to VDOT a preferred traffic management option for the construction of the Sugarland Run bridge upgrade. Right of way acquisition/street dedication in 2018-2019. Construction advertisement to occur in 2022. VDOT and consultant continue work on Field Inspection / Right of Way plans. VDOT is conducting Utility Field Inspection (UFI) to coordinate the latest PE plans with utility companies.	2023	2020	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Town of Leesburg UPC 89890	Edwards Ferry Road and Route 15 Leesburg Bypass Grade Separated Interchange (Continuation) - The project consists of development of a new grade-separated interchange on Edwards Ferry Road at the Route 15 Leesburg Bypass. The existing signalized at-grade intersection at this location is heavily congested.	\$1,000,000 (FY2015-16)	Design	Interchange Justification Report Traffic Framework document was approved on 7/14/16. Public Involvement Meeting was held on March 2 where three alternative proposals were presented. The town endorsed Alternative B on 5/9/17. Preliminary Field Inspection meeting held on 8/9/17. Public hearing anticipated in spring 2018	Design approval expected in summer 2018.	Design approval expected in summer 2018. (Full payment made to VDOT)	100%
Town of Leesburg UPC 106573	Route 7 East Market Street and Battlefield Parkway Interchange - Improve safety and pedestrian/vehicle flow by building a grade-separated interchange which will allow Route 7 to become a limited-access freeway through the Town of Leesburg	\$13,000,000 (FY2015-16)	Design	On June 27, 2017, the Leesburg Town Council endorsed Alternate 4 (Single Point Urban Interchange-SPUI), Right in/Right out with an acceleration lane at Cardinal Park Drive and Design Build delivery method. Preliminary Field Inspection (PFI) review held September 28. No major concerns noted. Risk Assessment Meeting was held on October 12 th . The plans are being revised to address the PFI comments. The NEPA document (CE) is under way. The RFQ is scheduled to be issued in mid-December 2017. Public Hearing is expected to be held in Feb/Mar 2018.	2020	Fall 2018	30.8%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
	Route 7 East Market Street and Battlefield Parkway Interchange (continuation) - Improve safety and pedestrian/vehicle flow by building a grade-separated interchange which will allow Route 7 to become a limited-access freeway through the Town of Leesburg.	\$20,000,000 (FY2017)	Construction	Continuation of the FY2015-16 project above.	2020	2020	0%
Potomac and Rappahannock Transportation Commission	Western Maintenance Facility – New facility will alleviate overcrowding at PRTC's Transit Center (which was designed to accommodate 100 buses, but is currently home to over 166 buses) and to permit service expansion as envisioned and adopted in PRTC's long range plan.	\$16,500,000 (FY2015-16)	Construction Testing Inspection Oversight	Building Permit was approved by Prince William County on 2/5/2016. Building Permit has been extended indefinitely. Start of construction expected in winter 2017 with the signing of the I-66 Financial Plan (now projected for December 2017) project will be re-activated.	Spring 2019	Spring 2019	0%
Virginia Department of Transportation	Route 28 Hot Spot Improvements (Loudoun Segment)/Area 1 – Loudoun segment of Route 28 improvements from Sterling Blvd. to the Dulles Toll Road.	\$12,400,000 (FY2014)	Construction Contract Admin.	Project complete. Ribbon Cutting held on October 4, 2017.	September 2017	September 2017	99%
Virginia Department of Transportation	Route 28 Widening Dulles Toll Road to Route 50/Area 2 – Widen Route 28 from 3 to 4 lanes Southbound from Dulles Toll Road to Route 50.	\$20,000,000 (FY2014)	Construction Contract Admin.	Project complete. Ribbon Cutting held on October 4, 2017.	September 2017	September 2017	99.6%
Virginia Department of Transportation	Route 28 Widening McLearen Road to Dulles Toll Road/Area 3 – Widen Route 28 from 3 to 4 lanes Northbound from McLearen Road to Dulles Toll Road.	\$11,100,000 (FY2014)	Construction Contract Admin.	Project complete. Ribbon Cutting held on October 4, 2017.	September 2017	September 2017	100%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Virginia Railway Express	Alexandria Station Tunnel – 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.	\$1,300,000 (FY2014)	Construction	Design completed through 60%, including response to comments. Project fully funded, as designed, with addition of Smart Scale grant funds. Will use NVTA funds to advance design to construction plans and begin construction. Considering CM/GC (CMAR) project delivery to get designer and construction contractor on board at same time. Revising schedule internally for project delivery.	Fall 2020	June 2019	0%
Virginia Railway Express	Gainesville to Haymarket Extension – Corridor study and preliminary engineering development of an 11-mile VRE extension from Manassas to Gainesville-Haymarket.	\$1,500,000 (FY2014)	Planning Project Development Conceptual Design	Phase I, planning and alternatives analyses, complete. Phase II, NEPA/PE, initiated in July 2017. Schematic design is underway for expansion of the VRE Broad Run Station and Maintenance and Storage Facility (MSF) site. Revised ridership forecasts have been completed to inform the design process.	Summer 2018	Summer 2018	50.8%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Virginia Railway Express	Lorton Station Second Platform – 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.	\$7,900,000 (FY2014)	Final Design Construction	NTP for PE as part of Penta Platform Effort issued 8/4/2016 effective 8/5/2016. 24 month anticipated Preliminary Engineering and NEPA Schedule. 12 month Final Design Schedule. Some concurrency possible. Construction is anticipated in summer 2018. A draft preliminary engineering plan set was submitted by consultants to VRE for review and environmental documentation is being finalized. A General Engineering Consultant has been selected for the Final Design effort, with award anticipated fall 2017. Waiting for CSX approval on design review agreement with CSX and emergency access considerations.	Summer 2020	June 2019	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Virginia Railway Express	Manassas Park Station Parking Expansion - Planning and engineering investigations to expand parking and pedestrian connections at the VRE Manassas Park station	\$500,000 (FY2015-16)	Planning & Engineering Studies	Contract was awarded at June 2016 PE and NEPA analysis has been initiated. City Council was provided a status update in May. Public outreach to review the concept design and findings from TIA were conducted in June. Staff review of 30 percent design was conducted in Aug. Public hearing was conducted on zoning waiver at the Planning Commission meeting on October 17. Approval expected in November. Completion of Task A is anticipated in November 2017.	November 2017	November 2017	48.4%
	Manassas Park Station Parking Expansion (continuation) - Planning and engineering investigations to expand parking and pedestrian connections at the VRE Manassas Park station.	\$2,000,000 (FY2017)	Design, PE, Environmental	Continuation of the FY2015-16 project above.	Construction completion in July 2020	Fall 2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Virginia Railway Express	Franconia-Springfield Platform Expansion - Design and construction to extend the existing north-side (Metro station side) platform by up to 700 feet to allow the north-side platform at the station to be usable by full length VRE trains. It also includes design and construction of modifications to the south-side platform at the station.	\$13,000,000 (FY2015-16)	Design Construction	NTP for PE as part of Penta Platform Effort issued 8/4/2016 effective 8/5/2016. 24 month anticipated Preliminary Engineering and NEPA Schedule. 12 month Final Design Schedule. Some concurrency possible. Construction is anticipated in summer 2018. A draft preliminary engineering plan set was submitted by consultants to VRE for review and environmental documentation is being finalized. A General Engineering Consultant has been selected for the Final Design effort, with award anticipated fall 2017. Waiting for CSX approval on design review agreement with CSX and emergency access considerations.	Summer 2020	Summer 2021	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Virginia Railway Express	Rippon Station Expansion and Second Platform - Includes NEPA, design and construction to modify the existing platform and add a second platform at the station to service trains up to 8 cars long. An elevator will also be constructed to get passengers to the new platform.	\$10,000,000 (FY2015-16)	NEPA Design Construction	NTP for PE as part of Penta Platform Effort issued 8/4/2016 effective 8/5/2016. 24 month anticipated Preliminary Engineering and NEPA Schedule. 12 month Final Design Schedule. Some concurrency possible. Construction is anticipated in summer 2019. Conceptual design alternatives are being developed and analyzed, while environmental documentation is being prepared.	Summer 2021	March 2019	0%
Virginia Railway Express	Slaters Lane Crossover - Includes the design and construction of a rail crossover and related signal equipment near Slaters Lane, north of the VRE Alexandria station. It will enable trains to move between all 3 tracks and makes the east side (Metro side) platform at the VRE Alexandria station usable from both sides.	\$7,000,000 (FY2015-16)	Design Construction	Final design by CSXT begun in July 2016 continues. CSZ reorganization has caused adjustments to the final design and construction schedule, which have delayed the project. All work to be done by CSXT forces. Construction Agreement between CSXT and VRE has been drafted and is being coordinated.	Summer 2018	Summer 2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Virginia Railway Express	Crystal City Platform Extension Study - Includes planning and engineering investigations to evaluate the options for expansion of the VRE Crystal City station that will alleviate existing crowding, improve multimodal connections, and accommodate future service expansion and bi-directional service. The project includes development of a NEPA checklist.	\$400,000 (FY2015-16)	Planning Engineering Studies	Briefings to Arlington County commissions and the Board conducted in summer 2017. Arlington County Board accepted the VRE staff recommendation for the preferred station location in Sept 2017. The VRE Operations Board approved Option 2 for further analysis and design on October 20. Proceeding with concept design.	Winter 2018	December 2017	51.2%
Washington Metropolitan Transit Authority	8-Car Traction Upgrades – Begins the process of upgrading traction power along the Orange Line by incrementally improving the power system to increase power supply capacity to support the future expanded use of eight car trains.	\$4,978,685 (FY2014)	Construction Contract Admin.	Installation of the traction power gear began June 11, 2017 at K06TB2 Greenwich Street. K06TB2 was cutover back on-line July 28, 2017 and punch list items completed by September. The second location at K07TB2 was cutover back on-line on August 21, 2017 and punch list items will be completed in October. NVTA funded phases are expected to be completed by December 2017, with an overall Contract Period ending in March 2018. Approximately 47% has been expended.	Projected Contract Close- out March 2018	December 2017	3.5%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage Reimbursed as of 10/31/17
Washington Metropolitan Transit Authority	Blue Line 8-Car Traction Upgrades – Begins the process of upgrading traction power along the Blue Line by incrementally improving the power system to increase power supply capacity to support the future expanded use of eight car trains.	\$17,443,951 (FY2017)	Engineering, Construction, Contract Admin.	Invitation for Bid (IFB) was released on September 6, 2017. Pre-Bid Meeting and 2 site visits were held on September 20, 2017. Bid opening is scheduled for November 8, 2017. Contract award is estimated to be mid-January 2018, NTP to immediately follow. Due to manufacturing lead times installation is estimated to commence November 2018.	Project Contract Close-out estimated June 2021	June 2021	0%



XI.C

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Richmond, Virginia 23219

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 24, 2017

MOTION

Made By: Mr. Kasprovicz, Seconded By: Mr. Brown

Action: Motion Carried, Unanimously

Title: Adoption of Revised Policy and Approval of Guide for Implementation of the SMART SCALE Project Prioritization Process

WHEREAS, Section 33.2-214.1 of the *Code of Virginia*, provides that the Commonwealth Transportation Board (Board) shall develop a statewide prioritization process for certain projects funded by the Board, including those projects allocated funds pursuant to sections 33.2-358, 33.2-370 and 33.2-371 of the *Code of Virginia*, and

WHEREAS, Section 33.2-358 sets forth requirements relating to the allocations and establishment of a High Priority Projects Program established pursuant to section 33.2-370 and a Highway Construction District Grant Program established pursuant to section 33.2-371; and

WHEREAS, Chapter 726 of the 2014 Acts of Assembly, required the Board to select projects for funding utilizing the project prioritization process established pursuant to section 33.2-214.1; and

WHEREAS, Section 33.2-214.1 (B) requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process; and

WHEREAS, Section 33.2-214.2 requires the Office of Intermodal Planning and Investment to make public, in an accessible format, a recommended list of projects and strategies for inclusion in the Six-Year Improvement Program based on results of the evaluation of submitted projects and the results of screening and evaluation of such projects no later than 150 days prior to the Board's vote to adopt the Six-Year Improvement Plan.

WHEREAS on June 17, 2015 the Board adopted a statewide prioritization policy and process pursuant to Section 33.2-214.1 and directed the Commissioner of Highways, the Department of Rail and Public Transportation (DRPT) and the Office of Intermodal Planning and Investment (OIPI) to take all actions necessary to implement and administer the policy and process adopted on June 17, 2015 (collectively the HB2 Prioritization Policy and Process), including but not limited to issuance of a Policy Guide consistent with the intent of the policy and process; and

WHEREAS on July 28, 2016, the Board rescinded the HB2 Prioritization Policy and Process previously adopted on June 17, 2015 and adopted a revised policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1 (SMART SCALE Prioritization Process); and

WHEREAS since adoption of the SMART SCALE Prioritization Process, VDOT, OIPI and DRPT have conducted extensive outreach to identify opportunities to improve the prioritization process in subsequent rounds; and

WHEREAS, in its June 21, 2017 and July 18, 2017 workshops, the Board was presented with information and recommendations relating to the SMART SCALE Prioritization Policy and Process, gathered from internal and external stakeholders, to include the following proposed key changes: adjust the schedule to allow a longer application intake period and more time for evaluation and scoring; require basic information for early screening and eligibility determinations; increase project readiness requirements; require, for all applicants. resolutions of support from the relevant governing body; require a resolution of support from the metropolitan planning organization for candidate projects within metropolitan planning organization boundaries; establish a two-tiered population based limit on the number of applications that can be submitted; clarify eligibility of asset management projects; clarify eligibility that project components must be contiguous or of the same improvement type; clarify requirements of the Board's policy for fully funded projects; further clarify requirements of reevaluation if the project scope or cost estimate changes; require applicant to cover the additional cost attributable to the increase in scope regardless of budget impact; modify Land Use Factor to include a measure for the population and employment located in areas with high non-work accessibility and a measure of the increase in population and employment located in areas with high non-work accessibility, between present day and the horizon year of 2025; modify the Safety Measures to remove fatalities caused by driving under the influence and utilize a blended rate for fatalities and severe injuries; modify the Economic Development Factor to further limit the distance around certain types of projects where benefits may be considered for the Project Support for Economic Development Measure, require zoned properties must get primary access from project, modify the points available for projects that are consistent with local and regional plans, modify points for project specifically referenced in local comprehensive plan or regional economic development strategy, add points for projects within an economically distressed area, modify points depending on status of site plans, and scale the Intermodal Access Factor for freight tonnage-based on the length of the improvement; modify the Congestion Factor to utilize existing year traffic volumes to determine person throughput and delay.

WHEREAS, a revised draft technical guide (2017 SMART SCALE Technical Guide) has been developed, based on said information and recommendations; and

WHEREAS in August 2017, the draft 2017 SMART SCALE Technical Guide containing a proposed revised prioritization process was issued and posted at SmartScale.org for purposes of gathering public review and comment; and

WHEREAS, nine public meetings were held on August 28, 2017 in Fredericksburg, September 11, 2017 in Culpeper, September 14, 2017 in Chesapeake, September 18, 2017 in Fairfax, October 2, 2017 in Colonial Heights, October 4, 2017 in Lynchburg, October 10, 2017 in Weyers Cave, October 12, 2017 in Roanoke, and October 17, 2017 in Bristol to receive public comments prior to the Board's adoption of the SMART SCALE policy and process.

WHEREAS, such draft 2017 SMART SCALE Technical Guide incorporate the requirements and factors identified in Section 33.2-214.1 (B); and

WHEREAS, after due consideration of comments received, changes were made to the draft prioritization policy and process as set forth in the draft 2017 SMART SCALE Technical Guide and the Board believes the prioritization policy and process as set forth below should be adopted.

NOW THEREFORE BE IT RESOLVED, the Commonwealth Transportation Board hereby adopts the following policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1 (SMART SCALE Prioritization Process):

1. Application for funding through the SMART SCALE Prioritization Process must be made by qualifying entities based on project type and as follows:

Eligibility to Submit Projects

Project Type	Regional Entity (MPOs, PDCs)	Locality* (Counties, Cities, and Towns)	Public Transit Agencies
Corridor of Statewide Significance	Yes	Yes, with a resolution of support from relevant regional entity	Yes, with resolution of support from relevant regional entity
Regional Network	Yes	Yes, with a resolution of support from the MPO*	Yes, with resolution of support from relevant entity
Urban Development Area	No	Yes, with a resolution of support from the MPO*	No
Safety	No	Yes, with a resolution of support from the MPO*	No

Note*: Projects within established MPO study areas that are not identified in or consistent with the regionally adopted Constrained Long Range Plan (CLRP) must include a resolution of support from the respective MPO Policy Board.

2. Application for funding through the SMART SCALE Prioritization Process must be made for a qualifying need and, pursuant to Section 33.2-214.1 (B)(2) and 33.2-358, for the High Priority Projects Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for all corridors of statewide significance and regional networks, and for the construction District Grant Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for corridors of statewide significance, and regional networks, improvements to promote urban development areas established pursuant to Section 15.2-2223.1, and safety improvements.
3. Applications for funding through either the High Priority Projects Program or the Construction District Grant Programs must relate to projects located within the boundaries of the qualifying entity. Localities and regional planning bodies may submit joint applications for projects that cross boundaries.
4. By majority vote of the Board, the Board may choose to submit up to two projects to be evaluated for funding in each biennial application cycle.
5. The factors specified in Section 33.2-214.1 will be measured and weighted according to the following metrics:

ID	Measure Name	Measure Weight
Safety Factor		
S.1	Number of Fatal and Injury Crashes*	50%
S.2	Rate of Fatal and Injury Crashes	50%
Congestion Mitigation Factor		
C.1	Person Throughput	50%
C.2	Person Hours of Delay	50%
Accessibility Factor		
A.1	Access to Jobs	60%
A.2	Access to Jobs for Disadvantaged Populations	20%
A.3	Access to Multimodal Choices	20%
Environmental Quality Factor		
E.1	Air Quality and Energy Environmental Effect	50%
E.2	Impact to Natural and Cultural Resources	50%

ID	Measure Name	Measure Weight
Economic Development Factor		
ED.1	Project Support for Economic Development	60%
ED.2	Intermodal Access and Efficiency	20%
ED.3	Travel Time Reliability	20%
Land Use Factor		
L.1	Transportation Efficient Land Use	70%
L.2	Increase in Transportation Efficient Land Use	30%

Note*: 100% for Transit and Transportation Demand Management Projects

6. The factors will be evaluated according to the following typology categories and weighting frameworks within the state's highway construction districts:

Region in which the Project is Located	Typology	Construction District
Accomack-Northampton PDC	Category D	Hampton Roads
Bristol MPO	Category D	Bristol
Central Shenandoah PDC	Category D	Staunton
Central Virginia MPO	Category C	Lynchburg/Salem
Charlottesville-Albemarle MPO	Category B	Culpeper
Commonwealth RC	Category D	Lynchburg/Richmond
Crater PDC	Category D	Richmond/Hampton Roads
Cumberland Plateau PDC	Category D	Bristol
Danville MPO	Category D	Lynchburg
Fredericksburg Area MPO (FAMPO)	Category A	Fredericksburg
George Washington RC	Category D	Fredericksburg
Hampton Roads PDC	Category D	Hampton Roads
Hampton Roads TPO (HRTPO) ¹	Category A	Hampton Roads/Fredericksburg
Harrisonburg-Rockingham MPO	Category C	Staunton
Kingsport MPO	Category D	Bristol
Lenowisco PDC	Category D	Bristol
Middle Peninsula PDC ⁱ	Category D	Fredericksburg
Mount Rogers PDC	Category D	Bristol/Salem
New River Valley MPO	Category C	Salem

Region in which the Project is Located	Typology	Construction District
New River Valley PDC	Category C	Salem
Northern Neck PDC	Category D	Fredericksburg
Northern Shenandoah Valley RC	Category D	Staunton
Northern Virginia Transportation Authority (NVTA) / Transportation Planning Board (TPB) ²	Category A	Northern Virginia/Culpeper
Rappahannock-Rapidan RC ⁱⁱ	Category D	Culpeper
Region 2000 LGC	Category D	Salem/Lynchburg
Richmond Regional PDC	Category D	Richmond
Richmond Regional TPO (RRTPO)	Category B	Richmond
Roanoke Valley TPO (RVTPO)	Category B	Salem
Roanoke Valley-Alleghany PDC	Category D	Salem/Staunton
Southside PDC	Category D	Lynchburg/Richmond
Staunton-Augusta-Waynesboro MPO	Category C	Staunton
Thomas Jefferson PDC	Category C	Culpeper/Lynchburg
Tri-Cities MPO	Category C	Richmond
West Piedmont PDC	Category D	Salem/Lynchburg
WinFred MPO	Category C	Staunton

Note*: PDC is defined as the remainder of the region outside the MPO boundary. In many cases, these regions include partial counties (e.g. Goochland County is partially within RRTPO and the Richmond Regional PDC). If a project is within the MPO boundary in a partial county, the project shall use the weighting associated with the MPO with the following exceptions:

- i. The portion of Gloucester County within the Hampton Roads TPO boundary shall use the weighting associated with the Middle Peninsula PDC.
- ii. The portion of Fauquier County within the Transportation Planning Board Boundary shall use the weighting associated with the Rappahannock-Rapidan Regional Commission.

Note** For projects that cross multiple typology boundaries, the project shall use the weighting associated with the typology for which the majority of the project is located.

Weighting Frameworks

Factor	Congestion Mitigation	Economic Development	Accessibility	Safety	Environmental Quality	Land Use
Category A	45%**	5%	15%	5%	10%	20%*

Factor	Congestion Mitigation	Economic Development	Accessibility	Safety	Environmental Quality	Land Use
Category B	15%	20%	25%	20%	10%	10%*
Category C	15%	25%	25%	25%	10%	
Category D	10%	35%	15%	30%	10%	

Note* - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain metropolitan planning areas with a population over 200,000, the prioritization process shall also include a factor related to Land Use.

Note** - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain highway construction districts congestion mitigation must be weighted highest among the factors.

- Qualifying entities are limited in the number of applications they may submit. The limits are based on population thresholds as defined in the table below. A Board member may allow one additional application from one county within their district if (i) the project is located within a town that is ineligible to submit projects and (ii) the county in which the town is located submitted the maximum number of applications allowed. Only one such additional application is allowed per district.

Application Limits

Tier	Localities*	MPOs/PDCs/ Transit Agencies*	Maximum Number of Applications
1	Less than 200K	Less than 500K	4
2	Greater than 200K	Greater than 500K	10

Note* - The source of population data for localities, MPOs and PDCs is the last preceding United States census (2010). Application limits for transit agencies were determined based on service area population in the 2010 National Transit Database (NTD). If service area population was not available in NTD, Census 2010 population was used to determine population in jurisdictions served by transit agency.

- Candidate projects will be scored based on the factors and weights identified above relative to other projects submitted for evaluation, the cost of the project and based on information included in the project application.
- The final project score is determined by calculating the anticipated benefits relative to the amount of funding requested pursuant to section 33.2-358 of the *Code of Virginia*.

10. A project that has been selected for funding must be re-scored and the funding decision re-evaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed.
 - a. If an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:
 - i. Total Cost Estimate <\$5 million: 20% increase in funding requested
 - ii. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested
 - iii. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested.
 - b. If the project scope is reduced or modified such that the revised score is less than the lowest ranked funded project in the district for that cohort of projects, Board action is required to approve the change in scope.
 - c. If the project scope is increased then the applicant is responsible for the additional cost attributable to the increase in scope regardless of budget impact. The scope of a project may not be substantially modified in such a manner that the proposed improvements do not accomplish the same benefits as the original scope.
11. A project that has been selected for funding must be initiated and at least a portion of the programmed funds expended within one year of the budgeted year of allocation or funding may be subject to reprogramming to other projects selected through the prioritization process. In the event the Project is not advanced to the next phase of construction when requested by the Commonwealth Transportation Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the *Code of Virginia*, to reimburse the Department for all state and federal funds expended on the project.
12. A project that has been selected for funding cannot be resubmitted to address cost increases or loss of other sources of funding.
13. Once a project is selected for funding, an entity must wait for two rounds of SMART SCALE following the end date of construction before submitting a new project application for the same location that meets the same need as the project that was selected for funding.
14. Once a project is selected for funding, an entity may not resubmit the project with a revised scope in a subsequent round unless the previously selected project has been cancelled.
15. In the cases where a project has been selected for funding which identified other sources of funding, the qualifying entity is committed to pay the difference if other sources of funding are not provided. An applicant may only identify State of Good Repair, Transportation Alternatives Set-Aside, Highway Safety Improvement Program and Revenue Sharing funds as committed

funds if the funding has already been approved by the Board. Applicants must have an approved or pending application for other sources of committed funds, such as local/regional or other federal funds, at the time of the SMART SCALE application submission.

16. Applications for funding through the SMART SCALE Prioritization Process may not request funding to replace other committed funding sources identified in a local capital improvement program or a transportation improvement program, or required to be paid by a developer as a result of a local zoning process.
 - a. The CTB may waive this requirement for projects that:
 - i. have an anticipated total cost in excess of \$1 billion; and
 - ii. were not eligible for submission in the previous round of SMART SCALE due to readiness considerations, but initiated procurement prior to award of the current round of SMART SCALE.
 - b. If a fully funded project is submitted with additional features that are not yet funded, the benefits associated with the fully funded or committed project element(s) will be excluded from consideration in evaluating and rating the project benefits for SMART SCALE.
17. The Board may adjust the timing of funds programmed to projects selected in previous SMART SCALE cycles to meet the cash flow needs of the individual projects, but will not (1) reduce the total amount of state and federal funding committed to an individual project unless it is no longer needed for the delivery of the project or the project sponsor is unable to secure permits and environmental clearances for the project or (2) increase the total amount of state and federal funding committed to an individual project beyond the thresholds established in item 10. Projects from a subsequent round will not be advanced or accelerated by delaying projects selected in a previous SMART SCALE cycle.
18. In cases where programmed funds are no longer needed for delivery of a project due to estimate decreases, contract award savings, schedule changes, etc., the unexpended surplus funds are SMART SCALE unless superseded by the terms of a signed project agreement.
 - a. Surplus Construction District Grant Program funds no longer needed for delivery of a project will remain within the applicable Construction District Grant Program and may not be used in other districts.
 - b. Surplus High Priority Projects Program funds will remain within the High Priority Projects Program.
 - c. Such surplus funds will be reserved to address budget adjustments on existing SMART SCALE projects or reserved for allocation in the next solicitation cycle for SMART SCALE.

BE IT FURTHER RESOLVED, the methodology outlined in the SMART SCALE Technical Guide shall direct the screening, scoring and selection of projects for funding and may continue to evolve and improve based upon advances in technology, data collection and reporting tools, and to the

Resolution of the Board

Adoption of Revised Policy and Approval of Guide for Implementation of the SMART SCALE Project
Prioritization Process

October 24, 2017

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extent that any such improvements modify or affect the policy and process set forth herein, they shall be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, the Board hereby directs the Commissioner of Highways, the Director of the Department of Rail and Public Transportation, and the Office of Intermodal Planning and Investment to take all actions necessary to implement and administer this policy and process, including but not limited to preparation of a Policy Guide consistent with the SMART SCALE Prioritization Process adopted herein.

BE IT FURTHER RESOLVED, that the SMART SCALE Prioritization Policy and Process previously adopted on July 28, 2016 by the Board is hereby rescinded.

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From Vision to Reality



Fiscal Year 2017 Annual Report to the Joint Commission on Transportation Accountability

October 31, 2017

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Background

The Northern Virginia Transportation Authority (NVTa) is a political subdivision of the Commonwealth of Virginia, created in 2002 by the General Assembly through the Northern Virginia Transportation Authority Act, Chapter 25, Title 33.2, of the Code of Virginia (Senate Bill 576). The NVTa's primary functions are to conduct regional transportation project planning, prioritization and funding for Northern Virginia.

On April 3, 2013, the Virginia General Assembly approved House Bill 2313 (HB 2313). This legislation established a dedicated, sustainable funding stream for transportation in Northern Virginia and allows the Authority to begin fulfilling its mission to address regional transportation challenges. HB 2313 separates these funds into "70% Regional Revenue," which is allocated by the Authority for regional transportation projects; and "30% Local Distribution Revenue," which is distributed to localities for their transportation projects and purposes. Revenues began to flow to the Authority on July 1, 2013. Subsequently, on July 24, 2013, the Authority approved its first project list, the FY2014 Program, setting in motion a new era of transportation improvements for the Northern Virginia region. The Authority adopted its next two programs, the FY2015-16 Program and the FY2017 Program on April 23, 2015, and July 14, 2016, respectively.

The member jurisdictions of the NVTa include the counties of Arlington, Fairfax, Loudoun and Prince William; and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The NVTa's governing body consists of seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties that are members of the Authority; two members of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Rules; and two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. In addition, the Director of the Virginia Department of Rail and Public Transportation, or his designee; the Commonwealth Transportation Commissioner, or his designee; and the chief elected officer of one town in a county which the Authority embraces, serve as non-voting members of the Authority.

As per the Virginia General Assembly Budget Bill HB 5002 of 2014, the Joint Commission on Transportation Accountability (JCTA) shall regularly review, and provide oversight of the usage of funding generated pursuant to the provisions of House Bill 2313. To meet this requirement, the NVTa has prepared this report to inform the JCTA on the uses of the Northern Virginia Transportation Authority Fund for FY2017.

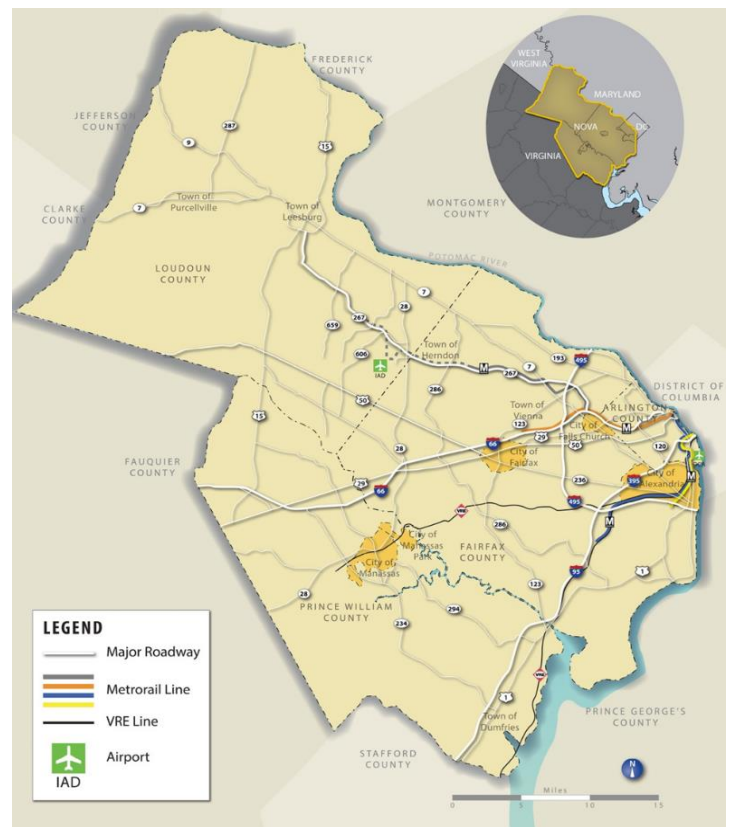


Figure 1. NVTa Jurisdictions and Major Transportation Facilities in Northern Virginia

Fiscal Year 2017 – Overall Revenue and Distribution

HB 2313 generated approximately \$335 million in FY2017. These funds were then distributed, as per HB 2313, with 30% to the member jurisdictions and 70% to the selected regional transportation projects.

Figure 2. NVTA FY2017 Revenue Breakdown by Tax Type

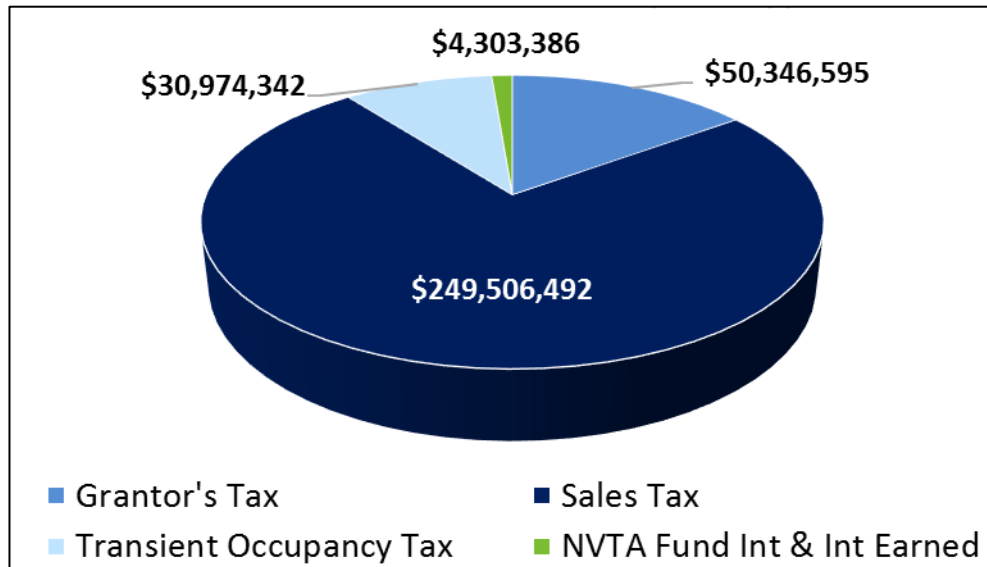
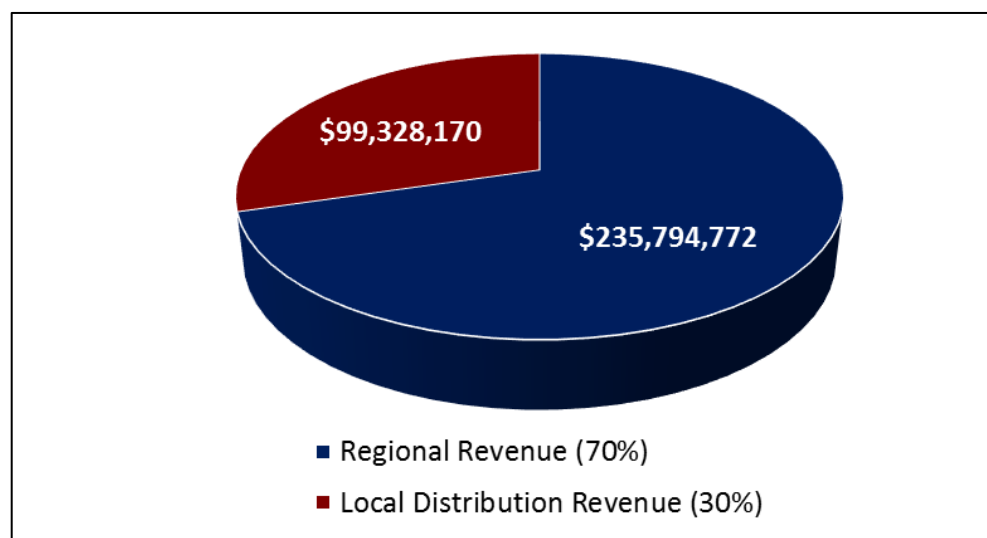


Figure 3. NVTA FY2017 Revenue Distribution



Fiscal Year 2017 – 70 Percent Regional Funding

For funding consideration for the 70% Regional Revenues, the NVTa evaluates projects contained in its long range, multi-modal, unconstrained transportation plan, TransAction, which acts as Northern Virginia's guide for transportation improvements. Since 2002, the NVTa has been responsible for long range transportation planning in Northern Virginia (Planning District 8) through Senate Bill 576. TransAction is updated every five years and the most recent update to TransAction started in October 2014. With the Authority's adoption of the TransAction Plan update on October 12, 2017, it serves as the 25-year unconstrained, multi-modal regional transportation plan for all of Northern Virginia.

The recently adopted TransAction Plan update will guide the investments for NVTa's first Six Year Program (FY2018-FY2023). This Six Year Program (SYP) marks a significant milestone for the NVTa as it is the first six year program for regional transportation projects using HB 2313 funding. A call for projects for the FY2018-FY2023 Six Year Program was also approved by the Authority on October 12, 2017. The application deadline for the SYP is December 15, 2017. The FY2018-2023 Six Year Program is expected to be adopted by the Authority in the summer of 2018 and will be updated every two years. Details of the FY2017 Program projects are provided in Table 1.

Table 1. Projects Adopted in the FY2017 Program

Jurisdiction/ Agency	Project Title	FY2017 NVTa Funding Amount	Phase Funded
County			
Arlington	Lee Highway Corridor Intelligent Transportation System Enhancements	\$ 3,000,000	Design, Engineering, Right of Way, Construction
Arlington	Crystal City Streets: 12 th Street Transitway, Clark/Bell Realignment & Intersection Improvements	\$ 11,600,000	Design, Engineering, Environmental, Construction
Fairfax	Route 7 Widening: Colvin Forest Drive to Jarrett Valley Drive	\$ 10,000,000	Right of Way
Fairfax	Route 28 Widening: Prince William County Line to Route 29	\$ 5,000,000	Design, Engineering, Right of Way, Environmental, Construction
Fairfax	Route 286 Fairfax County Parkway Widening: Route 123 to Route 29	\$ 10,000,000	Right of Way
Prince William	Route 28 Widening: Route 234 Bypass to Linton Hall Road	\$ 10,000,000	Construction
Prince William	Route 1 Widening: Featherstone Road to Marys Way	\$ 11,000,000	Construction
City			
Alexandria	Potomac Yard Metrorail Station Development	\$ 66,000,000	Design, Construction (Design-Build)
Town			
Leesburg	Route 7/Battlefield Parkway Interchange	\$ 20,000,000	Construction
Agency			
VRE	Manassas Park Station Parking Expansion	\$ 2,000,000	Design, Engineering, Environmental.
WMATA	Blue Line 8-Car Train Traction Power Upgrades	\$ 17,443,951	Engineering, Construction
TOTAL		\$ 166,043,951	

It is important to note that the Authority selected 12 projects for funding under the FY2017 Program. This included \$300 million for the I-66/Route 28 Interchange Improvements, which was later included for funding in the Transform 66 Outside the Beltway Project. Subsequently, the Authority de-allocated this \$300 million from its FY2017 Program (\$100 million in PayGo funds and \$200 million in debt capacity).

Fiscal Year 2017 – 30 Percent Local Funds

HB 2313 provides that 30% of the revenues received by the NVTa shall be distributed to the member localities, on a pro-rata basis, after the Authority completes the annual certification for each locality, ensuring that the funds were only used under the requirements of HB2313.¹ Counties are required by law to work cooperatively with towns (with a population of 3,500 or more) to ensure the towns receive their respective share of the 30% local revenues.

Each locality's 30% share is based on the total of the taxes that are generated or attributable to the locality. Use of 30% revenues is solely the decision of the locality, provided they are used for one of four purposes:

1. urban or secondary road construction;
2. capital improvements that reduce congestion;
3. other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the Authority; or,
4. public transportation purposes.

Each locality annually certifies to the NVTa that the funds were used as required by HB 2313. The distribution of FY2017 30% Local Funds is noted in Table 2 below.

Table 2. 30 Percent Distribution for FY2017 (as of June 30, 2017)

Jurisdiction	30% Local Funds
Arlington County	\$ 12,482,263
Fairfax County	\$ 42,138,078
Loudoun County	\$ 18,784,384
Prince William County	\$ 13,608,207
City of Alexandria	\$ 6,916,664
City of Fairfax	\$ 2,323,384
City of Falls Church	\$ 867,409
City of Manassas	\$ 1,736,508
City of Manassas Park	\$ 471,273
Total Revenue	\$ 99,328,170

All member localities received their proportional share of the 30% Local Funds in FY2017. The counties distribute revenues to the towns located within their boundaries based on their percentage of school-age population. Table 3 shows the projects which localities are advancing with 30% local funds through FY2017. It is important to note that 30% funds can be accumulated over multiple years to advance projects.

¹ Localities must enact the local Commercial and Industrial Property (C&I) at \$0.125 per \$100 valuation. Those localities that do not impose the C&I tax at the maximum allowed rate, will have to make an equivalent transfer for the difference or have their 30% revenues reduced by a corresponding amount. Localities that use the funds for non-transportation purposes will not receive 30% funds in the following year. Localities must also maintain a required level of prior local transportation funding in order to continue to receive 30% funds the future.

Table 3. Projects Programmed by Jurisdictions with 30 Percent Local Distribution Funds

Projects by Jurisdiction	Phases Funded	30% Local Fund
Arlington County		\$ 10,512,023
Arlington Transit Vehicle Facility and Satellite Parking	Design, CN	\$ 2,527,879
Capital Bikeshare (multiple locations)	Operations, Expansion	\$ 2,432,027
Transit Operations (incremental cost for new routes)	Operations	\$ 1,173,042
Old Dominion Dr, Phase II (RT309 from 38 th St N to Glebe Rd)	Design, CN	\$ 1,052,082
Bus Stops and Shelters, including accessibility improvements (multiple locations)	Design, CN	\$ 578,723
Intelligent Transportation Systems	Design, Acquisition, CN	\$ 326,902
Traffic Management Center Infrastructure Upgrades	Acquisition	\$ 319,942
Traffic Counts (multiple locations)	Other	\$ 296,839
Transit Development Plan & ART Asset Management Plan	Study	\$ 275,247
Program Administration	Other	\$ 268,737
Traffic Signal Rebuilds, Infrastructure Upgrades, Facilities	Design, CN	\$ 230,774
Carlin Springs Rd Signal Rebuilds	CN	\$ 199,602
ART Bus Procurement	Acquisition	\$ 140,187
Old Dominion Dr Missing Link	Design	\$ 130,010
Arterial Street Safety Improvements (multiple locations)	Design, CN	\$ 111,433
Washington Blvd Signal Rebuilds	CN	\$ 111,106
Arlington Blvd Intersections	Design	\$ 71,818
Walter Reed Dr (Arlington Mill and Four Mile Run)	Design	\$ 60,401
McKinley Rd Safe Routes to School Accessibility	Design, CN	\$ 56,344
Lacey Lane Sidewalks	Design, CN	\$ 37,847
Walter Reed Dr (5 th Street to Columbia Pike)	Design, CN	\$ 30,155
Court House Metrorail Station Second Elevator	Design	\$ 27,149
Ballston-MU Metrorail Station West Entrance	Design	\$ 16,958
On Bus Video System	Acquisition	\$ 15,567
Washington Blvd (RT237) New Bike Lane	Design, CN	\$ 5,298
Military Road – Nellie Custis Dr to 38 th St N	Design, CN	\$ 4,910
STAR Call Center Office Space	Other	\$ 3,046
N Glebe Rd (Carling Springs Rd to Pershing Dr)	Design	\$ 3,017
Transit Signal Priority	Design, CN	\$ 2,953
Bus Bay Expansion – East Falls Church Metro Station	Design, CN	\$ 864
W&OD Trail Safety Improvements	Design, CN	\$ 717
Arlington Ridge Road at Lange St	Design, CN	\$ 447
Fairfax County		\$ 44,631,336
Fairfax Connector Service	Operations	\$ 18,474,291
Town Center Parkway DTR Underpass Rail Support	PE, CN	\$ 7,659,067
Fairfax County Parkway/Popes Head Road Interchange	PE, Design	\$ 4,000,000
Frontier Dr Extension	PE, Design	\$ 3,000,000
Various Project Implementation Works	N/A	\$ 2,497,260
Vienna Projects	N/A	\$ 1,530,763
Braddock Road Multimodal Study	Study	\$ 1,492,200
RT1 Bus Rapid Transit	PE, Design	\$ 872,270

Herndon Metrorail Parking Garage	PE, Design, CN	\$ 854,859
Studies/Planning (Traffic Counts)	N/A	\$ 748,204
Spot Roadway Program	All	\$ 695,980
Innovation Center Metrorail Parking Garage	PE, Design	\$ 619,032
Herndon Projects	N/A	\$ 594,130
RT1 Study (Pohick to Occoquan)	Study completed	\$ 554,745
Soapstone Dr DTR Overpass	PE, Design	\$ 319,661
Shirley Gate Extension (Planning)	N/A	\$ 299,824
Springfield Parking Garage	PE, Design	\$ 223,648
Seven Corners Interchange Improvements	PE, Design	\$ 113,885
Tysons Projects (Boone Blvd/Gosnell Feasibility Study)	Study	\$ 81,517
Loudoun County		\$ 27,240,608
Sterling Blvd Extended (Pacific Blvd to Moran Rd)	Design, ROW, Utility, CN	\$ 12,316,000
Riverside Pkwy (Lexington Dr to Loudoun County Pkwy)	ROW, Utility, CN	\$ 6,000,000
Northstar Blvd (RT50 to Shreveport)	CN	\$ 5,000,000
Leesburg Area Park & Ride Lot	CN	\$ 1,490,000
Contingency – Sidewalks (Countywide)	Design, ROW, CN	\$ 1,000,000
Northstar / Belmont Ridge Rd Traffic Signal	CN	\$ 510,000
Contingency – Traffic Signal (Countywide)	Design	\$ 500,000
Mooreview Pkwy (Croson to Old Ryan Rd)	CN	\$ 324,608
Contingency – Traffic Calming (Countywide)	Design, CN	\$ 100,000
Prince William County		\$ 33,535,993
Minnieville Road (Spriggs Rd to Rt 234)	PE, ROW, CN	\$ 19,950,000
Neabsco Mills Road Widening (Route 1 to Smoke Court)	ROW, CN	\$ 6,000,000
Virginia Railway Express (VRE) Subsidy	Transit	\$ 2,968,406
Prince William Pkwy (Old Bridge Rd to Minnieville Rd)	ROW, CN, Project Mgmt	\$ 1,750,000
RT28, Phase 2 (Relocated Vint Hill Rd to Fitzwater Dr)	CN	\$ 1,500,000
RT1 Jefferson Davis Hwy (Neabsco Mills Rd to Featherstone Rd)	ROW	\$ 1,200,000
Potomac & Rappahannock Transp Commission (PRTC) Subsidy	Transit	\$ 167,587
City of Alexandria		\$ 21,518,000
DASH Bus Fleet Replacement	Bus Procurement	\$ 11,050,000
WMATA Capital Contribution	Design, CN	\$ 3,750,000
Additional WMATA Subsidy (Base Ops)	WMATA subsidy	\$ 2,683,000
RT1 Transitway Operations	Operations	\$ 1,800,000
Bus Shelters and Benches	CN	\$ 1,100,000
Seminary Rd at Beauregard St Ellipse	Design	\$ 425,000
RT1 and E Reed Ave Intersection Improvements	CN	\$ 350,000
Cameron St and Prince St Pedestrian and Bicycle Facilities	CN	\$ 300,000
Access to Transit – City Sidewalk Connections	CN	\$ 60,000
City of Fairfax		\$ 7,009,610
CUE Operations	Operations	\$ 5,047,672
Jermantown Rd	CN	\$ 869,302
Traffic Signal Preemption	CN	\$ 386,154
Roadbed Reconstruction (RT50 to Fairchester Dr)	CN	\$ 266,455
George Snyder Trail	CN	\$ 93,329

Emergency Power Battery Backup	CN	\$ 73,567
Old Town Sidewalk Spot Widening	Study, PE	\$ 55,391
Traffic Signal Upgrades	CN	\$ 35,214
Burke Station Rd Sidewalk	PE, ROW, CN	\$ 33,329
Chain Bridge Rd Sidewalk	PE, CN	\$ 27,001
Northfax West Planning	PE	\$ 21,712
Railroad Ave Sidewalk	PE	\$ 19,515
Old Town Traffic Study	Study	\$ 14,841
Orchard Dr Sidewalk Design	PE	\$ 14,775
Government Center Pkwy Extension	PE	\$ 12,715
Orchard St/Chain Bridge Rd Intersection Evaluation	PE	\$ 11,517
Cobbdale Traffic Calming	PE	\$ 7,319
University Dr Road Diet	PE	\$ 6,618
Mason to Metro Bike Route	PE	\$ 6,258
University Dr Extension	PE	\$ 6,211
Fairfax Blvd Sidewalk Improvements	PE	\$ 715
City of Falls Church		\$ 2,935,000
South Washington POA Multimodal Improvements	PE, RW, CN	\$ 1,145,000
WMATA Subsidy (Citywide)	Operations & Capital	\$ 910,000
Van Buren St Bridge Improvements	PE, CN	\$ 275,000
Funds Match DRPT Bus Shelter (RT 7, various locations)	PE, RW, CN	\$ 250,000
Multimodal Connectivity (Citywide)	PE, RW, CN	\$ 195,000
Bikeshare Connections to Metro (Citywide)	PE only	\$ 60,000
Downtown POA Multimodal Improvements	PE, RW, CN	\$ 60,000
W&OD Trail Improvements (Various locations)	PE, RW, CN	\$ 40,000
City of Manassas		\$ 5,097,620
Prince William St (Grant Ave to Wellington Rd)	ROW, CN	\$ 1,659,000
Dean Dr Extended (RT28 to existing Dean Drive)	PE, ROW, CN	\$ 1,708,000
Battle St (Portner St to Quarry Rd)	PE, ROW, CN	\$ 390,000
Grant Ave (Lee Ave to Wellington Rd)	PE, ROW, CN	\$ 635,000
Sidewalk Infill Initiatives (Citywide)	PE, ROW, CN	\$ 336,000
Centerville Rd Improvements (Liberia Ave to City Limits)	PE	\$ 300,000
Fairview Ave/Tudor Ln Intersection Improvements	PE, ROW	\$ 50,000
City Wide Traffic Improvements	PE	\$ 19,620
City of Manassas Park		\$ 124,200
Project Management Contract for Five Projects	N/A	\$ 124,200
Town of Dumfries		\$ 448,671
Main St Intersection Improvements	CN	\$ 351,382
Sidewalk along Possum Point Rd	CN	\$ 97,289
Town of Herndon		\$ 4,563,000
Folly Lick Regional Trail Extn (part of 'Trails to Metrorail')	PE, Design, ROW, Utility, CN	\$ 1,168,000
Van Buren St Improvements (Old Spring St to Herndon Pkwy)	ROW, Utility	\$ 928,000
Elden St and Center St Intersection Improvements	PE, Design, ROW, Utility, CN	\$ 850,000
Elden St and Monroe St Intersection Improvements	PE, Design, ROW, Utility, CN	\$ 602,000
Park Ave & Monroe St Intersection Improvements	PE, Design, ROW, Utility, CN	\$ 450,000

Trails to Metrorail (Herndon Pkwy/Van Buren St to Metrorail)	PE, Design, ROW, Utility, CN	\$ 415,000
Worldgate Dr Extension	PE, Design	\$ 150,000
Town of Leesburg		\$ 18,370,300
Royal St Improvements (Church St to Wirt St)	Design, ROW, CN	\$ 4,938,000
Evergreen Mill Rd Widening (Leesburg S Corporate Limits to S King St)	Design, ROW, CN	\$ 3,886,000
Sycolin Rd Widening Phase IV (Leesburg S Corporate Limits to Tolbert Ln)	Design, ROW, CN	\$ 3,017,300
Morven Park Rd Improve (W Market St to Old Waterford Rd)	Design, ROW, CN	\$ 2,141,000
West Market St Sidewalk (Morven Park Rd to Ayr St)	Design, ROW, CN	\$ 1,664,000
Edwards Ferry Rd Sidewalk (West of Woodbury Rd to Prince St)	Design, ROW, CN	\$ 1,094,000
Traffic Management/Emergency Evacuation System (townwide)	CN	\$ 929,000
Battlefield Parkway (S King St to Dulles Greenway)	CN	\$ 701,000
Town of Purcellville		\$ 843,576
Nursery Ave Improvements	Design, ROW, CN	\$ 696,744
32 nd St & West A Street Intersection Improvements	Design, ROW	\$ 133,500
E Main St & Maple Ave Intersection Improvements	Design, ROW, CN	\$ 13,332
Town of Vienna		\$ 3,110,000
Follin Ln SE Reconstruction (Echols St SE to Maple Ave)	PE, ROW, CN	\$ 1,500,000
Marshall Rd SW Sidewalk	PE, ROW, CN	\$ 830,000
Church St NE Sidewalk	PE, ROW, CN	\$ 630,000
Park St NE Sidewalk	PE, ROW, CN	\$ 150,000
TOTAL		\$ 179,939,937

Note: This list was generated on October 16, 2017 based on responses from jurisdictions to an NVTa staff request for a 30% Local Funds project list.

Fiscal Year 2018 – 2023 Revenue Estimates

The Authority's revenue estimates are made using a multi-jurisdictional approach. While the HB 2313 revenues are relatively new to the Authority, member jurisdictions have decades of experience with the same taxes, albeit with minor differences in application. Jurisdictional input is heavily relied upon in making the revenue estimates. The estimates for FY2018-2023 are provided below in Table 4. In addition, the combined totals of FY2018-2023 are in Table 5 below.

Table 4. NVTa Revenue and Distribution Estimates for FY2018–2023

NVTa Revenue	FY2018 Projection	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection
Sales Tax	\$253,421,494	\$258,926,224	\$265,846,393	\$272,982,830	\$280,453,992	\$288,142,662
Transient Occ. Tax	\$30,218,980	\$31,034,154	\$31,748,477	\$32,570,413	\$33,330,749	\$34,159,837
Grantors Tax	\$44,616,624	\$45,167,888	\$45,819,213	\$46,377,477	\$47,043,160	\$47,614,206
Total Revenue	\$328,257,098	\$335,128,266	\$343,414,083	\$351,930,721	\$360,827,901	\$369,916,705
70% Regional Revenue	\$229,779,968	\$234,589,786	\$240,389,858	\$246,351,504	\$252,579,531	\$258,941,694
30% Local Distribution	\$98,477,129	\$100,538,480	\$103,024,225	\$105,579,216	\$108,248,370	\$110,975,012
Year to Year % Change		2.09%	2.47%	2.48%	2.53%	2.52%

Table 5. NVTA Combined Revenue and Distribution Estimates of FY2018–2023

NVTA Revenue	FY 2018 – 2023 Projection
Sales Tax	\$1,619,773,594
Transient Occ. Tax	\$193,062,611
Grantors Tax	\$276,638,568
Total Revenue	\$2,089,474,773
70% Regional Revenue	\$1,462,632,341
30% Local Distribution	\$626,842,432

Figure 4. NVTA FY2018-2023 Estimated Revenue Breakdown by Tax Type

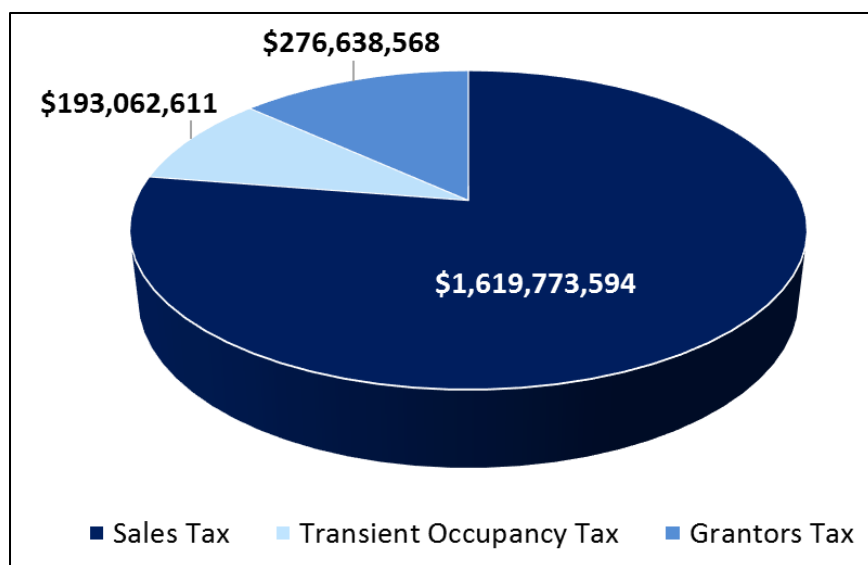
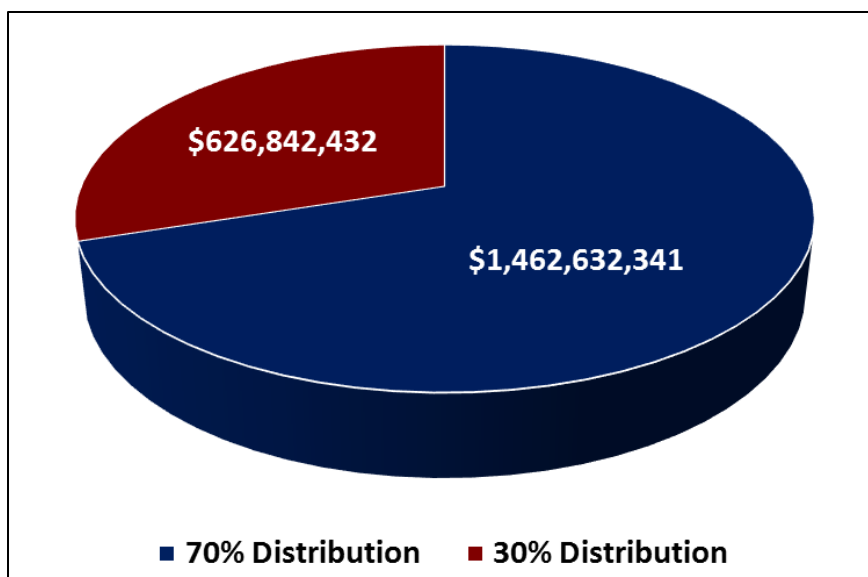


Figure 5. NVTA FY2018-2023 Estimated Revenue Distribution



Voting Members

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Hon. Martin E. Nohe, Prince William County

Vice Chairman

Hon. Phyllis J. Randall, Loudoun County

Hon. Richard Black, Virginia Senate

Hon. Sharon Bulova, Fairfax County

Hon. Jay Fisette, Arlington County

Hon. Timothy Hugo, Virginia House of Delegates

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Jim Kolb, Governor's Appointee

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Helen Cuervo, Virginia Department of Transportation

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