



# Northern Virginia Transportation Authority

*The Authority for Transportation in Northern Virginia*

## FINANCE COMMITTEE

Thursday, June 8, 2023 – 6:00, p.m., ET

NVAR Fairfax Headquarters - 8407 Pennell St.

Fairfax, VA 22031

*This meeting will be conducted In Person or All Virtual and livestreamed via [NVTA's YouTube Channel](#)*

1. **Call to Order/Welcome** Mayor Rishell, Chair
2. **Approval of March 9, 2023, Draft Meeting Summary Minutes** Mayor Rishell, Chair  
*Recommended Action: Approval of March 9, 2023, Draft Meeting Summary Minutes*

## PRESENTATION

3. **NVRC Lease Renewal Presentation** Mr. Robert W. Lazaro, Jr, Executive Director, NVRC

## ACTION ITEMS

4. **Office Space Planning Services** Mr. Longhi, CFO  
*Recommended Action: Direct the NVTA CFO to undertake an office space market analysis.*

## DISCUSSION/INFORMATION ITEMS

5. **Sole Source Procurement Declaration** Mr. Longhi, CFO
6. **Monthly Investment Portfolio Report** Ms. Sen, Investment & Debt Manager
7. **Monthly Revenue Report** Mr. Longhi, CFO
8. **Monthly Operating Budget Report** Mr. Longhi, CFO
9. **NVTA Update (Verbal Report)** Ms. Backmon, CEO

## CLOSED SESSION

*(If needed)*

10. **Adjournment**

## CORRESPONDENCE

**NEXT MEETING: July 13, 2023, 6:00, p.m., ET (If needed)**

**NVTA Offices**



## Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

### FINANCE COMMITTEE

Thursday, March 9, 2023 – 6 p.m., ET.

3040 Williams Drive, Suite 200

Fairfax, VA 22031

*This meeting was conducted in person or all virtual and livestreamed via [NVTA's YouTube Channel](#)*

### SUMMARY MINUTES

#### 1. Call to Order

- ✓ Mayor Rishell called the meeting to order at 6:02 p.m.

#### 2. Roll Call:

- ✓ **Membership Attendees:** Mayor Rishell; Chair Randall; Mayor Wood, Council Member Snyder (Remote-Location-Distance)
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Investment & Debt Manager); Keith Jasper (Principal, Transportation Planning and Programming); Adnan Malik (Senior Accountant); Amanda Sink (Executive Assistant to CEO).
- ✓ **Council of Counsels:** Daniel Robinson (Fairfax County); Robert Dickerson (Prince William County); Christina Zechman-Brown (City of Alexandria); MinhChau Corr (Arlington County).

*Members of the Public were in person and were able to watch the meeting livestreamed via [NVTA's YouTube Channel](#)*

#### 3. Approval of February 9, 2023, Meeting Summary Minutes

- ✓ Chair Randall moved approval of the minutes of the February 9, 2023, meeting; seconded by Mayor Wood. Motion carried unanimously.

### Information/Discussion Items

#### 4. Finance Team Activity Report

Mr. Longhi, CFO

- ✓ Mr. Longhi presented to the Finance Committee the current and prospective upcoming months activities of the NVTA Finance Team by noting:
  - Implementation of Policy 29 changes- Stale invoice exclusion:
    - Mr. Longhi presented the Reimbursement table by Fiscal Year and noted that through six accrual months of FY2023, approximately \$61 million in reimbursement receipts have been received (6% more than the entirety of FY2023).
    - The proposed policy changes, as recommended by the Committee, are on the March Authority meeting agenda for approval.
    - The proposed changes have been discussed monthly at the Regional

Jurisdiction and Agency Coordinating Committee (RJACC) meetings since September 2022 and will be continued to be informed to the other department of the jurisdictions who are not part of RJACC.

- Duplicate Reimbursement Audit
  - Mr. Longhi noted that the audit process started with the transfer of data to the audit firm. The data transferred to the audit firm includes FY2023 reimbursements.
  - No involvement is required of project sponsors unless potential duplicates are identified.
  - Audit cost was based on FY2022 reimbursement transaction volume.
  - Current cost estimates exceed the budgeted amount by \$2,500.
  - No budget adjustments are requested currently.
- Revenue Estimates Kick-off
  - The revenue estimate cycle is starting.
  - The process will reexamine the FY2024 through FY2027 estimates and add estimates for FY2028/29.
  - A critical part of the estimation process is the projection of PayGo estimates for the FY2028/29 update to the Six Year Program.
  - Mr. Longhi noted the dip in Grantor's tax revenue for NVTa and across all jurisdictions due to the current economic factors.
  - Chair Randall asked how the property transactions are impacting the Grantor's tax to which Mr. Longhi noted that the value of the property and volume of sales are the two factors that impacts the Grantor's tax across the region.
- Northern Virginia Regional Commission (NVRC) has been invited to make a lease renewal presentation to the Committee.
  - Mr. Longhi noted that two years ago, during FY2022 budget preparations, NVTa staff suggested that the NVRC renegotiate the underlying lease to achieve pandemic related cost savings for both organizations.
  - Lease discussions over the last two years have included:
    - Formal lease split with negotiated conference room cost sharing to reduce Balance Sheet and credit pressures on NVRC.
    - Building core factor and escalation terms.
    - NVTa consultation with leasing representatives from the Commonwealth of Virginia (in the first year of discussion).
    - How to manage future growth demands for office space as both organizations add staff and meeting space utilization and reservation conflicts.
    - NVTa commitment to a lease maturity extension.
  - NVRC has stated it desires to have a new lease in place by May 2023. Mr. Longhi noted that an invitation has been sent to NVRC to present a lease renewal to the Committee based on a meeting he had with the

NVRC in February 2023. The lease renewal presentation will subsequently be presented to the Authority.

○ Investment Portfolio Certification

- Mr. Longhi informed that the NVTA investment portfolio now exceeds \$1.5 billion. NVTA staff, with the assistance of the FY2024 budget proposed investment consultant, will submit the NVTA Investment Policy for peer review and certification from at least one and possibly two domestic/international government investment professional associations.
- Some changes in the Investment Policy related to technical issues will be required prior to submission for certification. An example being in the asset category of Overnight Repurchase Agreements (REPOs) and a certification requirement to have a Tri-Party REPO Agreement in place, even though NVTA is not currently utilizing REPOs.
- Mr. Longhi explained how REPOs function.
- Council Member Snyder expressed his appreciation to the staff for taking care of the complexities and noted that staff should have the resources for the job. Mayor Rishell agreed with Council Member Snyder's comments.

○ Investment Policy Benchmarks

- Mr. Longhi presented the Current Investment Policy performance benchmarks table by noting the performance is at 2.18% which is measured as part of standard metrics to measure performance.
- He noted benchmarks were set up when the Investment Policy was first adopted by the Authority in December 2014. At that time, it was not envisioned that the portfolio size would exceed \$1.5 billion. Therefore, the maturity duration of the portfolio was set to short-term benchmarks more suitable for a daily liquidity portfolio.
- Currently, the portfolio has maturities out to five years, with a concentration in the one-to-three-year range. The portfolio duration measurement is 1.10 (1.0 = 1 year). Purchases in the two-to-three-year range are anticipated to expand as staff attempts to lock in higher rates safely and prudently for as long a maturity duration as liquidity demands demonstrate is appropriate.
- Staff will research and recommend alternative benchmark(s) to the Committee which better reflect the current size and duration of the portfolio.
- Mr. Longhi noted that staff constantly analyzes this point and the Committee will be updated periodically. He also informed that NVTA staff are projecting the Local Distribution allocations to top \$1 billion by December of FY2024. Mayor Rishell noted that she would be announcing that information at the March Authority meeting.

- Mayor Wood asked if 30% Local Distribution Funds could be used on the loans for public transportation projects, to which Ms. Backmon informed that localities can use their 30% Local Distribution Revenue for projects of their choice following HB 2313 parameters. Localities have the option to save multiple years of this revenue to undertake larger projects. Annually, each locality must certify that the funds were only used under the provisions of HB 2313.
- Mayor Rishell asked if it is still recommended for localities to submit letters to get approval from the Council of Counsels on how their 30% Local Distribution Funds can be used. Ms. Backmon responded that the Authority staff can advise the localities on such matters, but if it involves a request that wasn't previously vetted, a Council of Counsels' determination of the proposed use would be needed.

**5. Monthly Investment Portfolio Report**

- ✓ Mr. Longhi reviewed and presented the Monthly Investment Portfolio Report as provided in the packet.

**6. Monthly Revenue Report**

- ✓ Mr. Longhi reviewed and presented the Monthly Revenue Report as provided in the packet.

**7. Monthly Operating Budget Report**

- ✓ Mr. Longhi reviewed and presented the Monthly Operating Budget Report as provided in the packet.

**8. NVTA Update (Verbal Report)**

- ✓ Ms. Backmon thanked the Finance Team for the diligent work and stated that NVTA is in great financial standing which helps in NVTA's mission in funding projects.
- ✓ Mayor Rishell expressed her appreciation to the staff.
- ✓ Chair Randall asked if the Authority members could be briefed about the discussion that occurred during the Finance Committee meeting, so the members of the General Assembly who are also part of the Authority are made aware of the revenues that NVTA receives. This can further act as an outreach to the General Assembly.
- ✓ Mayor Rishell noted that sharing of information will be of utmost importance as new members join the General Assembly.

**9. Adjournment**

- ✓ Seeing no further questions, discussion, or order of business, Mayor Rishell adjourned the meeting at 6:35 p.m.



# NVRC Lease Extension for 3040 Williams Drive



# Current Lease

- Current Lease Expires on July 31, 2025
- Base Rent to NVRC for year ending 9/30/23 is \$32.29 per square foot, \$33.09 ending 9/30/2024 and \$33.92 ending 9/30/25
- Base Rent to NVRTA for year ending 9/30/23 is \$30.65 per square foot (since February 2023), \$31.42 ending 9/30/2024 and \$32.20 ending 9/30/25
- NVRC represented by Ben Eldridge of Cambridge, US

# New Lease Proposal

- Lease extension through 4/30/2033. Re-measured rentable area is 19,163 square feet – 11,099 for NVRC and 8,064 for NVTA
- New base rent YE 4/30/24 is \$30 per square foot escalating by 2.5% per year
- Landlord offering \$25 per square foot for improvements of which \$10 could be converted to rent abatement
- Both NVRC and NVTA pay equal amount of rent per square foot and share proportionally in savings
- Savings is equivalent to 10 months of free rent over a five-year period
- NVRC retains right to request landlord to provide additional office space adjacent to existing offices. Currently the space is built out and not permanently occupied.

	All Space	NVRC	NVTA
Total Savings for Period 5/1/23 to 7/31/25	\$579,024.62	\$335,364.73	\$243,659.89
Total Savings Including All Abatement	\$888,634.36	\$514,687.30	\$373,947.06

# Conference Space

Four conference rooms available on a first-come, first served basis.

NVRC committed to working with NVRTA to coordinate scheduling.

NVRC has ten Commission meetings (evening) and six Community Military Partnership meetings (10AM to Noon).

NVRC is administrative agent for Go Virginia Northern Virginia which has four full Council meetings (AM).

NVRC provides space on limited basis for DCR and DEQ for trainings.

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NVRC purchased and pays the license agreement for the Zoom Room virtual meeting equipment and makes it available to NVRTA at no cost.



# NVRC Future Office Space Needs

NVRC foresees no need for additional space other than what is available to it in its current footprint.



# Next Steps

- NVRC Board has given the Executive Director permission to sign the lease agreement.
- NVRC retained the services of Venable to review lease and author sublease agreement
- NVRTA to review and sign sublease agreement with NVRC.



Northern Virginia Regional Commission

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[www.novaregion.org](http://www.novaregion.org)

April \_\_, 2023 (the “Effective Date”)

Ms. Monica Backmon  
Chief Executive Officer  
Northern Virginia Transportation Authority  
3040 Williams Drive, Suite 200  
Fairfax, Virginia 22031

RE: Service Agreement dated October 6, 2014 as subsequently modified and amended (the “Sublease”) by and between Northern Virginia Regional Commission (NVRC) and Northern Virginia Transportation Authority (NVTA) Amendment #8 (the “Amendment”).

Dear Ms. Backmon:

As you are aware, NVRC has entered into certain negotiations and discussions with the Landlord under the Prime Lease (each as hereinafter defined) with respect to extending the term of the Prime Lease and otherwise modifying and amending other terms and conditions set forth therein. NVRC has approved and is prepared to accept the modified terms offered by the Landlord, subject to NVTA’s execution and delivery of this letter agreement. This Amendment is intended to confirm the terms and conditions upon which NVRC and NVTA have agreed to further modify and amend the terms and conditions of the Sublease.

For good and valuable consideration, the parties hereby agree upon the following:

1. Prime Lease. The Prime Lease is evidenced by that certain Deed of Lease dated May 2, 2005 (the “Original Lease”) as amended by that certain First Amendment to Deed of Lease dated March 29, 2006 (the “First Amendment”) and as further amended by that certain Second Amendment to Deed of Lease dated February 28, 2014 (the “Second Amendment”, and together with the Original Lease and the First Amendment, the “Prime Lease”). A true and accurate copy of the Prime Lease is attached hereto as Exhibit 1.

2. Premises/Building. The leasehold premises subject to the Prime Lease is commonly known as Suite 200 (the “Premises”) located on the second (2<sup>nd</sup>) floor of the building located at 3040 Williams Drive Fairfax, Virginia 22031 (the “Building”). As of the Effective Date the Landlord under the Prime Lease is MAH 3040 Williams, LLC (the “Landlord”).

3. Third Amendment. Subject to the execution of this Amendment by NVTA, NVRC intends to execute, acknowledge and deliver to Landlord the Third Amendment to Deed of Lease (the “Third Amendment”). The Third Amendment renews and extends the term of the Prime Lease and further modifies and amends the Prime Lease upon the terms and conditions set forth therein. An accurate copy

of the proposed but unexecuted version of the Third Amendment is attached hereto as Exhibit 2. Upon the full execution and delivery of the Third Amendment by Landlord and NVRC a true and accurate copy thereof shall be delivered to NVTA and the terms and conditions thereof shall be included in and become a part of the Prime Lease.

4. Extension of Term. The parties hereby agree that the term and duration of the Sublease shall be coterminous with the term and duration of the Prime Lease and that the term of the Sublease is hereby renewed and extended through and including April 30, 2033 (the “Extended Term”).

5. Sublease Premises. The Sublease Premises consist of a portion of the Premises as more particularly shown on Exhibit 3 attached hereto (the “Sublease Premises”). The billable square feet of the Premises attributable to the Sublease Premises is 8,064.07 SF. The proportional share of the building core factor and in suite common area attributable to the Sublease Premises is 42.08%. NVRC and NVTA hereby expressly reserve the right to further modify and amend the terms of the Sublease by changing, increasing or decreasing the portion of the Premises subject to the Sublease and the proportional share of the building core factor and in suite common area attributable to the Sublease Premises, as may be mutually agreed by the parties and evidenced by an express written amendment and modification of this Sublease.

6. Sublease Base Rent. Commencing on \_\_\_\_\_ 1, 2023 and continuing on the first day of each calendar month during the Extended Term, NVTA shall pay and remit to NVRC as Sublease Base Rent for the use of the Sublease Premises the amounts shown of the Schedule of Sublease Base Rent, a true and accurate copy of which is attached hereto as Exhibit 4; provided, however, that the monthly Sublease Base Rent payable by NVTA to NVRC shall be subject to adjustment and credit with respect to: (i) the Base Rent Abatement (as defined in Section \_\_\_ of the Third Amendment); and (ii) all or any portion of the Tenant Improvement Allowance (as defined in Section \_\_\_ of the Third Amendment) relating to the Sublease Premises that NVRC may elect to convert to additional rent abatement.

7. Sublease Proportionate Share of Additional Rent. NVTA shall continue to be obligated to pay and reimburse NVRC for NVTA’s allocable share of the “Additional Rent” (as defined in the Prime Lease, including but not limited to the modifications thereof as set forth in Section \_\_\_ of the Third Amendment) attributable to the Sublease Premises of additional amounts paid or payable by NVRC to Landlord under the Prime Lease or to receive credit for NVTA’s allocable share of any overpayment thereof.

8. Shared Conference Rooms/Scheduling. NVRC and NVTA have and shall continue to share access and use of the meeting rooms and conference areas in the Premises (the “Conference Rooms”) in a manner generally consistent with the historic practice associated with the sharing of the Conference Rooms. Duly authorized representatives of NVRC and NVTA shall meet and confer to work together on a good faith basis to coordinate and schedule access and use of the Conference Rooms as far in advance as may be reasonably practicable. The parties shall develop and maintain a Master Schedule by which Conference Room access and use shall be reserved. For example, authorized representatives of NVRC and NVTA shall endeavor to meet as often as may be reasonably necessary to address long lead time scheduling issues and to avoid conflicts including but not limited to: (i) during June and July of each year to address scheduling issues via the Master Schedule for the six (6) month time period commencing on January 1 of the following year; and (ii) during January and February of each year to address scheduling issues via the Master Schedule for the six (6) month time period commencing on June 1 of the current year. At other times, Conference Room access and use may be reserved via the Master Schedule not more than forty-five (45) days in advance of any reserved date as may be requested by either Party (either in-

person or telephonically and confirmed via electronic mail and an appropriate entry to the Master Schedule).

9. Right of First Offer; Expansion Space. Pursuant to the terms of the Third Amendment, Landlord has afforded NVRC a “Right of First Offer” with respect to “Expansion Space” that may become available on the second (2<sup>nd</sup>) floor of the Building, upon the terms and conditions set forth therein. NVRC agrees that if Landlord offers the Expansion Space to NVRC and NVRC elects not to exercise the Right of First Offer, that NVRC shall endeavor to make the Expansion Space available to NVTA subject to: (i) the consent and approval of Landlord to NVRC’s transfer of the Right of First Offer to NVTA; and (ii) such other commercially reasonable terms and conditions as may be required by NVRC to assure that NVRC does not incur any risk, cost, liability or expense with respect to NVTA’s exercise of the Right of First Offer. NVRC agrees to promptly give NVTA a copy of any notice from Landlord of the right to exercise the Right of First Offer and shall endeavor to facilitate NVTA’s exercise the Right of First Offer if requested.

10. Subject to Prime Lease. Except as otherwise expressly set forth herein, the Sublease and any and all rights of NVTA hereunder with respect to the Sublease Premises are subject to the terms, conditions and provisions of the Prime Lease. NVTA hereby assumes and agrees to fully and timely perform and be bound by all of NVRC’s obligations and agreements under the Prime Lease as they relate to the Sublease Premises except to the extent that any such terms and conditions by their nature, or in the context of the Prime Lease, are intended to apply only to the relationship between Landlord and NVRC, including, without limitation, (i) the right of NVRC to exercise any right of first offer or to otherwise expand the Leased Premises as provided in the Third Amendment except as otherwise expressly set forth in Section 9 above; (ii) any right of NVRC to elect to utilize and apply any Tenant Improvement Allowance that may be available under the terms of the Third Amendment to a further abatement of rent under the Prime Lease as it may relate to the Sublease Premises; provided, however, that if NVRC elects a further abatement of rent NVRC shall provide NVTA with the allocable credit associated with any further rent abatement that may be applicable to the Sublease Premises.

11. Insurance. NVTA shall procure and maintain, at its own cost and expense, such liability insurance as is required to be carried by NVRC under the Prime Lease, naming NVRC, Landlord and their respective lenders, property managers (if any), and officers, directors, agents, and employees as additional insureds thereunder, in the manner and upon the terms and conditions required under the Prime Lease. NVTA shall also procure and maintain, at its own cost and expense, such property insurance as is required to be carried by NVRC under the Prime Lease. NVTA shall furnish to NVRC certificates of NVTA's insurance required hereunder upon execution and delivery of this Sublease, and within thirty (30) days prior to any expiration of such insurance. Each party hereby waives and releases any claims against the other for property damage provided such waiver shall not invalidate the waiving party's property insurance. Each party shall attempt to obtain from its insurance carrier a waiver of any right of subrogation. NVTA hereby waives claims against Landlord for property damage to the Sublease Premises or its contents if and to the extent that NVRC waives such claims against Landlord under the Prime Lease. NVTA agrees to obtain, for the benefit of Landlord and NVRC such waivers of subrogation rights from its insurer as are required of NVRC under the Prime Lease.

12. Default. NVTA agrees that any one or more of the following events shall be an event of default hereunder: (i) NVTA shall default in any payment of any amount due and owing to NVRC under this Sublease; (ii) NVTA shall default in any of the other covenants and agreements herein contained to be kept, observed and performed by NVTA under this Sublease and such default shall continue for five (5) days after notice thereof in writing to NVTA from NVRC (or such shorter period as may be provided for under the Prime Lease); or (iii) NVTA shall cause any default under the Prime Lease

and such default shall not be cured within the period of time, if any, permitted for such cure under the Prime Lease.

13. Remedies. Upon any breach or default hereunder by NVTA, or upon the occurrence of any one or more events of default as set forth above, NVRC may exercise any rights or remedies available to it hereunder, any other rights or remedies that may be available to NVRC under applicable law or in equity, and any other right or remedy against NVTA which Landlord may exercise against NVRC for default by NVRC under the Prime Lease. Upon any default, NVTA shall remain liable to NVRC for the following amounts: (i) NVTA's allocable share of any tenant improvement allowances, rental abatements or other free-rent concessions extended to NVRC under the Prime Lease related to the Sublease Premises, prorated by the balance of the remaining Extended Term divided by the length of the Extended Term; (ii) all rent or other amounts due and owing by NVTA to NVRC which may become due during the remainder of the Extended Term; (iii) any and all costs, fees and expenses incurred by Landlord or NVRC in leasing the Sublease Premises to others from time to time, including but not limited to leasing commissions, construction and other build-out costs, design and permitting costs, and any other actual and reasonable fees, cost and expenses associated therewith; (iv) any and all actual and reasonable costs, fees and expenses incurred by Landlord and paid or payable by NVRC arising in connection with Landlord's actual or threatened pursuit of any of its rights and remedies under the Prime Lease associated with NVTA's default hereunder, including but not limited to attorneys' fees and court costs and (v) any and all actual and reasonable costs, fees and expenses incurred by NVRC in pursuit of its rights and remedies associated with NVTA's default hereunder, including but not limited to attorneys' fees and court costs

14. Removal of Subtenant's Property. Upon the expiration or any termination of this Sublease, NVTA shall remove NVTA's articles of personal property, equipment and trade fixtures, as well as all cabling, wiring and servers brought onto the Sublease Premises by NVTA. NVTA shall repair any injury or damage to the Sublease Premises which may result from such removal and shall restore the Sublease Premises to the same condition as prior to the installation thereof, and otherwise in the condition required under the Prime Lease upon any expiration or termination of the Prime Lease.

15. Waiver by Subtenant. NVTA unconditionally and irrevocably hereby waives, releases and remises any and all claims and demands against Landlord and NVRC and each of their respective officers, directors, partners, agents and employees (collectively, the "Indemnified Parties") for injury or damage to person, property or business sustained in or about the Sublease Premises, other than by reason of the gross negligence or willful misconduct of any of the Indemnified Parties and except in any case which would render this release and waiver void under applicable law.

16. Indemnity by NVTA. Except in the event of the gross negligence or willful misconduct of the Indemnified Parties (as defined above), NVTA agrees to indemnify, defend and hold harmless each of the Indemnified Parties from and against any and all claims, demands, injuries, costs and expenses of every kind and nature, including reasonable attorneys' fees and litigation expenses, arising out of bodily injury, death or property damage relating to: (i) NVTA's use and occupancy of the Premises, the Sublease Premises and/or the Building, (ii) any breach or default on the part of NVTA in the performance of any agreement or covenant of NVTA to be performed under or pursuant to the terms of this Sublease, and (iv) any act or neglect of NVTA or its agents, officers, employees, guests, servants, invitees or customers in or about the Premises, the Sublease Premises and/or the Building. In case any such proceeding is brought against any Indemnified Parties NVTA agrees, if requested by NVRC, to defend such proceeding at NVTA's sole cost and expense by legal counsel reasonably satisfactory to NVRC.

17. Repairs and Compliance. Except with respect to Landlord's duties under the Prime

Lease, or NVRC's duties as may be otherwise set forth in the Sublease, NVTA shall, at NVTA's sole expense: (i) be responsible for ordinary and routine cleaning, maintenance and repair of the Sublease Premises; and (ii) comply with all applicable laws and ordinances, and all orders, rules and regulations of all governmental authorities and of all insurance bodies and their fire prevention engineers at any time in force applicable to NVTA's occupancy, use or manner of use of the Sublease Premises.

18. Rules. NVTA agrees to comply with all rules and regulations that Landlord has made or may hereafter from time to time make for the Building in accordance with the terms of the Prime Lease. Neither Landlord nor NVRC shall not be liable to NVTA in any way for damage caused by the non-observance by any of the other tenants of the Building of such similar covenants in their leases or of such rules and regulations.

19. Assignment or Subletting. NVTA shall not assign, transfer, or convey any right, title or interest under this Sublease or permit the occupancy of the Sublease Premises or any part thereof by anyone other than NVTA and its permitted officers, directors, agents and employees without the prior express written consent of NVRC.

20. Rent Adjustment. NVTA acknowledges and agrees that commencing on February 1, 2023, the Sublease Premises were increased in size by approximately 351 SF and that additional rent is due and owing by NVTA to NVRC from such date through and including the Effective Date in the amount of \$\_\_\_\_\_. The foregoing amount shall be paid by NVTA to NVRC within ten (10) business days of the receipt by NVTA of a fully executed copy of the Third Amendment.

21. General Provisions.

(a) This Sublease may be executed in multiple original counterparts, all of which when taken together shall constitute one and the same instrument.

(b) The laws of the Commonwealth of Virginia shall govern the interpretation, validity, performance, and enforcement of this Agreement without regard to Virginia's conflicts of laws provisions. Further, the parties hereto hereby consent to the exclusive jurisdiction and proper venue of any court of law located in Fairfax County, Virginia as a proper forum for any party to bring a legal action to enforce this Sublease.

(c) This Sublease contains the entire understanding and agreement of the parties with respect to the matters covered and the transactions contemplated hereby and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent, broker, or attorney of any party hereto, which is not contained herein shall be valid or binding. The parties shall not be bound by, nor shall they rely upon, any oral term, covenant, condition, statement, warranty, or representation other than as set forth in this Sublease. This Sublease may not be altered, modified, or changed except in a writing signed by each party.

(d) No waiver of any default by any party will be implied from the failure by the other party to take any action in respect of such default. No purported or alleged waiver of any of the provisions of this Agreement shall be valid or effective unless in writing and signed by the party against whom such waiver is sought to be enforced.

(e) In any litigation that arises from or relates to this Sublease, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and other litigation expenses from the other party. Each party hereby waives its right to a jury trial with respect to any action or claim arising out of

any dispute in connection with this Sublease or the other documents to which reference is made in this Sublease.

(f) In connection with any construction and interpretation of this Sublease: each party and its counsel have reviewed and revised (or requested revisions of) this Sublease, and therefore any usual rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in connection with any construction or interpretation of this Sublease.

(g) Each party represents, warrants, and covenants to the other that they have full authority to execute and deliver and perform this Agreement and that there are no consents required therefor that have not been obtained.

(h) Nothing contained in this Agreement, including the establishment and creation of any easements granted or contemplated herein, shall be deemed to constitute the dedication of any portion of the Grantor Parcel or the Grantee Parcels to public use.

(i) It is the express intention of the Parties that this Sublease shall be strictly limited to the purposes expressed herein and that, except as herein expressly provided, no third-party beneficiaries, rights, or remedies shall be created by this Sublease.

(j) Time is of the essence as to all matters under this Sublease.

(k) Except as expressly set forth herein, no easement created hereunder shall be presumed abandoned by non-use or the occurrence of damage or destruction of a portion of the real property subject to such easement unless Grantee states in writing its intention to abandon such easement.

To signify your acceptance of the terms and conditions set forth above please sign a copy of this letter and return it to me at your earliest convenience.

Sincerely,

Accepted By:

Northern Virginia Regional  
Commission

Northern Virginia Transportation  
Authority

\_\_\_\_\_  
Robert W. Lazaro, Jr.  
Executive Director

\_\_\_\_\_  
Monica Backmon  
Chief Executive Officer,

Date: \_\_\_\_\_

Date: \_\_\_\_\_

*A regional council composed of Arlington, Fairfax, Loudoun, Prince William counties, the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, and the towns of Dumfries, Herndon, Leesburg, and Vienna*

**NVRC - Proposal Evaluation 1.26.23**

3040 Willams Drive  
Suite 200  
Fairfax, VA 22031

Total Rentable Area 18,746 rsf  
Lease Commencement 10/1/2014  
Lease Expiration Date 7/31/2025  
Lease Anniversary Date 1-Oct  
Analysis Start Date 1-May

**Current Rent Obligations For 5/1/23 - 7/31/25**

	Monthly	Annual	PSF	OpEx/RET	TOTAL RENT	Total PSF
		\$ -			\$ -	
5/1/23 - 9/30/23	\$ 50,438.75	\$ 252,193.75	\$ 32.29	\$ 1,544.40	\$ 253,738.15	\$ 32.49
10/1/23 - 9/30/24	\$ 51,699.72	\$ 620,396.64	\$ 33.09	\$ 2,071.32	\$ 622,467.96	\$ 33.21
10/1/24 - 7/31/25	\$ 52,992.21	\$ 529,922.10	\$ 33.92	\$ 1,726.10	\$ 531,648.20	\$ 34.03
					<b>\$ 1,407,854.31</b>	

**LANDLORD COUNTER PROPOSAL 1.17.23**

Total Rentable Area 19,163 11,099 8,064 Base Rent \$ 30.00  
Lease Commencement 5/1/2023 Escalation 2.50%  
Lease Expiration Date 4/30/2033 Abatement 10 Mos  
Lease Anniversary Date 1-May Tenant Improvements (TI's) \$ 25.00  
Analysis Start Date 5/1/2023 TI's toward Rent \$ 10.00

**Rent Calculation**

	Monthly	Annual	PSF	TOTAL RENT	Abatement Calculation
YE 4/30/24	\$ 47,907.50	\$ 574,890.00	\$ 30.00	\$ 574,890.00	\$ 95,815.00
YE 4/30/25	\$ 49,105.19	\$ 589,262.25	\$ 30.75	\$ 589,262.25	\$ 98,210.38
YE 4/30/26	\$ 50,332.82	\$ 603,993.81	\$ 31.52	\$ 603,993.81	\$ 100,665.63
YE 4/30/27	\$ 51,591.14	\$ 619,093.65	\$ 32.31	\$ 619,093.65	\$ 103,182.28
YE 4/30/28	\$ 52,880.92	\$ 634,570.99	\$ 33.11	\$ 634,570.99	\$ 105,761.83
YE 4/30/29	\$ 54,202.94	\$ 650,435.27	\$ 33.94	\$ 650,435.27	
YE 4/30/30	\$ 55,558.01	\$ 666,696.15	\$ 34.79	\$ 666,696.15	
YE 4/30/31	\$ 56,946.96	\$ 683,363.55	\$ 35.66	\$ 683,363.55	
YE 4/30/32	\$ 58,370.64	\$ 700,447.64	\$ 36.55	\$ 700,447.64	
YE 4/30/33	\$ 59,829.90	\$ 717,958.83	\$ 37.47	\$ 717,958.83	
				<b>\$ 6,440,712.14</b>	
				Total Rent Thru 7/31/25	\$ 1,315,150.70
				Rent Abatement Thru 7/31/25	\$ (294,691.01)
				TI Application Toward Rent	\$ (191,630.00)
				Total Rent For Period 5/1/23 - 7/31/25	<b>\$ 828,829.69</b>

**Rent Savings For Period 8/1/23 - 7/31/25**

Current Rent Obligations for Period 5/1/23 - 7/31/25 \$ 1,407,854.31  
Proposed Rent Including Concessions for Period 5/1/23 - 7/31/25 \$ 828,829.69

	ALL SPACE	NVRC	NVTA
<b>TOTAL Savings For Period 5/1/23 - 7/31/25</b>	\$ 579,024.62	\$ 335,364.73	\$ 243,659.89
<b>TOTAL Savings INCLUDING ALL ABATEMENT</b>	\$ 888,634.36	\$ 514,687.30	\$ 373,947.06

## Schedule of Sublease Base Rent

8064 RSF

<u>Period *</u>	<u>Base Rent Per Square Foot</u>	<u>Annualized Base Rent</u>	<u>Monthly Installment</u>
5.1.23 - 4.30.24	\$30.00	\$241,920.00	\$20,160.00
5.1.24 - 4.30.25	\$30.75	\$247,968.00	\$20,664.00
5.1.25 - 4.30.26	\$31.52	\$254,177.28	\$21,181.44
5.1.26 - 4.30.27	\$32.31	\$260,547.84	\$21,712.32
5.1.27 - 4.30.28	\$33.11	\$266,999.04	\$22,249.92
5.1.28 - 4.30.29	\$33.94	\$273,692.16	\$22,807.68
5.1.29 - 4.30.30	\$34.79	\$280,546.56	\$23,378.88
5.1.30 - 4.30.31	\$35.66	\$287,562.24	\$23,963.52
5.1.31 - 4.30.32	\$36.55	\$294,739.20	\$24,561.60
5.1.22 - 4.30.33	\$37.47	\$302,158.08	\$25,179.84

Provided that there is not then an Event of Default by NVTA under the Sublease, Base Rent shall be abated for ten (10) calendar months consisting of months 3, 4, 13, 14, 25, 26, 37, 38, 49, and 50.

\* Dates to be adjusted as required to consistent with Sublease Commencement Date

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

4.

## MEMORANDUM

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** June 1, 2023

**SUBJECT:** Office Space Planning Services

---

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee (Committee) direction on undertaking an examination of office space options.
2. **Suggested Motion:** *I move the NVTA Finance Committee direct the Chief Financial Officer to undertake an examination of office space market options, sign a representation letter with Divaris Real Estate Inc. and provide a report to the Committee as soon as practical.*
3. **Background:**
  - a. The NVTA currently leases office space at 3040 Williams Drive in Fairfax County (Property) through a sub-lease from the Northern Virginia Regional Commission (NVRC).
  - b. NVRC leases the Property from the owner through a property management agency.
  - c. NVRC has presented NVTA with a 10-year lease renewal representing a minimum \$2.7 million commitment.
  - d. NVRC is represented in its negotiations with NVTA and the Property owner by Cambridge Property Group LLC (Mr. Eldridge) and is receiving legal advice from Venable LLP (Mr. Brandenstein Jr.).
  - e. The Commonwealth of Virginia, Department of General Services, Division of Real Estate Services (DRES) offers real estate brokerage, leasing representation, transaction management and strategic real estate planning services through a shared procurement.
  - f. DRES has added NVTA as an Authorized User under contract DGS-131031-Div. with Divaris Real Estate, Inc. (Divaris) a DMBE-certified business.
  - g. The typical transaction covered under the Divaris contract is commission based with the property owner paying the commission. There is a separate fee schedule for specific services with specified hourly rates.
  - h. Based on initial discussions with representatives of Divaris, no out of pocket expenses are expected to be incurred by NVTA.
  - i. A draft representation letter with Divaris Real Estate Inc. is attached.

**Attachment:** NVTA/Divaris representation letter



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

### Representation Letter Under Commonwealth of Virginia, Department of General Services – Master Contract DGS-131031-DIV

June 9, 2023

#### **Project Description:**

**Northern Virginia Transportation Authority (NVTA)  
Sub-lease, Lease, Purchase – Analysis and Representation  
8,500 – 13,500 SF Office Space  
Northern Virginia Region**

The Northern Virginia Transportation Authority (“NVTA”) is an Authorized User under the Commonwealth of Virginia, Department of General Services – Master Contract DGS-131031-DIV, and has appointed Divaris Real Estate, Inc. (“Divaris”) to represent NVTA as tenant agent in the above cited real estate transaction.

We authorize Divaris to represent NVTA in all negotiations with the landlord and any of the landlord’s agents or representatives. We request that all such prospective landlord representatives cooperate fully and coordinate all related activities through Divaris.

We understand and expect the landlord/owner of the property will pay Divaris a commission or other fee that is normal and customary in the marketplace for representation of tenants in the event the transaction is completed. Proposal(s) or contracts resulting from such representation should provide for such payment.

Should you have any questions I can be reached by telephone at 571-355-3512 or by email at [mlonghi@thenovaauthority.org](mailto:mlonghi@thenovaauthority.org).

The contact for Divaris is Joe Farina and he can be reached by telephone at 571-620-5142 or by email at [jfarina@divaris.com](mailto:jfarina@divaris.com).

We look forward to working with you on this transaction.

Sincerely,

Michael Longhi  
Chief Financial Officer  
Northern Virginia Transportation Authority

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

5.

## MEMORANDUM

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** June 1, 2023

**SUBJECT:** Sole Source Procurement Declaration

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1. **Purpose:** To advise the Northern Virginia Transportation Authority (NVTA) Finance Committee (Committee) of a Sole Source Procurement.
2. **Background:**
  - a. NVTA Policy 12 – Procurement, Section VI requires the Committee to be advised if a Sole Source procurement is utilized under Code of Virginia 2.2-4303-E.
  - b. The City of Fairfax (City) applied for and received funding for project 2018-47-1 Intersection Improvements at Eaton Place/Chain Bridge Road in the FY2018-2023 Six Year Program.
  - c. As part of NVTA’s funding decision and as required by the Code of Virginia, the project was evaluated using a computer simulated model. Per the City’s application submission, a roundabout at Eaton Place and Chain Bridge Road was evaluated. The NVTA contracted for the computerized model processes with AECOM.
  - d. The City wishes to modify the approved scope of the project, removing the roundabout and replacing that feature with two signalized intersections and several access point improvements.
  - e. Prior to authorizing the change in the project scope, the NVTA is required to rerun the computer simulated model to evaluate if the project’s TransAction ranking and Congestion Reduction Relative to Cost score is equal to or better than the score originally received.
  - f. Since AECOM did the TransAction work within which this project was originally modeled and ranked, they have the computer model already set up and the associated regional data on hand.
  - g. To have another firm recreate the TransAction model for this one project would cost more than \$100K and take an extensive amount of time. TransAction contracts stipulate we may come back and task work such as this upon mutual agreement.
  - h. There is no budget impact for NVTA as the City will pay the AECOM costs associated with the remodeling.
  - i. A copy of the Memorandum of Agreement with the City is attached.

**Attachment:** NVTA – City of Fairfax Memorandum of Agreement



## Memorandum of Agreement

This Memorandum of Agreement ("MOA") is made and entered into on MAY 30 2023  
by and between:

Northern Virginia Transportation Authority  
(NVTA) 3040 Williams Dr. Suite 200  
Fairfax, VA 22031

and

City of Fairfax, Virginia (City)  
10455 Armstrong St.  
Fairfax, VA 22030

### **Background:**

The City applied for and received funding from the NVTA for the 2018-047"-1 Intersection Improvements at Eaton Place/Chain Bridge Road Project (the "Project") in the FY2018-2023 Six Year Program. As part of NVTA's funding decision process, and as required by the Code of Virginia, this project was evaluated using a computer simulated model. Per the City's application submission, a roundabout at Eaton Place and Chain Bridge Road was evaluated using the computer simulation. The NVTA contracted for these computerized model processes with AECOM.

The City wishes to modify the approved scope of the Project, removing the roundabout and replacing that feature with two signalized intersections with several access point Improvements. Prior to authorizing the change in Project scope, the NVTA is required to rerun the evaluation model to determine if the Project's TransAction ranking and Congestion Reduction Relative to Cost score is equal to or better than the score originally received.

### **Description:**

To facilitate the required Project re-evaluation, NVTA proposes to procure, via sole source, the computerized model processing with AECOM, using the same model platform and data points, with the above noted changes in the Project description. A proposal (Proposal) from AECOM dated April 19, 2023, is attached to this MOA for mutual reference (the "Scope of Work").

The City agrees that the Scope of Work reflects its desired Project changes and agrees to pay the total costs of the model run (inclusive of any adjustments) invoiced to NVTA by AECOM.

The NVTA agrees to conduct discussions with AECOM, as its work evolves, transparently with the City, with the intention that the City is informed of and has the opportunity to discuss any changes to the Scope of Work, schedule and costs.

If the City wishes to terminate the request for the model run, it agrees to pay all charges from AECOM invoiced to NVTA that were accrued as of the point of stop work/termination.

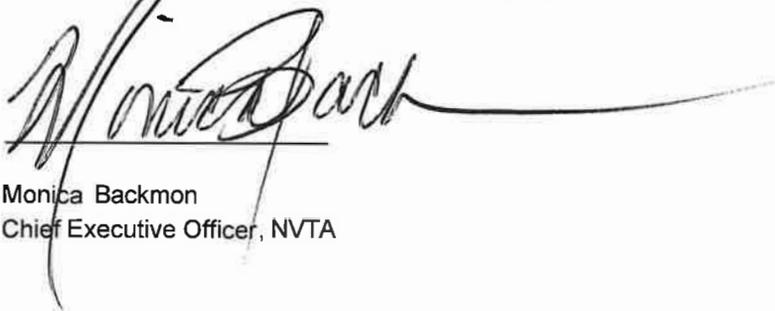
**Terms:**

This MOA shall take effect on the date of execution. NVTA will promptly execute a sole source procurement with AECOM, at which time a work schedule will be mutually agreed to in writing between NVTA, the City, and AECOM.

The Parties agree that NVTA acts only as fiscal agent in its contract with AECOM, and the City is solely responsible for payment of all charges incurred from AECOM in its performance of the work in the Proposal. The City will remit payment to NVTA of the associated AECOM invoice(s) within 30 days of presentment to the City.

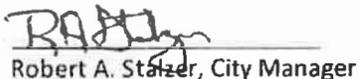
**Signatory Authority:**

By the signatures below the NVTA and the City agree to the terms contained in this MOA.



A handwritten signature in black ink, appearing to read 'Monica Backmon', written over a horizontal line.

Monica Backmon  
Chief Executive Officer, NVTA



A handwritten signature in black ink, appearing to read 'Robert A. Stalzer', written over a horizontal line.

Robert A. Stalzer, City Manager

Approved as to form:



A handwritten signature in black ink, written over a horizontal line.

City Attorney



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

**NVTA TransAction 2040 Update (RFP #2015-01)**

**Contract Amendment #8**

**Sole Source Agreement and Notice to Proceed**

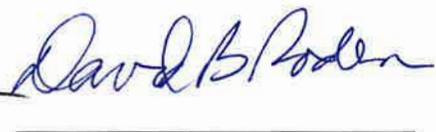
**May 18, 2023**

The purpose of this amendment is to extend the term of the contract as mutually agreed below:

1. This is a Sole Source procurement under NVTA Policy 12 – Procurement, Section VI. Sole Source Purchases. AECOM has been determined to be the sole practical source to complete the Replace Eaton PL/Chain Bridge Road Roundabout with a Signalized Intersection Analysis.
2. The Scope of Work and cost is contained in the attached AECOM proposal dated April 19, 2023.
3. NVTA and AECOM will document a project schedule within 5 business days of the finalization of this agreement. The City of Fairfax is required to concur with the schedule. The schedule will be documented via email.
4. This Agreement will not preclude AECOM from competing for any current or future contract opportunities with the NVTA.
5. No retainages related to this work will be held by NVTA.
6. AECOM will bill NVTA for the full contract amount, on a Net 20 basis, upon acceptance of the final analysis by the NVTA and the City of Fairfax.
7. Additional task orders will be mutually agreed upon and will comply with the Virginia Public Procurement Act as well as NVTA's procurement policy.

  
\_\_\_\_\_  
Monica Backmon  
NVTA Chief Executive Officer

May 30, 2023  
Date

  
\_\_\_\_\_  
David B. Roden  
AECOM Technical Services, Inc

May 18, 2023  
Date



AECOM  
3101 Wilson Blvd  
Suite 600  
Arlington, VA 22201  
www.aecom.com

703 340 3100 tel  
703 340 3101 fax

April 19, 2023

Mr. Michael Longhi  
Chief Financial Officer  
Northern Virginia Transportation Authority  
3040 Williams Drive, Suite 200  
Fairfax, VA 22031

Dear Mr. Longhi:

**Re: FY2018-2023 Six Year Program -- Replace Eaton Pl/Chain Bridge Rd Roundabout with a Signalized Intersection.**

This letter outlines the plan for updating the analysis of project 2018-047-0 – Intersection Improvements at Eaton Place/Chain Bridge Road originally included in NVTA’s FY2018-2023 Six Year Program. The previous analysis evaluated a Roundabout at Eaton Place and Chain Bridge Road in the City of Fairfax. The City would now like to re-submit this project as two signalized intersections with several access road improvements. The original and proposed changes are shown in the attached graphics. Details regarding the proposed signal timing and phasing plans should be provided by the City of Fairfax prior to initiating the analysis. AECOM reserves the right to adjust our cost and schedule estimates once the proposed project changes are clearly defined.

As part of our standard evaluation of proposed projects for NVTA funding, AECOM will deliver:

- A summary of person hours of delay with and without the proposed project for the two analysis years included in the original FY2018-2023 Six Year Program (2025 and 2040). These data will be provided in spreadsheets and visualized on maps.
- A summary of TransAction (formerly HB599) project ratings for 2040 with the updated project results replacing the original project in the relative scores and ratings assuming all other projects submitted for evaluation in the FY2018-2023 Six Year Program remain the same. These data will be provided in a spreadsheet and discussed in a technical memorandum.

We have added a model setup and validation task to this effort for extracting the model and data from our archives and re-running the base model to confirm that we can replicate the 2019 process.

In addition, NVTA may asked AECOM to participate in meetings with NVTA staff, City of Fairfax staff, and the Authority Board. We have assumed a total of three (3) meetings with two staff participants for cost estimating purposes.



This work can be completed one month after notice to proceed assuming all project details and coordination meeting can be scheduled in a timely way.

Our cost estimate is outlined below. As requested, the project costs without the Transaction 2040 ratings and City Council / NVTA Board meeting would be \$20,300.

Tasks	Project Manager	Senior Transportation Modeler	Transportation Modeler	Total
	\$338.98	\$209.12	\$121.86	Hours
Model Setup and Validation	2	8	16	26
Project Initiation Meeting	2	2		4
Network Coding	-	2	16	18
2025 Model Application	1	2	8	11
2040 Model Application	1	2	8	11
2025 and 2040 Person Hours of Delay Summary	2	4	8	14
Change in Volume and Delay Maps in the Impact Area	2	4	12	18
Presentation of Results and Response to Questions	4	6	8	18
TransAction 2040 15-Performance Measure Analysis	2	8	20	30
Updated TransAction Project Rates	2	4	12	18
City Council / NVTA Board Meeting (includes meeting preparation)	8	8	4	20
	26	50	112	188
<b>Totals</b>	\$8,813	\$10,456	\$13,648	\$32,918

If you have any questions or wish to discuss these plans, I can be contacted by telephone at 703-340-3069 or by email at David.Roden@aecom.com.

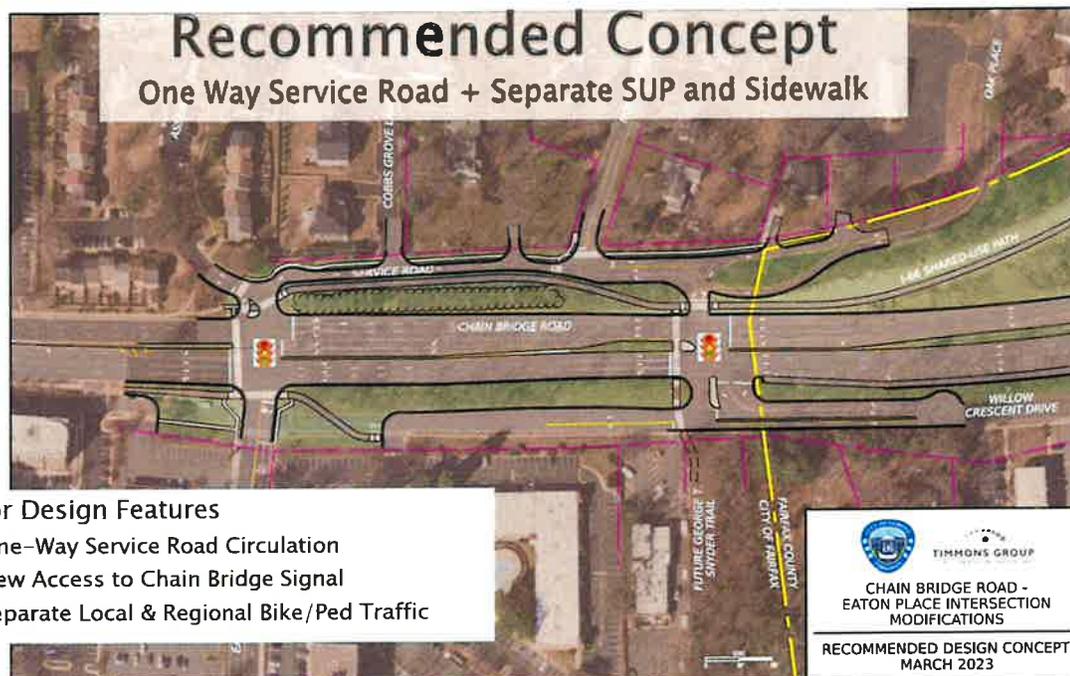
Very truly yours,

David B. Roden  
Senior Consulting Manager  
AECOM Technical Services, Inc.

Figure 1: Original Roundabout Project



Figure 2: Proposed Intersection Project



**RESOLUTION NO. R-23-17**

**RESOLUTION ENDORSING THE CHAIN BRIDGE ROAD/EATON PLACE DESIGN**

**WHEREAS**, the City has developed preliminary engineering plans for operational improvements to the Chain Bridge Road/Eaton Place intersection; and

**WHEREAS**, the plans were updated from the 2018 plans based on modified conditions in the corridor; and

**WHEREAS**, the City has refined the updated plans based on public input received from the City Council and the community; and

**WHEREAS**, the recommended elements of the plan include the following:

- Conversion of the west side service road to one-way inbound from Chain Bridge Road
- Construction of a new exit for Cobbdale vehicular traffic via a new traffic signal (being installed by VDOT) north of Eaton Place
- Construction of a residential sidewalk on the west side of the western service road to enable consolidation of the school bus stops
- Construction of a separate shared use path on the west side service road between the new traffic signal and Eaton Place (to extend the SUP being installed by VDOT north of new signal)
- Implementation of a buffer management plan on the west side buffer to remove dead trees, remove vines from healthy trees, and add supplemental vegetation
- Closing of the service road access points from Eaton Place on the east side of the intersection

**WHEREAS**, the City is ready to advance the plans through final engineering and will continue to evaluate other issues identified through the public process including SUP design and landscaping impacts; and

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Fairfax, Virginia that the City Council endorses the design for the Chain Bridge Road/Eaton Place intersection as shown in the attached exhibit and directs staff to submit this design to the NVTVA for project rescoring.

Adopted: April 11, 2023



Mayor

ATTEST:



City Clerk

The vote on the motion to approve was recorded as follows:

**VOTE:**

Councilmember Bates	Aye
Councilmember Doyle Fcingold	Naye
Councilmember Greenfield	Naye
Councilmember Lim	Aye
Councilmember Ross	Aye
Councilmember Stehle	Aye

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**MEMORANDUM**

6.

**TO:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

**FROM:** Dev Priya Sen, Investment & Debt Manager

**DATE:** June 1, 2023

**SUBJECT:** Investment Portfolio Report

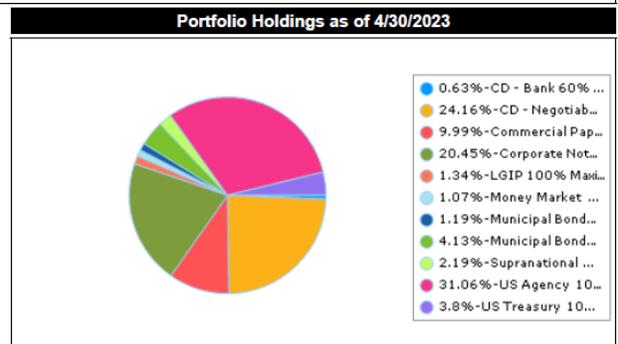
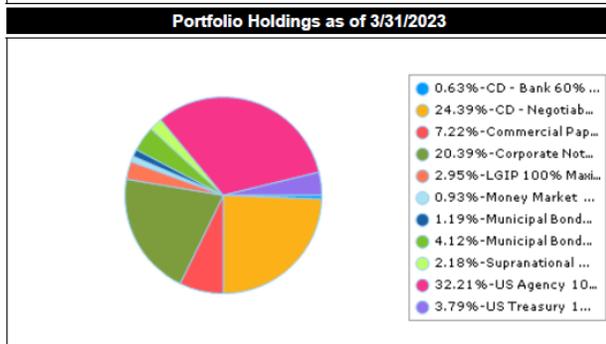
1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee with required reports on investment activities and portfolio performance through April 30, 2023.
2. **Background:** This report is on investment activity through April 2023 and affirms the portfolio’s investments were acquired based on safety, liquidity, and then yield. This report summarizes the portfolio structure and adherence to the NVTA Investment Policy.
3. **Current Period Reports:**
  - a. The safety of the portfolio is reflected in the actual composition of the portfolio as shown below.



**Northern Virginia Transportation Authority**  
**Distribution by Asset Category - Book Value**  
Report Group: Regional Revenue

Begin Date: 3/31/2023, End Date: 4/30/2023

<b>Asset Category Allocation</b>				
Asset Category	Book Value 3/31/2023	% of Portfolio 3/31/2023	Book Value 4/30/2023	% of Portfolio 4/30/2023
CD - Bank 60% Maximum	10,107,695.95	0.63	10,107,695.95	0.63
CD - Negotiable 25% Maximum	391,600,834.99	24.39	386,591,680.47	24.16
Commercial Paper 35% / 5% Maximum	115,951,252.65	7.22	159,847,933.18	9.99
Corporate Notes 50% Maximum	327,388,210.62	20.39	327,286,348.19	20.45
LGIP 100% Maximum	47,290,693.06	2.95	21,439,457.34	1.34
Money Market 60% Maximum	14,932,374.39	0.93	17,053,494.06	1.07
Municipal Bonds - US 75% Maximum	19,140,771.58	1.19	19,125,133.87	1.19
Municipal Bonds - Virginia 75% Maximum	66,097,235.25	4.12	66,082,206.96	4.13
Supranational 15% Maximum	35,006,804.98	2.18	35,005,947.22	2.19
US Agency 100% Maximum	517,069,289.31	32.21	497,070,663.19	31.06
US Treasury 100% Maximum	60,813,072.99	3.79	60,841,273.32	3.80
<b>Total / Average</b>	<b>1,605,398,235.77</b>	<b>100.00</b>	<b>1,600,451,833.75</b>	<b>100.00</b>



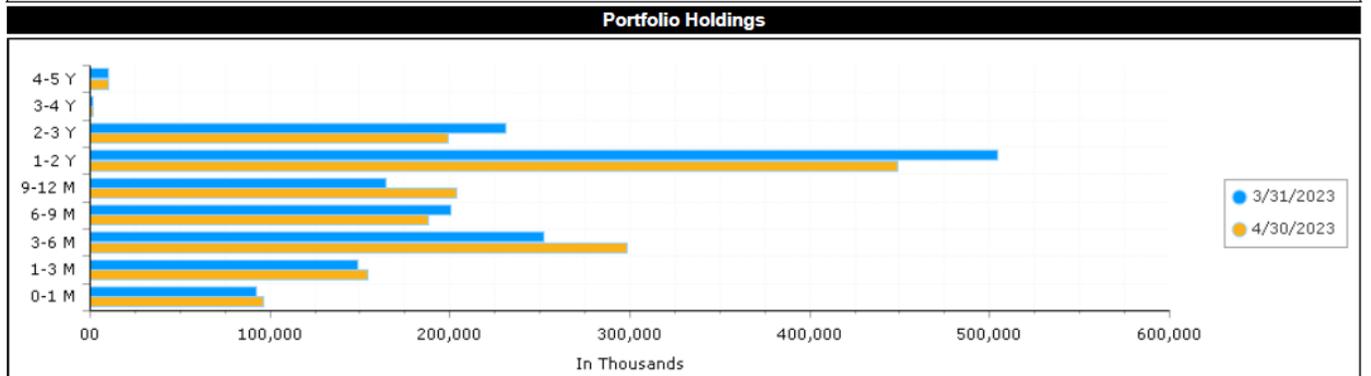
- b. The liquidity of the portfolio is reflected in the portfolio's duration as 0.99 (1.0 = 1 year) and the maturity schedule is shown below.



**Northern Virginia Transportation Authority  
Distribution by Maturity Range - Book Value  
Report Group: Regional Revenue**

Begin Date: 3/31/2023, End Date: 4/30/2023

Maturity Range Allocation				
Maturity Range	Book Value 3/31/2023	% of Portfolio 3/31/2023	Book Value 4/30/2023	% of Portfolio 4/30/2023
0-1 Month	92,223,067.45	5.74	96,722,074.68	6.04
1-3 Months	148,992,045.12	9.28	153,932,129.35	9.62
3-6 Months	252,211,894.27	15.71	298,776,706.10	18.67
6-9 Months	200,272,444.74	12.47	187,930,415.26	11.74
9-12 Months	164,605,872.98	10.25	203,881,308.63	12.74
1-2 Years	504,171,430.43	31.40	448,887,542.46	28.05
2-3 Years	231,297,953.98	14.41	198,701,330.65	12.42
3-4 Years	1,623,526.80	0.10	1,620,326.62	0.10
4-5 Years	10,000,000.00	0.62	10,000,000.00	0.62
<b>Total / Average</b>	<b>1,605,398,235.77</b>	<b>100.00</b>	<b>1,600,451,833.75</b>	<b>100.00</b>



- c. The yield on the portfolio at the end of April 2023 was 2.70%. The NVTA's Investment Policy specifies the benchmarks shown below for yield performance comparison.

NVTA Investment Benchmarks	Apr-23 Month End
Fed Funds Rate	4.83%
Treasury 90 Day T Bill	5.10%
Local Government Investment Pool	5.06%
Virginia Non-Arbitrage Program	5.04%
<b>NVTA Performance</b>	<b>2.70%</b>

Source: Bloomberg/NVTA Statements

**4. Portfolio Analysis & Statistics Overview:**

- a. **Safety:** The portfolio is invested primarily in:

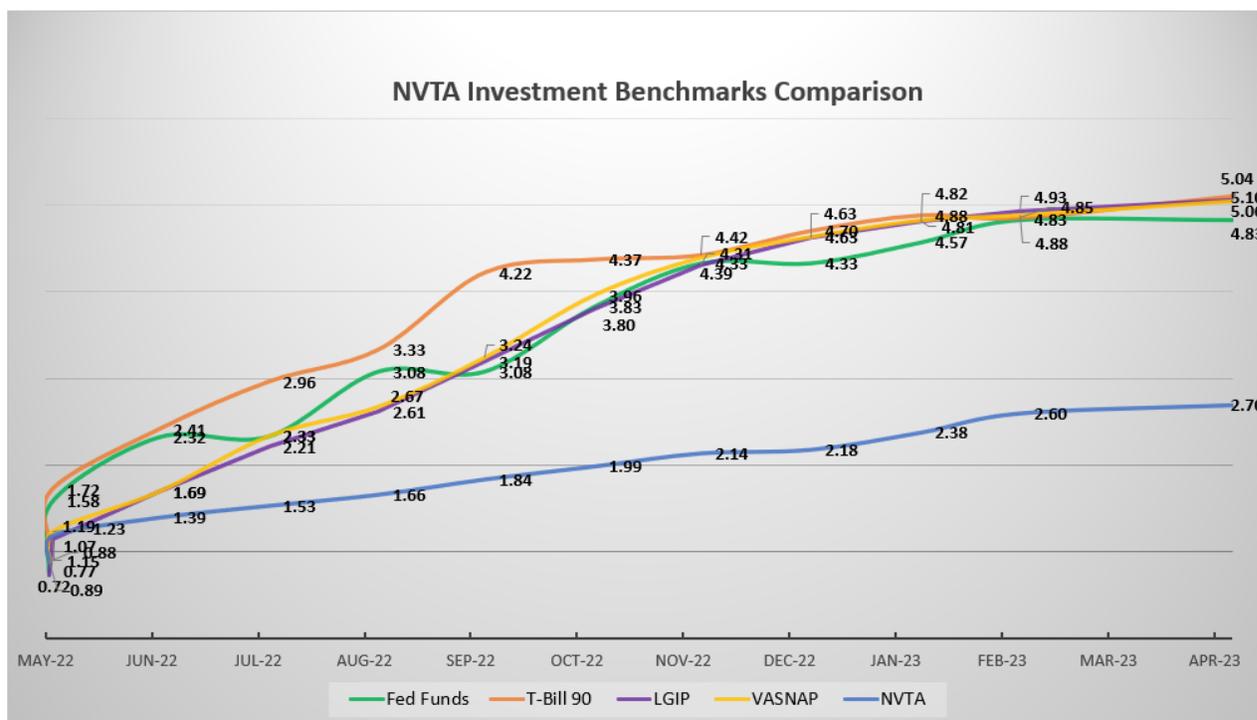
- Local Government Investment Pools (2.95% to 1.34%)
- Collateralized bank money market accounts (1.56% to 1.70%)
- Commercial Paper (7.22% to 9.99%)
- Negotiable CD's (24.39% to 24.16%)
- AAA/AA rated investment grade corporate bonds (20.39% to 20.45%)

- Supranational Securities (2.18% to 2.19%)
- Treasuries and Agencies (36.00% to 34.86%)
- VA & US Municipals (5.31% to 5.32%)

**b. Liquidity:** The NVTA Portfolio duration is 0.99 in April 2023 (1.0 = 1 year). Feds are leaning towards pausing a temporary interest rate increase at their meeting in June to get a better read of how much more tightening would be needed. NVTA staff continues to ladder maturities such that approximately \$40-\$60 million of securities mature each month. This results in monthly opportunities to re-invest at increasing rates of return while keeping safety in mind.

**c. Yield:** Economists are anticipating a rate skip at the Fed’s meeting in June before embarking on an easing cycle in the fall.

- Staff’s current strategy of re-investing maturities and monthly revenue is by keeping a two-three year maturity profile to lock the duration before the Fed begins lowering interest rates.
- After the recent banking turmoil, as a precautionary measure, Staff reached out to NVTA’s community banks to ensure the stability of their deposit programs. As such, it is important to ensure that they have the necessary resources and support to weather any potential challenges. The Federal Reserve has noted that the U.S. banking system is sound and resilient.
- Staff is closely monitoring the developing situation of the U.S. Debt Ceiling and its market impact. Policymakers may also weigh the options for a short-term extension of the debt ceiling to avoid the country defaulting on its debts.
- NVTA holds two Credit Suisse Negotiables CDs that are set to mature in October 2023 and January 2024. With the news of UBS Financial Services acquiring Credit Suisse, the credit rating for these short-term instruments is continuing to be on a positive watch.



- 5. Custodian Certification:** Truist Bank is the custodian of all NVTA's investment purchases and is where all NVTA's non-deposit investments are held. Deposit type investments are protected through the Commonwealth of Virginia collateralization program or FDIC Insurance.
- 6. Policy Required Reports:** The attached Compliance - GASB 40 Report addresses specific Investment Policy requirements regarding the purchase and holding of securities. This report is fundamental for the Authority's Annual Financial Statements and annual audit. The attached report documents:
- **Compliance – Investment Policy, Summary:** The report shows the percentage of the portfolio by each type of investment.
  - **Investment Portfolio – By Maturity Range:** The report shows the yield to maturity and percentage of the portfolio which each type of investment represents.
  - **Portfolio Holdings by Custodian:** This report shows each depository, investment firm, or custodian holding NVTA securities or cash.

**Attachment:** Compliance - GASB 40 Report



## Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

### Portfolio Holdings Compliance - GASB 40 Report - As of 4/30/2023

Description	CUSIP/Ticker	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	YTM @ Cost	Duration To Maturity
Certificate Of Deposit													
Bayerische Landesbank3.88 6/27/2024	0727MCXE2	20,000,000.00	20,018,032.18	19,771,600.00	Fitch-F1	Moodys-P1	1.25	424	424	6/27/2024		3.816	1.14
Bayerische Landesbank 3.88 7/26/2024	0727MCXA0	30,000,000.00	30,028,797.97	29,631,600.00	Fitch-F1	Moodys-P1	1.87	453	453	7/26/2024		3.799	1.21
Credit Suisse 0.68 10/10/2023	22552G4R8	15,000,000.00	15,004,025.57	14,712,300.00	S&P-A1	Moodys-P1	0.94	163	163	10/10/2023		0.619	0.45
Credit Suisse 0.75 1/10/2024	22552G4T4	15,000,000.00	15,005,185.64	14,565,900.00	S&P-A1	Moodys-P1	0.94	255	255	1/10/2024		0.700	0.71
HSBC Bank 5.58 4/19/2024	40435RQV6	25,000,000.00	25,000,000.00	25,024,000.00	S&P-A1	Moodys-P1	1.56	355	355	4/19/2024		5.580	0.97
John Marshall Bank 5.01 1/15/2024	JMBCD01152024	10,107,695.95	10,107,695.95	10,107,695.95	None	None	0.63	260	260	1/15/2024		5.010	0.71
Natixis 4.86 9/22/2023	63873QWS9	21,000,000.00	21,000,000.00	20,941,410.00	S&P-A1	Moodys-P1	1.31	145	145	9/22/2023		4.860	0.40
Natixis 5.56 10/24/2023	63873QXG4	25,000,000.00	25,000,000.00	24,999,250.00	S&P-A1	Moodys-P1	1.56	177	177	10/24/2023		5.560	0.49
Nordea Bank2.6 12/20/2023	65558USB9	25,000,000.00	25,009,236.84	24,615,500.00	S&P-A1+	Moodys-P1	1.56	234	234	12/20/2023		2.540	0.65
Rabobank 3.57 8/2/2024	21684XYT7	18,500,000.00	18,500,000.00	18,172,735.00	S&P-A1	Moodys-P1	1.15	460	460	8/2/2024		3.570	1.24
Royal Bank of Canada 4.27 10/13/2023	78015JD61	25,000,000.00	25,007,669.62	24,859,250.00	S&P-A1	Moodys-P1	1.56	166	166	10/13/2023		4.199	0.46
Standard Chartered Bank 0.35 6/16/2023	85325VQ37	25,000,000.00	25,000,647.88	24,844,000.00	S&P-A1	Moodys-P1	1.56	47	47	6/16/2023		0.330	0.13
Standard Chartered Bank 0.36 7/20/2023	85325VQ60	30,000,000.00	30,002,012.73	29,681,400.00	S&P-A1	Moodys-P1	1.87	81	81	7/20/2023		0.330	0.23
Swedbank 0.95 10/22/2024	87019V4A2	22,000,000.00	22,016,072.04	20,682,640.00	S&P-A1	Moodys-P1	1.37	541	541	10/22/2024		0.899	1.50
Swedbank 5.36 11/17/2023	87019WEX9	25,000,000.00	25,000,000.00	24,977,750.00	S&P-A1	Moodys-P1	1.56	201	201	11/17/2023		5.360	0.56
TD Bank 3.63 6/27/2023	89114WZS7	20,000,000.00	20,000,000.00	19,950,400.00	S&P-A1	Moodys-P1	1.25	58	58	6/27/2023		3.630	0.16
TD Bank 3.75 7/11/2023	89115B5E6	30,000,000.00	30,000,000.00	29,906,700.00	S&P-A1	Moodys-P1	1.87	72	72	7/11/2023		3.750	0.20
TD Bank 4.02 8/16/2023	89115BHE3	15,000,000.00	15,000,000.00	14,934,150.00	S&P-A1+	Moodys-P1	0.94	108	108	8/16/2023		4.020	0.30
Sub Total / Average Certificate Of Deposit		396,607,695.95	396,699,376.42	392,378,280.95			24.73	230	230			3.260	0.63
Corporate													
Apple0.75 5/11/2023	037833DV9	5,000,000.00	5,000,705.63	4,995,050.00	S&P-AA+	Moodys-Aaa	0.31	11	11	5/11/2023		0.280	0.03
Apple2.4 5/3/2023	037833AK6	2,500,000.00	2,500,421.76	2,499,075.00	S&P-AA+	Moodys-Aaa	0.16	3	3	5/3/2023		0.340	0.01
Apple2.85 5/11/2024-24	037833CU2	2,135,000.00	2,186,734.52	2,096,377.85	S&P-AA+	Moodys-Aaa	0.13	377	316	5/11/2024	3/11/2024	0.484	1.01
Apple2.85 5/11/2024-24	037833CU2	10,000,000.00	10,246,879.32	9,819,100.00	S&P-AA+	Moodys-Aaa	0.62	377	316	5/11/2024	3/11/2024	0.442	1.01
Apple3.45 5/6/2024	037833AS9	10,000,000.00	10,318,449.74	9,858,300.00	S&P-AA+	Moodys-Aaa	0.62	372	372	5/6/2024		0.310	0.99
Barclays Capital 0 1/12/2024	06744G4W9	25,000,000.00	24,054,097.30	24,107,500.00	S&P-A1	Moodys-P1	1.56	257	257	1/12/2024		5.517	0.70
Barclays Capital 0 12/14/2023	06744G5M0	20,000,000.00	19,347,666.54	19,367,000.00	S&P-A1	Moodys-P1	1.25	228	228	12/14/2023		5.326	0.62
Barclays Capital 0 8/23/2023	06743VVP2	23,000,000.00	22,628,965.22	22,640,280.00	S&P-A1	Fitch-F1	1.43	115	115	8/23/2023		5.203	0.32
Exxon Mobil 2.019 8/16/2024-24	30231GBC5	10,000,000.00	10,168,821.92	9,684,700.00	S&P-AA-	Moodys-Aa1	0.62	474	443	8/16/2024	7/16/2024	0.699	1.28
Exxon Mobil 2.709 3/6/2025-24	30231GAF9	9,500,000.00	9,348,468.27	9,223,075.00	S&P-AA-	Moodys-Aa2	0.59	676	586	3/6/2025	12/6/2024	3.619	1.81
Exxon Mobil 2.992 3/19/2025	30231GBH4	20,000,000.00	19,957,309.02	19,477,200.00	S&P-AA-	Moodys-Aa2	1.25	689	689	3/19/2025		3.110	1.84
Guardian Life 1.1 6/23/2025	40139LAG8	13,000,000.00	12,415,234.42	11,945,830.00	S&P-AA+	Moodys-Aa2	0.81	785	785	6/23/2025		3.320	2.12
Guardian Life 1.1 6/23/2025	40139LAG8	9,456,000.00	8,936,664.95	8,689,212.96	S&P-AA+	Moodys-Aa2	0.59	785	785	6/23/2025		3.829	2.12
IBRD 0.25 11/24/2023	459058JM6	25,000,000.00	25,005,947.22	24,325,500.00	S&P-AAA	Moodys-Aaa	1.56	208	208	11/24/2023		0.208	0.57
International Finance Corp 5 11/15/2027-24	45950VRK4	10,000,000.00	10,000,000.00	10,118,200.00	S&P-AAA	Moodys-Aaa	0.62	1,660	565	11/15/2027	11/15/2024	5.000	4.03
Kookmin Bank 0 8/18/2023	50050FVJ6	10,000,000.00	9,835,916.65	9,850,400.00	S&P-A1	Moodys-P1	0.62	110	110	8/18/2023		5.594	0.30
Mass Mutual Global Funding 0.48 8/28/2023	57629WCV0	15,000,000.00	15,006,673.08	14,761,950.00	S&P-AA+	Moodys-Aa3	0.94	120	120	8/28/2023		0.344	0.33
Mass Mutual Global Funding 0.48 8/28/2023	57629WCV0	15,000,000.00	15,006,680.21	14,761,950.00	S&P-AA+	Moodys-Aa3	0.94	120	120	8/28/2023		0.344	0.33
Mass Mutual Global Funding 2.75 6/22/2024	57629WCE8	5,000,000.00	5,116,246.95	4,876,250.00	S&P-AA+	Moodys-Aa3	0.31	419	419	6/22/2024		0.701	1.12
Mass Mutual Global Funding 3.6 4/9/2024	57629WBV1	7,210,000.00	7,426,605.50	7,084,257.60	S&P-AA+	Moodys-Aa3	0.45	345	345	4/9/2024		0.400	0.93
MetLife 0.45 9/1/2023	59217GEK1	20,000,000.00	20,007,903.00	19,686,200.00	S&P-AA-	Moodys-Aa3	1.25	124	124	9/1/2023		0.333	0.34
MetLife 0.45 9/1/2023	59217GEK1	10,000,000.00	10,005,055.79	9,843,100.00	S&P-AA-	Moodys-Aa3	0.62	124	124	9/1/2023		0.301	0.34
MetLife 0.45 9/1/2023	59217GEK1	13,920,000.00	13,927,063.77	13,701,595.20	S&P-AA-	Moodys-Aa3	0.87	124	124	9/1/2023		0.300	0.34
MetLife 2.8 3/21/2025	59217GEW5	17,500,000.00	17,305,528.81	16,821,700.00	S&P-AA-	Moodys-Aa3	1.09	691	691	3/21/2025		3.420	1.85
Microsoft Corp 3.625 12/15/2023-23	594918AW4	13,000,000.00	13,250,137.05	12,923,300.00	S&P-AAA	Moodys-Aaa	0.81	229	199	12/15/2023	11/15/2023	0.530	0.62
MUFG Bank LTD/NY 0 5/22/2023	62479MSN4	30,000,000.00	29,910,716.67	29,914,500.00	S&P-A1	Moodys-P1	1.87	22	22	5/22/2023		4.973	0.06
MUFG Bank LTD/NY 0 6/20/2023	62479MTL7	15,000,000.00	14,894,174.97	14,897,850.00	S&P-A1	Moodys-P1	0.94	51	51	6/20/2023		5.108	0.14

Description	CUSIP/Ticker	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	YTM @ Cost	Duration To Maturity
Natixis0 10/20/2023	63873KXL6	25,000,000.00	24,401,708.33	24,400,500.00	S&P-A1	Moodys-P1	1.56	173	173	10/20/2023		5.167	0.47
Nestle 3.35 9/24/2023-23	641062AD6	15,665,000.00	15,847,437.12	15,596,074.00	S&P-AA	Moody's-Aa3	0.98	147	116	9/24/2023	8/24/2023	0.437	0.40
New York Life 0.4 10/21/2023	64952WDT7	20,000,000.00	20,008,547.13	19,541,200.00	S&P-AA+	Moody's-Aaa	1.25	174	174	10/21/2023		0.310	0.48
New York Life 0.9 10/29/2024	64952WEJ8	7,500,000.00	7,493,226.75	7,074,300.00	S&P-AA+	Moody's-Aaa	0.47	548	548	10/29/2024		0.961	1.49
New York Life 1.1 5/5/2023	64952WDP5	18,175,000.00	18,177,164.01	18,168,638.75	S&P-AA+	Moody's-Aaa	1.13	5	5	5/5/2023		0.230	0.01
New York Life 2.875 4/10/2024	64952WDG5	4,525,000.00	4,631,439.93	4,435,993.25	S&P-AA+	Moody's-Aaa	0.28	346	346	4/10/2024		0.378	0.94
Pacific Life 1.2 6/24/2025	6944PL2B4	5,000,000.00	4,713,639.89	4,598,300.00	S&P-AA-	Moody's-Aa3	0.31	786	786	6/24/2025		4.050	2.12
PEFCO 0.55 7/30/2024	74274TAG5	10,000,000.00	9,476,047.64	9,495,200.00	Moody's-Aaa	Fitch-AA+	0.62	457	457	7/30/2024		4.960	1.25
Pricoa Global Funding 2.4 9/23/2024	74153WCL1	9,000,000.00	9,211,792.09	8,690,400.00	S&P-AA-	Moody's-Aa3	0.56	512	512	9/23/2024		0.700	1.38
Pricoa Global Funding 2.4 9/23/2024	74153WCL1	10,000,000.00	9,591,019.48	9,656,000.00	S&P-AA-	Moody's-Aa3	0.62	512	512	9/23/2024		5.510	1.38
Standard Chartered Bank 0.01 8/11/2023	85324UVB6	15,000,000.00	14,774,687.50	14,790,000.00	S&P-A1	Moody's-P1	0.94	103	103	8/11/2023		5.535	0.29
USAA Capital 3.375 5/1/2025	90327QD89	10,000,000.00	9,957,365.46	9,707,200.00	S&P-AA	Moody's-Aa1	0.62	732	732	5/1/2025		3.600	1.92
Walmart3.4 6/26/2023-23	931142EK5	10,000,000.00	10,047,084.98	9,973,700.00	S&P-AA	Moody's-Aa2	0.62	57	26	6/26/2023	5/26/2023	0.372	0.16
Sub Total / Average Corporate		526,086,000.00	522,140,228.59	514,096,959.61			32.80	306	280			2.664	0.82
Local Government Investment Pool													
Commonwealth of Virginia LGIP	LGIP0825	12,410.18	12,410.18	12,410.18	S&P-AAA	NR	0.00	1	1	N/A	N/A	5.061	0.00
Commonwealth of Virginia LGIP	LGIP0549	21,427,047.16	21,427,047.16	21,427,047.16	S&P-AAA	NR	1.34	1	1	N/A	N/A	5.061	0.00
Sub Total / Average Local Government Investment Pool		21,439,457.34	21,439,457.34	21,439,457.34			1.34	1	1			5.061	0.00
Money Market													
Freedom Bank ICS MM	MM2554	5,036,374.09	5,036,374.09	5,036,374.09	NR	NR	0.31	1	1	N/A	N/A	4.910	0.00
John Marshall Bank ICS MM	MM60000	6,127,703.81	6,127,703.81	6,127,703.81	NR	NR	0.38	1	1	N/A	N/A	5.160	0.00
Truist MM	MM1006	2,841,227.14	2,841,227.14	2,841,227.14	NR	NR	0.18	1	1	N/A	N/A	4.681	0.00
United Bank Ck MM	MM0667	9,286.00	9,286.00	9,286.00	NR	NR	0.00	1	1	N/A	N/A	0.000	0.00
United Bank MM	MM3272	3,038,903.02	3,038,903.02	3,038,903.02	NR	NR	0.19	1	1	N/A	N/A	4.930	0.00
Sub Total / Average Money Market		17,053,494.06	17,053,494.06	17,053,494.06			1.06	1	1			4.963	0.00
Municipal													
Arlington County 0.79 8/1/2025	041431VG9	7,000,000.00	7,029,527.86	6,465,760.00	S&P-AAA	Moody's-Aaa	0.44	824	824	8/1/2025		0.600	2.23
Calvert County MD 2 5/1/2023	131537T44	2,640,000.00	2,640,115.21	2,640,000.00	S&P-AAA	Fitch-AAA	0.16	1	1	5/1/2023		0.400	0.00
Calvert County MD 2 5/1/2024	131537T51	2,330,000.00	2,364,802.24	2,264,899.80	S&P-AAA	Fitch-AAA	0.15	367	367	5/1/2024		0.500	0.99
Calvert County MD 2 5/1/2025	131537T69	2,620,000.00	2,689,805.63	2,498,405.80	S&P-AAA	Fitch-AAA	0.16	732	732	5/1/2025		0.650	1.95
Carroll CNTY MD 2 11/1/2024	144880CK5	2,385,000.00	2,441,299.05	2,293,630.65	S&P-AAA	Moody's-Aaa	0.15	551	551	11/1/2024		0.420	1.47
Carroll CNTY MD 2 11/1/2025	144880CL3	1,890,000.00	1,956,730.91	1,786,314.60	S&P-AAA	Moody's-Aaa	0.12	916	916	11/1/2025		0.570	2.43
City Richmond GO 2 7/15/2023	76541VWT0	3,000,000.00	3,009,940.99	2,982,240.00	S&P-AA+	Moody's-Aa1	0.19	76	76	7/15/2023		0.400	0.21
City Richmond GO 2 7/15/2024	76541VWU7	3,000,000.00	3,053,928.71	2,902,320.00	S&P-AA+	Moody's-Aa1	0.19	442	442	7/15/2024		0.500	1.19
City Richmond GO 2 7/15/2025	76541VWV5	410,000.00	422,497.34	389,598.40	S&P-AA+	Moody's-Aa1	0.03	807	807	7/15/2025		0.600	2.16
FFX CNTY VA GO 0.645 10/1/2025	30382AKC5	5,000,000.00	5,020,911.19	4,594,600.00	S&P-AAA	Moody's-Aaa	0.31	885	885	10/1/2025		0.470	2.40
Florida State Revenue Bonds 1.258 7/1/2025	341271AD6	7,000,000.00	7,032,380.83	6,514,620.00	S&P-AA	Fitch-AA	0.44	793	793	7/1/2025		1.039	2.14
Loudoun County Economic Development 0.35 12/1/2023	54602QAY7	1,930,000.00	1,930,448.72	1,876,519.70	S&P-AA+	Moody's-Aa1	0.12	215	215	12/1/2023		0.310	0.59
Loudoun County Economic Development 3.75 6/1/2026	54589SDQ4	1,500,000.00	1,620,326.62	1,457,070.00	Fitch-AA+	Moody's-Aa1	0.09	1,128	1,128	6/1/2026		1.080	2.89
VA Resources Auth Infrastructure Rev 0.436 11/1/20	92818NVA3	720,000.00	720,000.00	704,433.60	S&P-AAA	Moody's-Aaa	0.04	185	185	11/1/2023		0.436	0.50
VA Resources Auth Infrastructure Rev 0.636 11/1/20	92818NVB1	1,000,000.00	1,000,000.00	942,460.00	S&P-AAA	Moody's-Aaa	0.06	551	551	11/1/2024		0.636	1.49
VA Resources Auth Infrastructure Rev 0.736 11/1/20	92818NVC9	1,180,000.00	1,180,000.00	1,081,104.20	S&P-AAA	Moody's-Aaa	0.07	916	916	11/1/2025		0.736	2.47
VA Resources Auth Infrastructure Rev 0.75 11/1/202	92818NUA4	1,300,000.00	1,300,575.42	1,220,739.00	S&P-AA	Moody's-Aa1	0.08	551	551	11/1/2024		0.720	1.49
VA St Housing Authority 2.15 8/1/2024	92812VWH5	665,000.00	655,204.28	641,279.45	S&P-AA+	Moody's-Aa1	0.04	459	459	8/1/2024		3.375	1.24
VA State College Building Auth 0.48 9/1/2024	92778WKQ8	22,820,000.00	22,824,472.72	21,528,388.00	S&P-AA+	Moody's-Aa1	1.42	490	490	9/1/2024		0.465	1.33
VA State College Building Auth 0.5 9/1/2023	92778WKP0	16,305,000.00	16,314,373.11	16,063,196.85	S&P-AA+	Moody's-Aa1	1.02	124	124	9/1/2023		0.330	0.34
Sub Total / Average Municipal		84,695,000.00	85,207,340.83	80,847,580.05			5.28	491	491			0.543	1.32
US Agency													
FFCB 0.6 11/24/2025-21	3133EMHF2	19,100,000.00	19,095,086.33	17,467,523.00	S&P-AA+	Moody's-Aaa	1.19	939	939	11/24/2025		0.610	2.54
FHLB 0.27 3/28/2024-21	3130AKKF2	15,000,000.00	14,999,570.14	14,352,900.00	S&P-AA+	Moody's-Aaa	0.94	333	333	3/28/2024		0.273	0.91
FHLB 1 11/15/2024-22	3130APRF4	22,500,000.00	22,509,931.64	21,267,900.00	Moody's-Aaa	S&P-AA+	1.40	565	565	11/15/2024		0.971	1.53
FHLB 1 2/7/2024-22	3130AQLR2	5,000,000.00	4,999,028.16	4,840,850.00	S&P-AA+	Moody's-Aaa	0.31	283	283	2/7/2024		1.025	0.77
FHLB 1.04 7/11/2024-22	3130AQL27	25,000,000.00	25,000,000.00	23,854,250.00	S&P-AA+	Moody's-Aaa	1.56	438	72	7/11/2024	7/11/2023	1.040	1.19
FHLB 1.1 1/13/2025-23	3130AQGT4	20,000,000.00	19,971,532.85	18,831,400.00	S&P-AA+	Moody's-Aaa	1.25	624	258	1/13/2025	1/13/2024	1.185	1.69
FHLB 1.125 12/17/2024-22	3130AQ2U6	20,000,000.00	20,000,000.00	18,907,800.00	S&P-AA+	Moody's-Aaa	1.25	597	597	12/17/2024		1.125	1.61
FHLB 1.2 6/21/2024-22	3130AQP56	26,500,000.00	26,500,000.00	25,375,340.00	S&P-AAA	Moody's-Aaa	1.65	418	82	6/21/2024	7/21/2023	1.200	1.13
FHLB 1.28 6/11/2025-22	3130AQKY8	20,000,000.00	20,000,000.00	18,778,000.00	S&P-AA+	Moody's-Aaa	1.25	773	72	6/11/2025	7/11/2023	1.280	2.08
FHLB 1.3 12/15/2025-22	3130AQ5U3	25,000,000.00	24,995,893.22	23,206,750.00	S&P-AA+	Moody's-Aaa	1.56	960	960	12/15/2025		1.306	2.57

Description	CUSIP/Ticker	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	YTM @ Cost	Duration To Maturity
FHLB 1.4 2/18/2025-22	3130AQX4	25,000,000.00	25,000,000.00	23,617,500.00	S&P-AA+	Moody's-Aaa	1.56	660	660	2/18/2025		1.400	1.78
FHLB 1.67 3/1/2024-22	3130AR6G1	26,000,000.00	26,000,000.00	25,254,320.00	S&P-AA+	Moody's-Aaa	1.62	306	306	3/1/2024		1.670	0.83
FHLB 1.78 4/8/2024-22	3130AR6H9	18,500,000.00	18,500,000.00	17,932,050.00	S&P-AA+	Moody's-Aaa	1.15	344	344	4/8/2024		1.780	0.93
FHLB 2.5 2/28/2024-22	3130ARQX2	25,000,000.00	25,000,000.00	24,456,000.00	S&P-AA+	Moody's-Aaa	1.56	304	304	2/28/2024		2.500	0.82
FHLB 2.64 8/28/2024-22	3130ARKP5	30,000,000.00	30,000,000.00	29,134,200.00	S&P-AA+	Moody's-Aaa	1.87	486	486	8/28/2024		2.640	1.31
FHLB 5.125 2/23/2024	3130AV3G5	20,000,000.00	19,994,478.74	20,018,000.00	Moody's-Aaa	None	1.25	299	299	2/23/2024		5.160	0.80
FHLB 5.25 3/1/2024-23	3130AV3S9	20,000,000.00	20,000,000.00	19,950,800.00	S&P-AA+	Moody's-Aaa	1.25	306	215	3/1/2024	12/1/2023	5.250	0.82
FHLB 5.45 6/7/2024-23	3130AV5F5	15,000,000.00	15,000,000.00	14,963,400.00	S&P-AA+	Moody's-Aaa	0.94	404	130	6/7/2024	9/7/2023	5.450	1.08
FHLB 6.125 3/27/2026-23	3130AVDX7	41,000,000.00	41,000,000.00	40,945,470.00	S&P-AA+	Moody's-Aaa	2.56	1,062	58	3/27/2026	6/27/2023	6.125	2.70
FHLMC 0.375 4/8/2024-21	3134GWYD2	15,000,000.00	15,005,142.11	14,347,800.00	Fitch-Aaa	Moody's-Aaa	0.94	344	344	4/8/2024		0.338	0.94
FHLMC 2.57 1/22/2024-22	3134GXRZ9	28,500,000.00	28,500,000.00	27,953,370.00	S&P-AA+	Moody's-Aaa	1.78	267	267	1/22/2024		2.570	0.72
FHLMC 3.75 8/28/2024-22	3134GXP40	10,000,000.00	10,000,000.00	9,838,900.00	S&P-AA+	Moody's-Aaa	0.62	486	486	8/28/2024		3.750	1.30
FHLMC 4.03 5/28/2025-22	3134GXT95	25,000,000.00	25,000,000.00	24,603,500.00	S&P-AA+	Moody's-Aaa	1.56	759	759	5/28/2025		4.030	1.98
Sub Total / Average US Agency		497,100,000.00	497,070,663.19	479,898,023.00			30.99	552	378			2.446	1.47
US Treasury													
T-Note 1.625 5/31/2023	912828R69	21,000,000.00	20,978,267.80	20,948,760.00	Fitch-Aaa	Moody's-Aaa	1.31	31	31	5/31/2023		2.867	0.09
T-Note 2.5 4/30/2024	91282CEK3	20,000,000.00	19,960,241.81	19,545,400.00	Moody's-Aaa	None	1.25	366	366	4/30/2024		2.705	0.99
T-Note 2.75 5/15/2025	91282CEQ0	20,000,000.00	19,902,763.71	19,492,200.00	Moody's-Aaa	None	1.25	746	746	5/15/2025		3.000	1.97
Sub Total / Average US Treasury		61,000,000.00	60,841,273.32	59,986,360.00			3.80	375	375			2.857	1.00
Total / Average		1,603,981,647.35	1,600,451,833.75	1,565,700,155.01			100	369	306			2.696	0.99

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

7.

## MEMORANDUM

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** June 1, 2023

**SUBJECT:** Monthly Revenue Report

---

1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on monthly revenue receipts and 30% funds distributed to member localities.
2. **Background:** The attached reports reflect funding received and distributed through May 31, 2023.
3. **Comments:**
  - a. **FY2023 Revenues (Attachment A)**
    - i. The Authority has received approximately \$328 million through the May 31, 2023, transfers from the Commonwealth.
      1. \$20 million of the annual Northern Virginia District Transfer.
      2. \$27.4 million in Regional Congestion Relief Fees.
      3. \$262.4 million in Regional Sales Tax.
      4. \$18.5 million from the Interstate Operation and Enhancement Program
    - ii. May represents the ninth month of sales tax receipts for FY2023. Attachment A shows a 11.6% positive variance between the budgeted sales tax receipts compared to the annualized actual sales tax receipts.
    - iii. During February 2023, the Authority received the annual Interstate Operation Enhancement Program transfer in the amount of \$18.5 million. The transfer was 8.7% lower than the Virginia Department of Transportation (VDOT) estimate of \$20.26 million.
    - iv. Based on the first ten months of revenue, the annualized FY2023 Regional Congestion Relief Fees (Grantor's Tax) reflect a negative variance of 24.3% when compared to the FY2023 budget projections. The spring market has been relatively sluggish so far as sales activity is down and fewer sellers are entering the market. The economy continues to see mixed signals. Even though sales activity has cooled and interest rates doubled over the past year or so, many housing markets around Northern Virginia remain competitive. It is likely that mortgage rates will continue to be volatile due the US debt ceiling impasse, but the longer-term trend is anticipated to be downward.
  - b. **FY2023 Distribution to localities (Attachment B)**
    - i. All member jurisdictions have completed the required *Code of Virginia* Section 33.2-2510 annual certification to receive FY2023 Local Distribution Funds (30%).

ii. As of May 2023, \$98.7 million has been distributed in Local Distribution funds for FY2023 to member jurisdictions.

**c. FY2015 to FY2023 Year over Year Revenue Comparison (Attachment C).**

i. This chart reflects a month-to-month comparison of sales tax and grantors tax revenue and a year-to-year comparison of fiscal year to date sales tax revenues received as of May 2023.

**Attachments:**

- A. FY2023 Revenues Received by Tax Type Compared to NVTA Estimates, Through May 2023
- B. FY2023 30% Distribution by Jurisdiction, as of May 2023
- C. Month to Month Comparison of Sales Tax Revenue and Fiscal Year to Date Receipts for May FY2015 to FY2023

# Attachment A

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES**  
 Based on: Revenue Data Through May 2023  
 FYE June 30, 2023

		Received	Annualized Revenue based	FY2023	Annualized	
	Transaction Months	To Date	on YTD Receipts	Budget	Actual To Budget	
<b>Regional Sales Tax</b>						
	<b>9</b>					
Total Sales Tax Revenue		\$ 262,430,035	\$ 349,906,714	\$ 313,399,565	\$ 36,507,149	11.6%
<b>Interstate Operation Enhance Program</b>						
	<b>1</b>					
Interstate Operation Enhance Program		\$ 18,501,502	\$ 18,501,502	\$ 20,261,936	\$ (1,760,434)	-8.7%
<b>Regional Congestion Relief Fee</b>						
	<b>10</b>					
Total Regional Congestion Relief Fee		\$ 27,377,583	\$ 32,853,099	\$ 43,371,567	(10,518,467)	-24.3%
<b>NVTD Transfer from COVA</b>						
	<b>4</b>					
Total NVTD Transfer from COVA		\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ -	0.0%
Total Revenue Received		<u>\$ 328,309,120</u>	<u>\$ 421,261,315</u>	<u>\$ 397,033,068</u>	<u>\$ 24,228,247</u>	6.10%

# Attachment B

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY  
FY2023 30% DISTRIBUTION BY JURISDICTION**

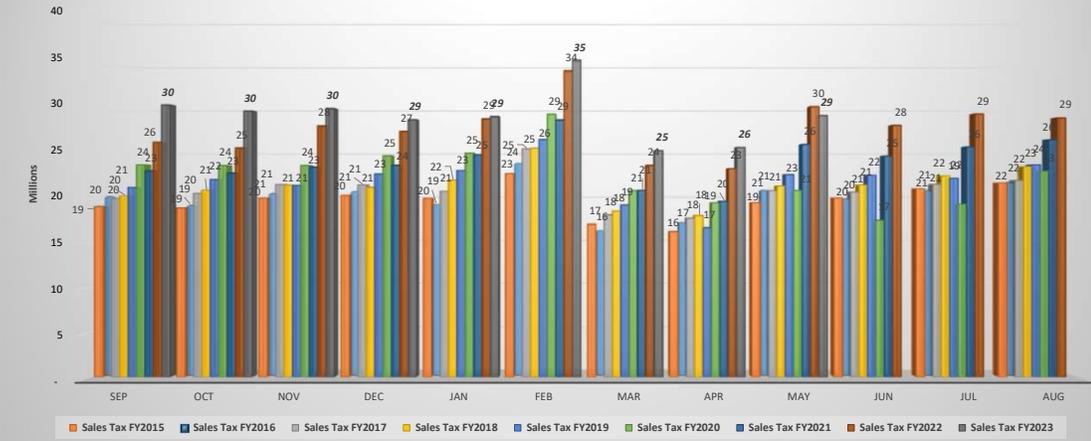
Based on: Revenue Data Through May 2023

Jurisdiction	Interstate Operat Enhance Program	Regional Sales Tax	Regional Congestion Relief Fee	NVTD Transfer From COVA	CoVa NVT Interest	Cumulative Total	30% Funds	As of 4/30/2023	4/30/2023	Current Month Distribution	Total Funds Transferred
								Accrued Interest (1)	Prior Distributions		
								(+)			
City of Alexandria	\$ 1,213,197.29	\$ 17,557,763.17	\$ 1,876,196.50	\$ 1,322,032	\$ 20,878.15	\$ 21,990,067.54	\$ 6,597,020.26	\$ 8,085.22	\$ 5,902,311.90	\$ 702,793.58	\$ 6,605,105.48
Arlington County	\$ 1,659,620.68	\$ 24,347,830.03	\$ 2,474,630.60	\$ 1,783,848	\$ 28,830.56	\$ 30,294,759.67	\$ 9,088,427.90	\$ 10,395.28	\$ 8,142,440.00	\$ 956,383.18	\$ 9,098,823.18
City of Fairfax	\$ 435,597.11	\$ 6,066,808.73	\$ 420,577.90	\$ 479,987	\$ 7,005.94	\$ 7,409,977.13	\$ 2,222,993.14	\$ 2,310.06	\$ 1,997,945.40	\$ 227,357.80	\$ 2,225,303.20
Fairfax County	\$ 7,738,129.90	\$ 108,834,475.36	\$ 12,046,456.39	\$ 8,371,413	\$ 131,026.15	\$ 137,121,501.25	\$ 41,136,450.37	\$ 47,356.27	\$ 37,138,746.89	\$ 4,045,059.75	\$ 41,183,806.64
City of Falls Church	\$ 156,435.42	\$ 2,529,831.25	\$ 146,193.80	\$ 177,033	\$ 2,966.90	\$ 3,012,460.04	\$ 903,738.01	\$ 1,155.03	\$ 807,263.99	\$ 97,629.05	\$ 904,893.04
Loudoun County	\$ 3,886,606.52	\$ 54,621,949.21	\$ 5,668,784.45	\$ 4,150,689	\$ 65,578.33	\$ 68,393,607.01	\$ 20,518,082.10	\$ 24,255.65	\$ 18,609,733.42	\$ 1,932,604.33	\$ 20,542,337.75
City of Manassas	\$ 422,571.33	\$ 5,892,405.48	\$ 263,321.80	\$ 461,333	\$ 6,815.25	\$ 7,046,446.44	\$ 2,113,933.93	\$ 2,310.06	\$ 1,901,478.05	\$ 214,765.94	\$ 2,116,243.99
City of Manassas Park	\$ 114,920.60	\$ 1,532,355.01	\$ 99,887.50	\$ 127,078	\$ 1,761.16	\$ 1,876,002.44	\$ 562,800.73	\$ 1,155.03	\$ 513,009.89	\$ 50,945.87	\$ 563,955.76
Prince William County	\$ 2,874,423.14	\$ 41,046,617.15	\$ 4,381,533.70	\$ 3,126,587	\$ 49,257.46	\$ 51,478,418.40	\$ 15,443,525.52	\$ 18,480.49	\$ 13,995,429.88	\$ 1,466,576.13	\$ 15,462,006.01
<b>Total Revenue</b>	<b>\$ 18,501,501.99</b>	<b>\$ 262,430,035.38</b>	<b>\$ 27,377,582.64</b>	<b>\$ 20,000,000.00</b>	<b>\$ 314,119.90</b>	<b>\$ 328,623,239.91</b>	<b>\$ 98,586,971.96</b>	<b>\$ 115,503.09</b>	<b>\$ 89,008,359.42</b>	<b>\$ 9,694,115.63</b>	<b>\$ 98,702,475.05</b>
<b>Interest 4/30/2023</b>						<b>\$ 328,309,120.01</b>	<b>\$ 98,586,971.96</b>				<b>\$ 98,702,475.05</b>

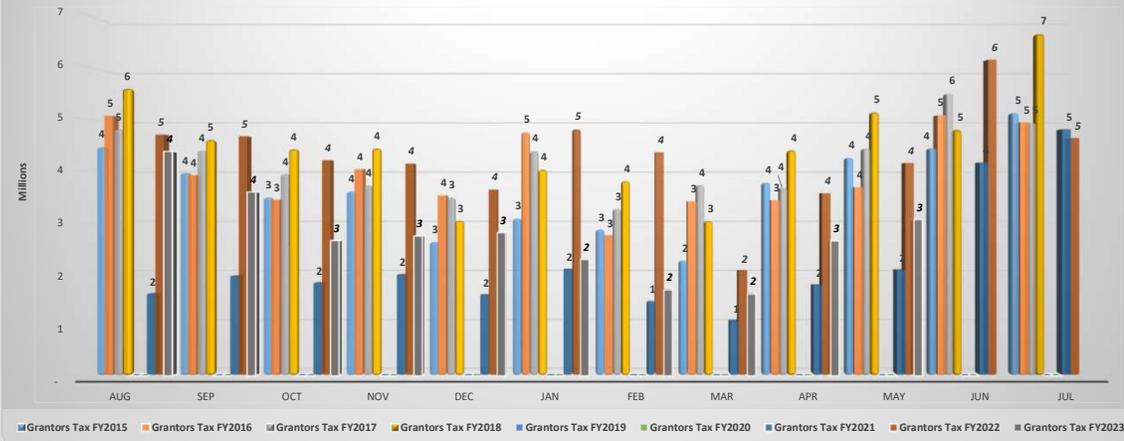
# Attachment C

## FY2023 May 2023

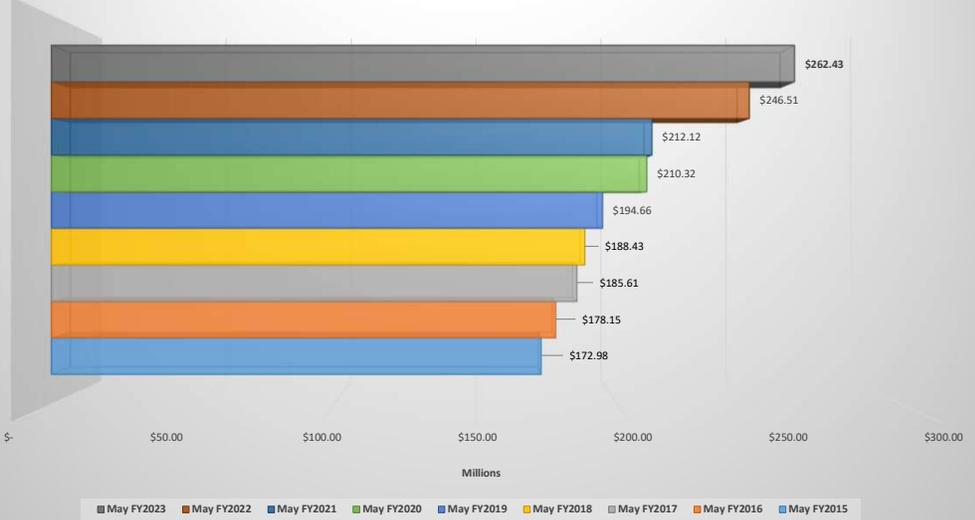
### Sales Tax (month received)



### Regional Congestion Relief Fee (month received)



### YTD Sales Tax Receipt Comparison May FY2015 to FY2023



**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**

**8.**

**MEMORANDUM**

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** June 1, 2023

**SUBJECT:** Monthly Operating Budget Report

---

- 1. Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on the Authority's Operating Budget for FY2023.
- 2. Background:** The Authority elected to fund the Operating Budget for FY2023 through transfers from the Regional Revenue Fund.
- 3. Monthly Operating Budget Report:** Through April 30, 2023, the FY2023 Operating Budget has produced the following:
  - a.** The Operating Budget is funded through quarterly transfers of \$886,850 from the Regional Revenue Fund.
  - b.** As of April 30, 2023, the attached Income Statement reflects the Authority utilized 69% of its FY2023 expenditure budget through 10 months (83%) of the fiscal year. Certain large expenses such as the Web Site development project have not yet incurred any costs.
  - c.** As of April 30, 2023, all expense categories remained within budget.
  - d.** The attached statement shows the total Operating Budget income and expenditure activity for FY2023 as of April 30, 2023.

**Attachment:** FY2023 Monthly Operating Budget as of April 30, 2023

# Attachment

1000 General Fund

		----- Current Year -----				
Account Object	Description	Current Month	Current YTD	Budget	Variance	%
Expenses						
410000	Personnel Expenses					
110	Salaries-Regular Pay	160,093.00	1,599,498.82	2,102,061.00	502,562.18	76
130	Health & Dental Benefits	18,271.90	199,366.68	375,414.00	176,047.32	53
131	Payroll Taxes	11,886.32	109,558.46	169,702.00	60,143.54	65
132	Retirement VRS	3,483.27	120,971.20	177,451.00	56,479.80	68
133	Life Insurance		19,014.54	28,168.00	9,153.46	68
134	Flex Spending/Dependent Care	46.58	413.97	1,165.00	751.03	36
135	Workers Comp		1,513.00	2,312.00	799.00	65
137	Disability Insurance	3,810.44	17,992.85	30,619.00	12,626.15	59
	<b>Total Account</b>	<b>197,591.51</b>	<b>2,068,329.52</b>	<b>2,886,892.00</b>	<b>818,562.48</b>	<b>72</b>
420000	Professional Services					
210	Audit & Accounting Services		27,000.00	68,500.00	41,500.00	39
220	Bank Service		-178.13	750.00	928.13	-24
230	Insurance		11,207.00	9,240.00	-1,967.00	121
240	Payroll Services	521.02	3,980.16	3,283.00	-697.16	121
260	Public Outreach & Regional Event Support		50,614.25	63,425.00	12,810.75	80
261	Legal/Bond Counsel Services			10,000.00	10,000.00	
262	Financial Advisory Services	8,750.00	27,150.00	36,955.00	9,805.00	73
263	Bond Trustee Fees	2,687.50	2,687.50	2,700.00	12.50	100
264	Legislative Services	2,626.56	73,679.01	80,420.00	6,740.99	92
265	Investment Custody Svc		10,100.00	25,000.00	14,900.00	40
	<b>Total Account</b>	<b>14,585.08</b>	<b>206,239.79</b>	<b>300,273.00</b>	<b>94,033.21</b>	<b>69</b>
430000	Technology/Communication					
310	Acctg & Financial Report Systems	8,553.00	82,331.15	88,245.00	5,913.85	93
320	HW SW & Peripheral Purchase			620.00	620.00	
330	IT Support Svc Incl Hosting	6,378.45	34,517.86	46,220.00	11,702.14	75
335	GIS/Project Mgt/Modeling	1,500.00	20,120.00	88,800.00	68,680.00	23
340	Phone Service & Web Ex Chgs	1,376.15	12,575.34	16,872.00	4,296.66	75
350	Web Develop & Hosting	904.43	7,454.19	135,805.00	128,350.81	5
940	Computer HW SW & Peripheral		12,585.91	10,000.00	-2,585.91	126
	<b>Total Account</b>	<b>18,712.03</b>	<b>169,584.45</b>	<b>386,562.00</b>	<b>216,977.55</b>	<b>44</b>
440000	Administrative Expenses					
410	Advertisement		2,848.89	4,000.00	1,151.11	71
411	Dues & Subscriptions	3,685.99	15,664.00	15,992.00	328.00	98
412	Duplication & Printing	513.08	4,868.12	13,610.00	8,741.88	36
414	Hosted Meeting Expenses	625.74	5,136.12	5,000.00	-136.12	103
415	Mileage/Transportation	553.61	2,532.69	11,000.00	8,467.31	23
417	Office Lease	19,203.35	187,887.52	236,696.00	48,808.48	79
418	Office Supplies	207.61	9,176.59	7,475.00	-1,701.59	123
419	Postage & Delivery			700.00	700.00	
420	Professional Develop & Training	1,176.15	11,094.40	23,000.00	11,905.60	48
945	Office Furniture & Fixtures		16,296.24	21,800.00	5,503.76	75
	<b>Total Account</b>	<b>25,965.53</b>	<b>255,504.57</b>	<b>339,273.00</b>	<b>83,768.43</b>	<b>75</b>

1000 General Fund

Account Object	Description	----- Current Year -----				
		Current Month	Current YTD	Budget	Variance	%
	<b>Total Expenses</b>	<b>256,854.15</b>	<b>2,699,658.33</b>	<b>3,913,000.00</b>	<b>1,213,341.67</b>	<b>69</b>
	Net Income from Operations	-256,854.15	-2,699,658.33			
	Other Revenue					
383000	Transfer Operating Budget from Regional Revenue	1,773,698.50	3,547,397.00	3,547,397.00		100 100
	<b>Total Other Revenue</b>	<b>1,773,698.50</b>	<b>3,547,397.00</b>	<b>3,547,397.00</b>	<b>0.00</b>	<b>100</b>
	Other Expenses					
521000	Transfers					
820	Transfer to Operating Reserve			768,600.00	768,600.00	
825	Transf to Equip Reserve			50,000.00	50,000.00	
	<b>Total Account</b>			<b>818,600.00</b>	<b>818,600.00</b>	
	<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>818,600.00</b>	<b>818,600.00</b>	
	Net Income	1,516,844.35	847,738.67			