

## **Transportation Toll Facility Advisory Committee October 8, 2015**

**1. Call to Order:** Mr. George Midgette called the meeting to order at approximately 11:50AM.

**2. Roll Call:**

**Committee Members in Attendance**

Vonda Chappell  
Sidney Kellam  
George Midgette  
Matthew Echaniz  
Lenard Myers

**Ex-officio Members in Attendance**

Kelly Lackey  
Eric Martin

**Committee Members not in Attendance**

N/A

**Non-Committee Members in Attendance**

|                   |                        |
|-------------------|------------------------|
| Michelle Marshall | Sean Ekiert            |
| Earl Sorey        | Dave Cuneo (via phone) |
| Gary Walton       | Leigh Ann Kling        |

**3. Meeting Discussion:**

Mr. George Midgette made a motion to approve the April 16, 2015 Transportation Toll Facilities Advisory Committee (TTFAC) minutes. The motion was seconded and the minutes were approved.

**4. Chesapeake Transportation System Summary:**

Mr. Gary Walton introduced Mr. Sean Ekiert from Raymond James and Associates, financial consultant for the City of Chesapeake. Mr. Ekiert provided a financial and traffic summary presentation. The full presentation is attached.

The key observations and future considerations are as follows:

- Expressway traffic increased 5.4% in FY2015, the strongest rate of traffic growth since 2004;
- Despite the year-over-year growth, traffic was 8.7% below the level projected by the Traffic and Revenue Consultant prior to the 2012 financing;
- Toll revenue increased 5.8% in FY2015, but was 3.3% below the level projected in the 2012 Forecast;
- Traffic growth on Battlefield Boulevard during the 2015 peak season was generally consistent with overall traffic growth in the corridor;
- Operating expenses were below the original forecast for FY2015, offsetting the impact of lower-than-forecast revenues for the year;

- Operating expenses will increase in FY2016 due to preparations for the start of tolling on Dominion Boulevard;
- Current projections for required deposits to the Renewal and Replacement Fund for FY2016-2020, based on the recently received draft forecast from the Consulting Engineer, are materially higher than the requirements identified in the FY2015-2019 Consulting Engineer's report; and
- Pursuant to the Bond Indenture, surplus revenues are deposited in reserves through 2018, and will be used for debt repayment thereafter.

The observations and conclusions reported are as follows:

- Expressway traffic and revenue exhibited positive growth in FY2015 but remain below the levels forecast in 2012;
- FY2015 operating expenses and required deposit to the Renewal and Replacement Fund were well below the levels forecast in 2012, allowing for greater deposits to reserves than originally planned;
- Increased operating expenses in FY2016 related to the pending start of toll operations on Dominion Boulevard and increased Renewal and Replacement projections in the draft FY2016-2020 Consulting Engineer's report indicate that overall financial performance will generally be consistent with original expectations in FY2016 through FY2018;
- Dominion Boulevard Project construction on track for completion prior to the contract completion date of April 1, 2017 and within budget;
- The next scheduled adjustment to the Expressway toll rates is a \$2.00 increase to the Peak Weekend rate in May 2016; and
- No changes to the adopted Toll Schedules for the Chesapeake Expressway or Dominion Boulevard are recommended at this time.

Questions asked by the Committee throughout the presentation are as follows:

1. Will the operating expenses stay at a static level or will it increase?  
*Answer: The operating expenses of the Chesapeake Expressway will increase due to the addition of Dominion Blvd; however, the operating expenses of the Expressway are fairly stable. There will also be additional revenue from Dominion Blvd.*
2. Is the increase in "Surplus Revenues" shown in column 8 (of the presentation) a result of reduced Renewal and Replacement Costs this year and the next couple of years?  
*Answer: Yes, the reduced level of Renewal and Replacement costs has contributed to an increase in Surplus Revenues. Should Renewal and Replacement costs increase unexpectedly, then the Surplus would be negatively impacted.*
3. When the toll increase takes place will the forecasted 13% decrease in traffic on the Expressway be throughout the whole year?  
*Answer: That decrease is expected only on peak weekends and would primarily consist of cash transaction and non-discount program toll traffic. In addition, approximately 4% growth is expected during the off-peak season.*
4. Has the definition of Peak weekend been considered to include Fridays?  
*Answer: On Fridays during peak season Battlefield Blvd. traffic is at its heaviest. A rate increase on the Expressway on Fridays would push more traffic to Battlefield Blvd. The*

*Expressway is currently performing near the traffic and revenue projections, therefore adding peak rates to Friday is not recommended.*

5. When is the next traffic and revenue study?

*Answer: The discussion is open as to when the best time will be to conduct the study with relationship to the opening of Dominion Blvd. Blvd., as well as the impact from the toll increase next summer on the Chesapeake Expressway. The date of the next traffic and revenue study has not yet been determined but will be determined within the next 12 months.*

6. Is there data being collected now for the use of Dominion Blvd?

*Answer: There is some data being collected but the impacts of construction and intermittent closures prevent consistent data collection. Traffic data collection will commence after the completion of the Dominion Blvd. project.*

7. During construction of Dominion Blvd., where did traffic divert to?

*Answer: Traffic diverted primarily to Battlefield Blvd.*

**New Business:**

Staff advised the committee of a pending council action to appropriate funds for the Dominion Blvd. Back Office contract and an amendment to the FY16 operating budget to appropriate funds to the Renewal and Replacement Fund.

Mr. Walton provided an update on the planned Chesapeake Expressway administrative building modifications. There will be an upgrade and expansion of the Control Room and Administrative Office to support Dominion Blvd. There will be a mezzanine level built and administrative office redesign to accommodate additional staffing needs. This project is currently in the design phase. The timing of this project is crucial and if there are any delays, it may be pushed off until next year.

The Chesapeake Expressway R&R construction work for last year's report is underway and will be completed in mid-December. The R&R draft report for FY 2016 is being reviewed and comments and 2015/16 R&R Construction work will be coordinated with the consultant.

The Committee needs a vice chairman but this will be deferred to the January meeting. It is expected that two new committee members will be appointed before the January meeting. If any committee members are interested in the position of Chair or Vice Chair, please let Ms. Chappell or Mr. Walton know.

The Chesapeake Transportation System update for City Council is scheduled for October 27, 2017 at the City Council work session. Committee members are encouraged to attend.

**Next Meeting:**

The next meeting will take place January 14, 2015. The tentative location is at the Chesapeake Expressway.

**Adjournment:**

The meeting was adjourned at approximately 1:15PM.