



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

**MINUTES**

Thursday, May 14, 2020  
 3040 Williams Drive, Suite 200  
 Fairfax, VA 22031  
 Via WebEx

1. **Call to Order** Chair Randall
  - A. **Chair Randall called the meeting to order at 9:30 PM.**
  
2. **Roll Call** Ms. Duker, Clerk
  - A. Voting Members: Chair Randall; Mayor Parrish; Chairman McKay; Chair Wheeler; Board Member Cristol; Mayor Meyer; Mayor Wilson; Mayor Rishell; Councilmember Snyder; Delegate Roem; Ms. Hynes; Mr. Kolb.
  - B. Non-Voting Members; Mayor Wood, Ms. Cuervo, Mr. Horsley.
  - C. Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Keith Jasper (Principal, Planning and Programming); Sree Nampoothiri (Senior Transportation Planner); Harun Rashid (Transportation Planner); Ria Kulkarni (Transportation Planner); Mackenzie Jarvis (Transportation Planner); Peggy Teal (Assistant Finance Officer); Richard Stavros (Investment and Debt Manager); Erica Hawsworth (Communication and Public Affairs Manager); Dev Sen (Financial Analyst); Margaret Duker (Board Clerk); various jurisdictional and agency staff.
  
3. **Minutes of the May 14, 2020 Meeting**  
Mayor Parrish moved approval of the May 14, 2020 minutes; seconded by Mayor Rishell. Motion passed with abstentions by Chairman McKay and Delegate Roem.

**Action Items**

4. **Adoption of Resolution 20-01 to Find Need to Conduct Meeting by Electronic Communication Means during Governor's declared State of Emergency during COVID-19 Pandemic** NVTa Council of Counsels  
*Recommended action: Adoption of Resolution 20-01 for Electronic Meetings During COVID-19 Pandemic*
  - ✓ Chair Randall made the motion to adopt Resolution 20-01 to Find the Need to Conduct Meeting by Electronic Communication Means during the Governor's declared State of Emergency during COVID-19 Pandemic; seconded by Mayor Parrish. Motion passed with a 11-0-1 vote.

## 5. Adoption of Regional Revenue Fund - Revenue Projection Update

Mayor Parrish, Chair, Finance Committee

### *Recommended action: Adoption of Regional Revenue Fund Update*

- ✓ Mayor Parrish extended his appreciation to the NVTa staff for the tremendous work which went into preparing the initial projections for the FY2024-25 Regional Revenue Update.
- ✓ He added that a number of factors went into those estimates shown on Table 1, noting that Mr. Longhi will continue with more explanations from that point.
- ✓ Mr. Longhi continued the update noting that Table 1 represents \$1.8 billion of revenue for the six-year revised estimates for FY2020- FY2023 and proposed estimate for FY2024-FY2025, of which \$540 million will be going to jurisdictions via 30% distributions in the region.
- ✓ He noted that these estimates were derived from factors resulting from the COVID-19 pandemic. Referencing the recovery letter shapes commonly referred to as V, W, Z etc., he further noted NVTa's reference is a W with a swoosh at the end.
- ✓ He further added that national GDP figures were used in determining Sales Tax in order to tap into information coming from some of the best economic houses and underwriting banks from around the country.
- ✓ He pointed out that since national GDP is not representative of regional GDP, the national GDP numbers were converted to regional numbers using George Mason's Fuller Institute to establish the connection.
- ✓ Sales Tax estimates reflected in Table 2 for FY2020-FY2025 shows a \$174 million reduction from COVID-19, even after reflecting new Internet Sales Tax collection increase in the projections.
- ✓ For I-81 Corridor Revenues, similar COVID-19 analytics were used as with the Sales Tax, in addition to freight truck spot market information from Bloomberg and the Wall Street Journal reflecting the freight truck spot market experiencing a 70% reduction within a few weeks.
- ✓ Referring to Table 3, initial projections for I-81 Corridor Revenues was \$10 million, reaching \$20 million by FY2022 with projected growth afterwards. However, this was significantly revised by VDOT with FY2022 estimates going down by 64% and FY2023-FY2024 estimates going down by 44%-45%.
- ✓ Mr. Longhi noted that the presented estimates were not based on VDOT's numbers but rather on actual remittances coming in based on a phased in approach.
- ✓ Table 3 further shows a COVID-19 impact of \$4.8 million for FY2020/23 from COVID-19.
- ✓ Grantors Tax starts in FY2021 with both NVTa and State estimates in close alignment at \$30 million.
- ✓ With the amendment to the Omnibus Transportation Bill--Grantor's Tax will be phased in starting in FY2021, reducing first year revenue by \$15 million.

- ✓ Since Grantor's Tax is based on real estate, the biggest concern is the long term COVID-19 impact on the commercial real estate sector in Northern Virginia which is estimated at \$20.4 million.
- ✓ Since the transfer of \$20 million approved in the Omnibus Transportation Bill (2020 General Assembly Session) is a straight transfer, it has no growth prospects and should not experience any economic impacts, assuming there are no legislative or budget amendments.
- ✓ Mr. Longhi continued with his update on Table 5 which shows COVID-19 funding restoration summary.
- ✓ The Table shows that the impact of COVID-19 on FY2020-FY2023 and remaining years in the Six Year Program update is estimated to be \$40.2 million.
- ✓ The total impact of VDOT estimate changes is \$47.8 million with the direct impact based on changes to VDOT projections being a reduction of \$35.3 million.
- ✓ The table further shows an indirect estimate of \$12.5 million based on NVTAs actual receipts due to induced uncertainty.
- ✓ The VDOT estimate changes turn out to have had a greater impact on revenue projections than COVID-19.

Mayor Parrish moved that the Northern Virginia Transportation Authority adopt the FY2020 – FY2025 revenue projections presented in Table 1. Motion was seconded by Board Member Cristol with Mayor Rishell further highlighting that a great deal of work by staff went into its preparation. Motion passed unanimously. (12- 0 vote)

- ✓ Chair Randall asked if the Authority's AA+ ratings were expected to be reviewed by Rating Agencies and whether they would be impacted, noting that her concern stemmed from the loss of revenue experienced by the Authority within the last couple years and now with I-81 and COVID-19 impacts.
- ✓ Mr. Longhi responded that since the Authority never programmed the I-81 funds, he did not expect the Rating Agencies to do more than the routine periodic reviews and there will be no need to make a formal disclosure.

## **6. Adoption of FY24-FY25 PayGo Determination for the Six Year Program Update**

Mayor Parrish, Chair, Finance Committee

*Recommended action: Adoption of FY24/25 PayGo Determination*

- ✓ Mayor Parrish proceeded with the PayGo Update pointing that this analysis determines the amount of regional funds projected to be available for regional projects in the Six Year Program update.
- ✓ He further noted that the Finance Committee worked very closely with Staff, unanimously approved it and recommends it for Authority approval.
- ✓ Mr. Longhi continued with a highlight of section 4 of the PayGo analysis which comprises a series of assumptions made by the Finance Team.
- ✓ He noted that with the approval of the Finance Committee, \$30.3 million of Revenue Taper Funds were released. He added that this is something the Finance

Committee established when the inaugural Six Year Program was put in place to cover unprecedented risks associated with the adoption of six years of projections. He noted COVID-19 is a prime example of such an unknowable risk.

- ✓ Mr. Longhi noted that previously, only audited fund balances were used to increase available PayGo, but this time around, the Finance Team proposes an addition of \$47.5 million in projected unaudited balances as additional PayGo.
- ✓ He noted that current audited balances of \$52.5 million have been designated to support the FY2020-2023 remaining years of the Six Year Program.
- ✓ These are measures implemented to support the FY2020/23 PayGo and thus ensure no current projects are reduced.
- ✓ Mr. Longhi further noted that with the ongoing pandemic and economic disruption, four strategies have been put in place to manage potential risks.
- ✓ Notable amongst these risk mitigation strategies is the \$120 million working capital reserve, which has not been touched and serve as a sign of fiscal strength and restraint to the credit rating agencies.
- ✓ The Finance Team also recommended no early appropriations for FY2024-FY2025 revenues. After about 12 months and depending on the economic outlook at that time, those revenues could be recommended for earlier appropriation.
- ✓ Another strategy is for Staff to continue the use of Appendix B's which projects liquidity/cash flow.
- ✓ Finally, with the Authority's strong current working capital reserve and good financial management practices, it has a debt capacity of about \$1.6 billion. There are no plans to utilize that capacity, but it is available if the economy becomes worse.

Mayor Parrish moved that the Northern Virginia Transportation Authority adopt the PayGo Funding recommendations detailed in Table 1; seconded by Mayor Rishell. Motion passed unanimously (12 - 0 vote).

**7. Approval of FY2021 Regional Revenue Fund Appropriations** Mr. Longhi, CFO

*Recommended action: Approval of FY21 Appropriations*

- ✓ Mr. Longhi presented the FY2021 Regional Revenue Fund appropriations, noted these projects were approved in the current FY2018/23 Six Year Program.
- ✓ Mr. Longhi further noted the complete program appropriation schedule attached to the staff report which shows how projects have changed their appropriation requests over the years.
- ✓ He further noted that when originally adopted FY2023 only had \$1.9 million scheduled for appropriation. Currently project progression is such that sponsors have moved \$132 million in projects further down the appropriation calendar.
- ✓ Delegate Roem inquired if all six projects in the table were being voted on.
- ✓ Chair Randall responded that yes, this was the case.
- ✓ Delegate Roem asked what happens to the appropriation if there are scope changes and such things as permits being denied by the Feds.

- ✓ Ms. Backmon responded NVTA processes project payments on a reimbursement basis, so there is no upfront money involved. She also mentioned that any changes have to be within the adopted project description, since reimbursements are based on the approved project scope.

Chair Randall moved that the Northern Virginia Transportation Authority appropriate \$180.2 million of FY2021 Regional Revenue Funds to the six projects in the FY2018-FY2023 Six Year Program as detailed in Table 1; seconded by Chairman McKay. Motion passed unanimously (12 – 0 vote).

**8. Approval of TransAction Contract Amendment #6**

Mr. Longhi, CFO

Keith Jasper, Principal, Transportation Planning and Programming

*Recommended action: Approval of Contract Amendment 6: COVID-19 2020 Travel Behavior*

- ✓ Mr. Longhi commenced the update pointing out that the contract has contingency language and budget capacity to accommodate the work being requested.
- ✓ He also added that overall, this has been a well-managed contract by the NVTA Planning Staff, managing the contract over several years while not having to use the budgeted contingency funds. He further noted Mr. Jasper will explain the purpose and need for the analysis of changing multimodal traffic patterns during COVID-19 pandemic.
- ✓ Mr. Jasper pointed out that there was the need to conduct additional analysis, which necessitates the contract amendment.
- ✓ He noted that there was the need to use various transportation models to understand how various scenarios might play out.
- ✓ He added that the model will be analyzing how work from home policies have worked and how it will continue to play out with time, noting that the Executive Director is in discussions with the business community regarding current and post COVID-19 impacts to transportation.
- ✓ Additionally, the effort will be looking to analyze the impacts of congestion and with the ramp up of returning to work with office and retail reopening, information from this analysis could be used to update TransAction.
- ✓ Councilmember Snyder asked whether this was going to be a one time or moving cost.
- ✓ Mr. Jasper responded that this project is limited in schedule, budget and scope to the returning to reopened physical offices and retail.

Chair Randall moved the Northern Virginia Transportation Authority approval of the attached TransAction Contract Amendment 6: COVID-19 2020 Travel Behavior in an amount not to exceed \$50,000; seconded by Delegate Roem. Motion passed with one abstention by Mayor Parrish.

**9. Approval of Scope Change for Prince William County's Rt. 234/Balls Ford Road Interchange Project Funded with Concessionaire Payment Funds**

Ms. Backmon, Executive Director

*Recommended action: Approval of Change in Scope*

- ✓ Ms. Backmon informed the Authority that the Balls Ford Road Project was previously recommended in the list of approved projects for the Transform 66 Outside the Beltway Concession Payment.
- ✓ She added that it was initially estimated at \$145 million.
- ✓ The current project cost estimate is \$69.1 million.
- ✓ Prince William County is requesting to use some of the savings to expand the project scope to include the widening of Balls Ford Road between Devlin Road and University Boulevard.
- ✓ Chair Wheeler continued the update noting the current cost of the proposed extension is \$25 million, which is well within the project savings.
- ✓ Delegate Roem wanted clarification on whether this request was about the Sudley/Balls Ford Interchange or the Route 234 Bypass Interchange.
- ✓ Chair Wheeler responded that this was the extension of the Balls Ford Interchange, leading up to University Boulevard.

Chair Wheeler moved approval of the recommendation to approve the expansion in scope and reallocation of funds for Prince William County's Rte. 234/Balls Ford Road Interchange Project Funded with Transform 66 Outside the Beltway Concession Payment Funds; seconded by Mayor Parrish. Motion passed with one abstention by Ms. Hynes.

**10. Approval of Letters of Endorsement for Fairfax, Loudoun, and Prince William Counties BUILD Applications**

Ms. Backmon, Executive Director

*Recommended action: Approval of Letters of Endorsement*

- ✓ Ms. Backmon informed the Authority that Fairfax, Loudoun and Prince William Counties have sent letters to the Authority, seeking endorsement for their Better Utilizing Investments to Leverage Development (BUILD), applications.
- ✓ She noted that funds for the Transportation Grants are awarded on a competitive basis to surface transportation infrastructure projects which will have significant local and regional impact.

Chairman McKay moved Authority endorsement of Fairfax County's Richmond Highway BRT Project, Loudoun County's Waxpool Road and Loudoun County Parkway Project and Prince William County's Route 28 Project for BUILD Grant Program Funding; seconded by Chair Randall. Motion passed unanimously (12-0 vote).

## Information Items

- 11. 2020 Legislative Update** Ms. Baynard, McGuireWoods, LLC
- ✓ Ms. Baynard informed the Authority that there have been minor changes since her last update to the Authority, noting that the summary of the 2020 General Assembly Session in the Authority packet and she is ready to answer any questions.
  - ✓ Chair Wheeler thanked Ms. Baynard for her very insightful report provided to the Authority.
  - ✓ Chair Randall officially welcomed the newest member, Delegate Danica Roem to the Authority, adding that the other newly appointed member, Delegate Watts, could not be a part of the evening's meeting but she is hopeful Delegate Watts will be able to join next time.
  - ✓ She added that the Authority will continue to push for protective language for the Authority's revenues at during year's legislative session and thanked Ms. Baynard for all her hard work.
- 12. Finance Committee Update** Mayor Parrish, Chair
- ✓ Mayor Parrish informed that the Authority that the Finance Committee meeting previously scheduled for next week has been cancelled noting that the next meeting will be in June.
  - ✓ He noted that he has had meetings with PB Mares regarding the Authority's upcoming Audit to ensure effective communication between the Firm, the Finance Committee as well as the Authority and asked that members should not hesitate to reach out to him should there be any concerns.
  - ✓ Mayor Parrish further added that overall, the Authority's investments are in very good shape when compared to others around the world.
- i. Investment Portfolio Report** Mr. Longhi, CFO  
No verbal report given
- ii. Monthly Revenue Report** Mr. Longhi, CFO  
No verbal report given
- iii. Operating Budget Report** Mr. Longhi, CFO  
No verbal report given
- 13. Executive Director's Report** Ms. Backmon, Executive Director
- ✓ Ms. Backmon informed the Authority that the Virginia Transit Association's Annual Conference had been cancelled due to COVID-19.
  - ✓ She lastly thanked all members and her Staff for working so diligently to make this very first electronic Authority meeting possible.

**14. Chair's Comments**

Chair Randall concluded the meeting thanking all present for their participation.

**15. Adjournment:** Meeting adjourned at 10:29pm.

**Next Meeting: June 11, 2020 at 7:00pm**

**Electronic Meeting - WebEx**