

**Transportation Toll Facility Advisory Committee**  
**Quarterly Meeting**  
**July 15, 2021**

**1. Call to Order**

Bryan Cunningham, Chairman, called the meeting to order at 11:30 am.

**2. Roll Call**

**Committee Members in Attendance**

Bryan Cunningham  
Lynne Kennedy  
Rachel Anderson

**Ex-officio Members in Attendance**

Kelly Lackey  
Earl Sorey

**Committee Members not in Attendance**

Tawanna McFarlin                      Robert Geis (Ex-officio)  
Kemo Dassau                              Dr. Shirley Auguste

**Non-Committee Members in Attendance**

Gary Walton                                      Belinda Malone  
Leigh Ann Kling                                Sandra Hodge  
Terry Shaw                                        Kevin Crum  
Meredith St. John

**3. Approval of Meeting Minutes**

Mr. Cunningham asked if there were questions or comments to the meeting minutes, hearing none, a motion to approve was made by Ms. Anderson and seconded by Ms. Kennedy. A roll call vote was taken and the meeting minutes were approved unanimously.

**4. Chesapeake Transportation System Update**

**Fiscal Year Update** (Presented by Mr. Walton)

Despite COVID mitigation efforts, CTS traffic and revenue rebounded to exceed prior year, pre-pandemic and the updated forecast. Fitch Rating Services upgraded the CTS debt rating from “BBB” to “BBB+” with a stable outlook. Toll rates (non-peak season) increased on the Chesapeake Expressway May 1<sup>st</sup>, peak season rates increased on May 20<sup>th</sup>, and on the Dominion Blvd. Veterans Bridge July 1<sup>st</sup>. Mr. Walton advised the committee that there was very little negative coverage or impact from our customers regarding any of the toll increases.

Mr. Walton then advised that peak season performance to date had exceeded both 2020 and 2019 (pre-pandemic) with more detailed information to be presented later in the meeting.

Mr. Cunningham asked if the rise in traffic on Dominion Blvd. Veterans Bridge is due to schools starting to reopen. Mr. Walton replied that there are probably many reasons including people returning to school and work.

### CTS Toll Rates (Presented by Mr. Walton)

#### Chesapeake Expressway

Date Range	Regular Rate			Peak Season Weekend Rate (1)			Discount Program (2)	
	Motorcycle	2 Axles	3+ Axles	Motorcycle (3)	2 Axles	3+ Axles	2 Axles	3+ Axles
5/1/21 - 4/30/26	\$1.00	\$4.00	\$5.00	\$3.00	\$9.00	\$10.00	\$1.00	\$2.25

- Next scheduled toll increase – peak season only, 2026

#### Dominion Blvd. Veterans Bridge

Fiscal Year Ending 6/30	E-ZPass Toll Rates by Vehicle Class			Non E-ZPass Toll Rates by Vehicle		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
2022	\$1.28	\$1.92	\$3.20	\$3.28	\$3.92	\$5.20

- Toll increases by 5% each July 1

### CTS Fiscal Year Summary – Revenue (Presented by Ms. Shaw)

System Revenue:	FY21	FY20	% Incr (Decr) YOY	FY19	FY21 % Incr (Decr) over FY19	FY21 Forecast	% Incr (Decr)
Expy Actual	\$ 16,156,540	\$ 12,973,186	24.5%	\$ 13,725,718	17.7%	\$ 14,429,244	12.0%
DBVB Actual	\$ 12,867,381	\$ 12,430,683	3.5%	\$ 12,402,031	3.8%	\$ 12,595,137	2.2%
System Actual	\$ 29,023,921	\$ 25,403,869	14.3%	\$ 26,127,749	11.1%	\$ 27,024,381	7.4%

System performance for FY21 resulted in a final end-of-year “accelerated” payment to the VTIB loan in the amount of **\$5,484,872**. VTIB is the Virginia Transportation Infrastructure Bank and it consists of a loan that forms the final piece of the debt financing. Up until 2019 we were able to build the reserves, but in all subsequent years, a final payment must be made

to VTIB consisting of any unspent fiscal year revenue in order to accelerate repayment of the loan. Ms. Shaw further explained that final fiscal year (required) debt payments were made in the amount of approx. \$15,500,000 as follows:

VTIB: \$4,200,000 interest payment, \$100,000 required principal payment, and \$5,500,000 end-of-year payment against principal for a total payment of \$9.7 – 9.8M. The outstanding balance of the VTIB loan after these payments is approximately \$199,500,000. The remainder of the total expended was for the required Bond payment.

Mr. Walton then highlighted the performance of the system and explained the importance of scheduled toll increases in staying on track for debt retirement as well as maintaining the City's Bond Rating. Mr. Walton advised the committee that the very good performance of the Expressway resulted from continuing strong traffic demand to and from the Outer Banks of North Carolina.

**CTS Financial Summary – Expenses** (Presented by Ms. Shaw)

- Expenses were up slightly year-over-year but well below budget
- Fiscal year expenses ended at \$9,416,745 vs. \$9,146.382 in prior year
- CTS 'held the line' on expenses during the pandemic, but they are expected to rise
- Largest expenses occurred in: Back Office Contract, Customer Service and Delinquent Account Collections, Personnel and VDOT E-ZPass fees
- Upcoming large expenditures are covered in Renewal & Replacement (R&R) construction which is covered in previous annual deposits

Mr. Walton provided additional information on R&R projects and advised the committee that the most recent project received only one bid that came in well above the estimate resulting in the project being delayed. Mr. Walton advised that R&R projects are being combined in an effort to get more bidders and more favorable pricing. The follow-on project is being prepared for re-bid. Mr. Walton then advised the committee that CTS staff had begun the process for the Dominion Blvd. Veterans Bridge back office system contract as well as capital projects to replace the permanent Variable Message Signs on the Expressway and the next Expressway repaving cycle is expected to begin in the Spring, 2022 for the first segment, followed by repaving the second segment in 2023 and the final segment in 2024. Mr. Sorey advised the committee that the City's repaving contracts were going through procurement and that cost increases were expected. Mr. Cunningham asked if we were getting any feedback from the consultants or bidders regarding COVID impact with supply chains slowing projects down. Mr. Sorey replied yes that it is a problem within the city in all departments; costs were increasing and lead time for material purchases was increasing due to COVID impacts and supply chain issues. Mr. Cunningham inquired whether the City had benefited from the Transportation Bill, and Mr. Sorey advised that it was still being reviewed but nothing significant to report at this time.

**Chesapeake Expressway Traffic Summary** (Presented by Mr. Walton)

- Traffic Highlights:
  - FY21 Traffic increased 15% over FY20, 11.3% over FY19 (pre-pandemic) and was 7.4% above forecast
  - Cash Transactions are up 13.5%
  - Full-fare E-ZPass transactions are up 27.6%, Discount Program transactions increased by 3.2%
  - E-ZPass comprised 82% of all transactions, which increased from 81.8% in FY20
  - Cash transactions comprised 18% of all transactions, down from 18.2% in FY20
  - The violation rate remains approximately 3%, with 40+% of toll violations collected via the 10-day vtoll process

Ms. Kennedy asked how our violation rates compare with other toll facilities. Mr. Walton responded that the Expressway violation rate is very low which is somewhat attributable to the type of facility; each lane contains a traffic signal that displays a white light to the motorists if the associated EZPass account doesn't have funds or the EZP transponder was otherwise not read by the system. If a motorist receives a 'yellow' light from the system that is an indication to the motorist that their EZPass account is low on funds. Motorists also have the ability to stop in the full service lanes and pay cash.

Mr. Walton then explained that Outer Banks occupancy, which has been very high, has driven the traffic demand and performance of the Expressway. Ms. Kennedy inquired if we had an estimate of when the current demand may begin to go back down and Mr. Walton advised that he really hadn't seen anything indicating when demand may slow, and Mr. Sorey indicated that approval of vaccinations to children could be a potential impact.

**Dominion Boulevard Veterans Bridge Traffic Summary** (Presented by Mr. Walton)

- Traffic Highlights:
  - FY21 Traffic was flat when compared to FY20, was down 4.7% from FY19 (pre-pandemic) and was 0.4% below forecast
  - E-ZPass traffic is down 10.3% year-to-date, and makes up 84.8% of the toll transaction (down from 85.2% in the prior year)
  - Toll-by-Plate traffic is up 0.6% year-to-date, and makes up 15.2% of the transactions (up from 14.8% in the prior year)
  - Violation rate remains approximately 3.4% with approx. 35% of invalid transactions and 21% of toll-by-plate transactions are collected via the VToll process

Approximately \$1,140,000 has been collected on delinquent accounts mainly due to registration holds. In the prior year, just under \$1,300,000 was collected on delinquent toll accounts. Mr. Walton further advised that a reciprocity agreement with North Carolina

would be very helpful with delinquent toll account collections of North Carolina based users. Mr. Walton advised that traffic had essentially rebounded to pre-pandemic levels on Dominion Blvd. Veterans Bridge and exceeded pre-pandemic on the Expressway which resulted in very good financial performance.

Ms. Kennedy inquired about the Deep Creek Bridge replacement project and possible impacts to Dominion Blvd. Veterans Bridge; Mr. Sorey responded that the construction was such that the bridge crossing would be maintained throughout construction and that impacts were expected to be minimal. Mr. Sorey did advise that if there were to be any complete closures of the Deep Creek Bridge during construction, those would be conducted on weekends or at night, thus limiting the overall impact. Mr. Crum inquired about the impacts of (I-64) High Rise Bridge openings and the resulting impact to the Gilmerton Bridge and Dominion Blvd Veterans Bridge traffic and Mr. Walton responded that this is not currently tracked. Mr. Sorey then advised the committee that upcoming work on the Gilmerton Bridge will have six weekend full closures that may result in increased traffic on other facilities during the closure.

#### **Chesapeake Expressway Peak Season Update** (Presented by Mr. Walton)

- Peak weekends began on May 22
- Through July 11<sup>th</sup> 8 weekends of 17 have passed with year-over-year revenue up 35.6% and traffic up 24.2%. Battlefield Blvd. traffic is up 6.7% year-over-year but only up 1.4% when compared to 2019 for the same period of time. Thus far, it does not appear that there has been significant diversion from the Expressway to Battlefield Blvd.
- The Expressway's portion of the total corridor traffic has increased to 60.8% vs 57.1% for the same period in 2020
- Peak season revenue is up nearly \$800,000 from the same period in 2020

Mr. Walton reviewed the Peak Weekend Year-over-Year Graph and pointed out the drop in revenue (referring to the trend) on the 7<sup>th</sup> weekend which resulted in a 2 hour suspension of tolls on the Expressway due to serious motor vehicle crash that required Battlefield Blvd to be closed for a few hours; the graph shows the weekend impact to toll revenue from any event that impacts tolling. Ms. Anderson inquired about the alternative use of Battlefield Blvd. instead of the Expressway and advised that many locals prefer to use Battlefield Blvd.; Mr. Walton advised that local users have access to the Discount Program which enables them to use the Expressway at a significantly reduced toll rate or they can use any of the other alternative routes. Mr. Walton also advised the committee that off-duty police officers are hired to work on peak weekends to limit bad behavior and provide additional safety and security.

#### **5. South Norfolk Jordan Bridge (SNJB) Update**

Mr. Crum presented an update on the South Norfolk Jordan Bridge. Mr. Crum advised that year-to-date traffic has increased 23.5% with an average weekday traffic of 9,764 vehicles per

day which meets the budgeted traffic projections and is a significant improvement considering the region had major COVID restrictions. June posted the largest monthly truck volume in project history (16,867) and the first time exceeding 16,000 trucks in a month. SNJB expects 2021 to produce the highest annual truck traffic volume in project history. Significant summer weekend traffic generated by tourism as well as local population has generated added regional congestion that has benefited the SNJB. Traffic remains negatively impacted by lack of regular commuters due to telecommuting. Mr. Crum advised that overall, SNJB was doing very well, particularly when compared to Richmond or northern Virginia where traffic volumes continue to be down significantly. The SNJB biennial bridge inspection is being conducted this week.

Ms. St. John advised the committee that SNJB revenue and collections had remained consistent and that they had not experienced a reduction in collected revenue and that recent stimulus payments were expected to benefit toll revenue and delinquent account collections.

## **6. New Business**

None.

The committee selected October 14 at 11:30 am for the next meeting.

The meeting was adjourned at 12:15 pm.