

# ASHE Potomac Section Presentation

## By Renee Hamilton, CEO, TRIP II

March 9, 2022



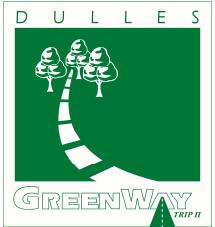
A wide-angle photograph of a multi-lane highway curving through a landscape. In the foreground, a grassy hillside slopes down towards the road. The highway is lined with trees and has several cars driving on it. The sky is a warm, golden color from the setting sun, which is visible in the upper left quadrant. The overall scene is peaceful and suggests a blend of natural beauty and human-made infrastructure.

# BACKGROUND OF THE DULLES GREENWAY

# History of the Dulles Greenway

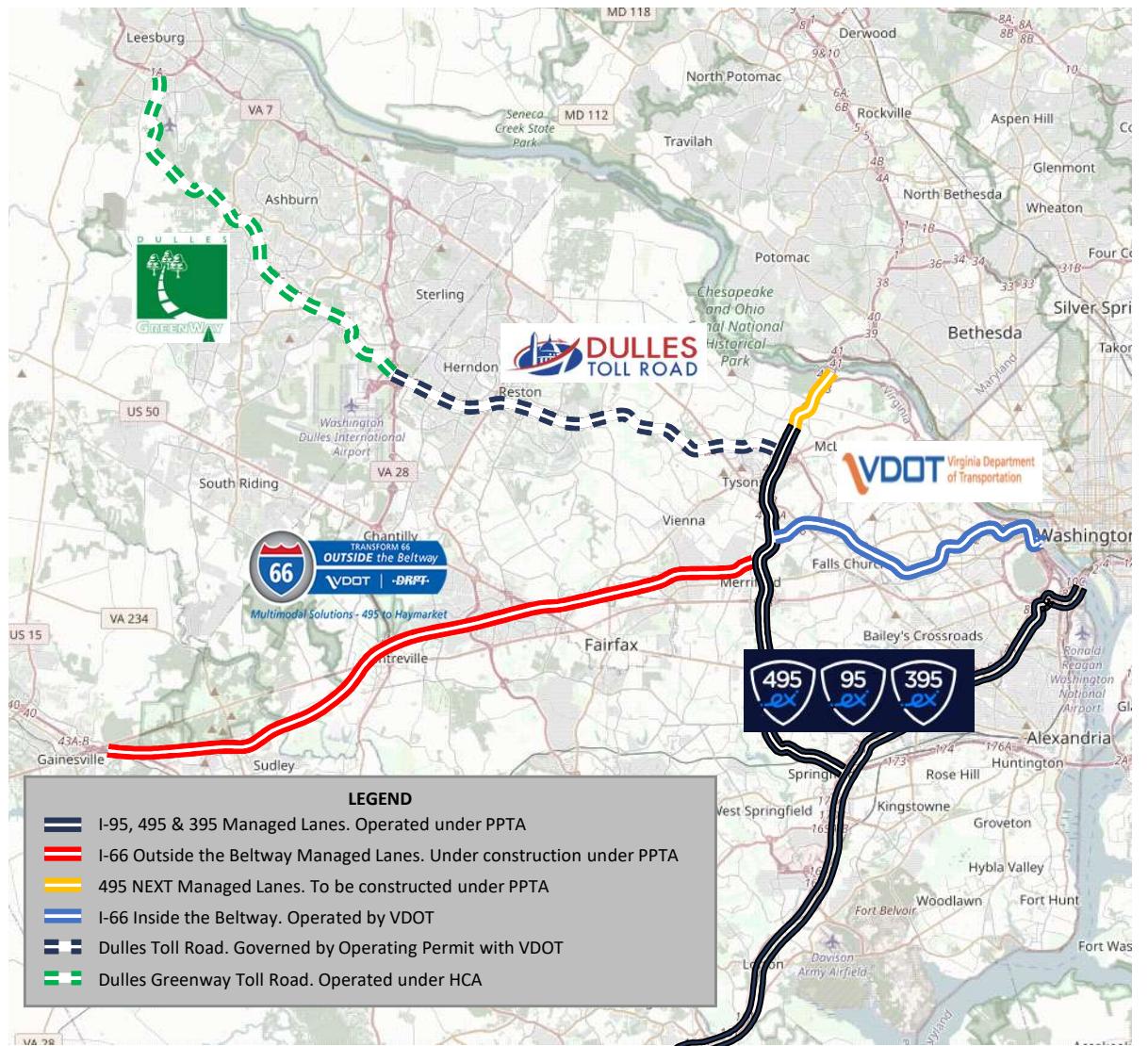
- ❖ 14-mile roadway connecting Loudoun County to the rest of the Washington Metropolitan Region
- ❖ Mrs. Maggie Bryant of Middleburg, Virginia, was the visionary behind the Dulles Greenway
- ❖ Project was unanimously approved by the Commonwealth Transportation Board in 1989, following a series of information hearings, public comment and work sessions
- ❖ Opened to traffic on September 29, 1995
- ❖ Certificate of Authority allows TRIP II to collect tolls until February 15, 2056
- ❖ Only toll road to have toll prices regulated by the State Corporation Commission (“SCC”) under the Virginia Highway Corporation Act of 1988 (“HCA”)

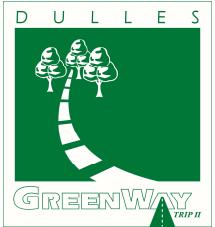




# Integral Part of the Transportation Network

- ❖ The Dulles Greenway is an integral part of the regional transportation network
- ❖ Since opening in 1995, three additional toll roads have opened in Northern Virginia under PPTA, with two more under construction
- ❖ Provides several benefits to drivers:
  - Safer
  - Faster
  - Reliable
  - Predictable
- ❖ Majority of customers travel on to, or come from, the Dulles Toll Road

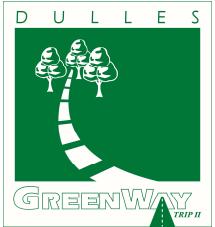




# Land Ownership

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- ❖ Only private toll road in the country to own the land in fee simple and pay property taxes
  - \$1.7 million in property taxes paid in 2021
  - ~\$60 million in total property taxes paid since 1995
- ❖ Some land around Dulles International Airport subject to an easement agreement with MWAA
  - \$600,000 paid each year, increasing to \$2 million per annum from 2036
  - ~\$12 million in total paid to MWAA in land rental fees through 2021
- ❖ Median given free of charge for the Metro Silver Line expansion beyond Dulles Airport
- ❖ At the expiration of the Certificate of Authority, the roadway and land will be dedicated in its entirety to the Commonwealth for no compensation



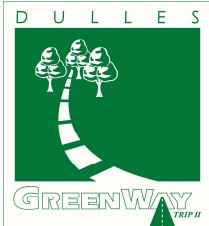
# Funding of the Dulles Greenway

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- ❖ Construction was privately financed at a cost of \$315 million
- ❖ Not a single dollar of public financial support; no tax breaks or subsidies of any kind
- ❖ Over \$125 million in further improvements to the road since opening
- ❖ Equity contributions over the life of the project have totaled ~\$144 million
  - Only ~\$102 million has ever been distributed out of the business, with the last distribution in 2007
  - Every other dollar earned from toll revenues has been reinvested in the road or is held in reserves
- ❖ Outstanding debt balance due to peak at ~\$1.1 billion in 2022-23
  - Almost all debt structured as zero-coupon bonds with staggered maturities – interest accumulates and is paid at maturity, resulting in an increasing outstanding debt balance, but this will begin declining
  - Over \$200 million in reserve accounts

An aerial photograph of a highway interchange in a suburban area. The interchange features multiple levels of roads and overpasses. A large, dense forest of green trees runs through the center of the image. In the background, there are residential neighborhoods with numerous houses and a few commercial buildings, including a prominent red brick building with a blue roof. The sky is clear and blue.

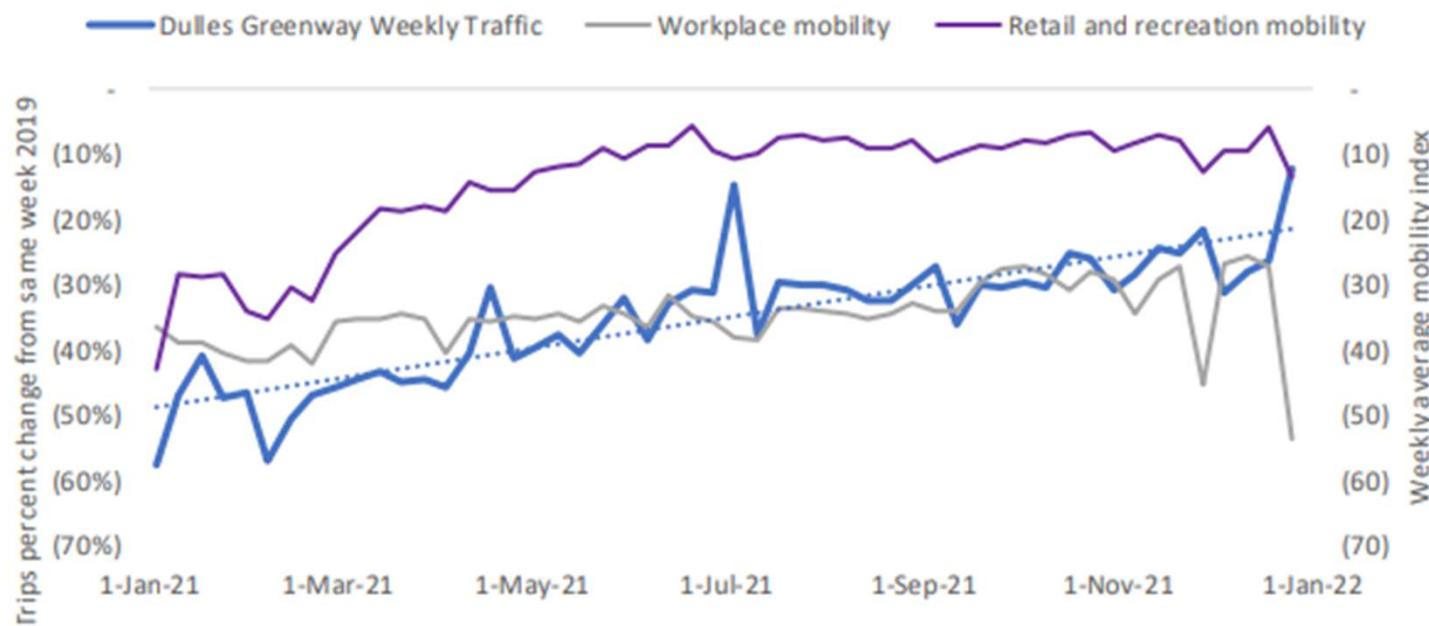
# FUTURE OF THE DULLES GREENWAY



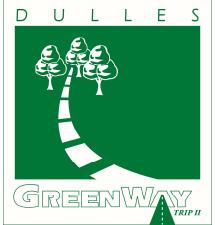
# Traffic on the Dulles Greenway

- ❖ Continued recovery of traffic volumes with the gradual return of commuters and the overall increase in mobility in the region
  - Pre-COVID (2019): 48,757 average daily trips
  - Currently (Q4 2021): 34,456 average daily trips

## Dulles Greenway Weekly Traffic vs. Loudoun County Mobility

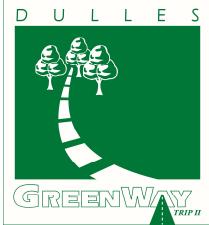


Note: Mobility data for Loudoun County sourced from Google LLC "Google COVID-19 Community Mobility Reports"; <https://www.google.com/covid19/mobility/>



# Opportunity for Toll Reform Under the PPTA

- ❖ All stakeholders agree on the need for distance-based tolling and lower tolls on the Greenway
- ❖ Despite this consensus, prior attempts to create a long-term framework to enable equitable toll rates on the Greenway have been unsuccessful
- ❖ Legislation proposed by Del. Reid and Sen. Boysko (HB 859 and SB 445) in the 2022 legislative, which was carried over to 2023, would reduce tolls and bring distance-based pricing to the Greenway
  - Directs the Commissioner of Highways, in consultation with the Secretary of Transportation and Secretary of Finance, to evaluate if it is in the public interest to enter a new comprehensive agreement with the Greenway under the PPTA, which would require an assessment of public sector alternatives
  - Requires the implementation of distance-based tolling and the lowering of tolls as part of any new agreement
  - Incorporates the standard PPTA procurement process, including
    - Solicitation of input and feedback from impacted jurisdictions;
    - Multiple public meetings;
    - Oversight from the PPTA Steering Committee and Commonwealth Transportation Board; and
    - Goes a step further to initiate NDAs with County representatives so they can meaningfully participate in the process



# Benefits of Operating the Dulles Greenway Under the PPTA

- ❖ The PPTA provides the long-term certainty needed to facilitate the significant private sector investment that is required to implement distance-based pricing and to lower tolls
- ❖ Distance-based tolling and lower tolls on the Greenway is expected to substantially improve the customer experience and help optimize the regional transportation network
- ❖ This will have significant benefits for all stakeholders

## Lower + Equitable Tolls

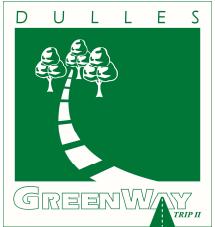
- VDOT can negotiate lower toll rates and to implement distance-based tolling
- Improve user experience
- Deliver significant stimulus to the regional economy
- Help optimize the regional transportation network

## Alignment of Regulatory Framework

- Aligns the Greenway's regulatory framework with every other private toll facility in the Commonwealth
- Allow VDOT greater oversight than permitted under current regulatory regime
- Eliminate wasteful annual rate proceedings, saving SCC, Loudoun County, VDOT and the Greenway significant time and money

## Increased Utilization

- Improved congestion management in the regional network
- Reduced burden on local road maintenance and construction budgets
- Establishes a platform for a unified tolling solution along the Route 267 corridor (Dulles Toll Road and Greenway) in Fairfax and Loudoun



# 2021 Legislation Outcome

- ❖ Amendments to the HCA in the 2021 Virginia legislative session will apply to future applications for toll increases
- ❖ The key changes to the HCA introduced by these amendments include:
  - preventing the SCC approving more than one year of toll rate increases (where previous approvals have granted multiple increases for up to 5 years as part of any one rate case submission);
  - defining the threshold at which toll increases would be considered to “materially discourage use” as a 3% fall in traffic, adjusted for population growth; and
  - Requires VDOT to review all traffic analysis presented as part of a rate application
- ❖ These amendments have several significant implications
  - Costly for the Greenway, Loudoun County and numerous government agencies
  - No distance-based tolling or toll reductions
  - More frequent toll rate cases

An aerial photograph of a highway interchange in a rural or semi-rural area. The interchange features multiple roads and overpasses. A large, grassy embankment runs along one of the roads. In the background, there are green fields, trees, and a distant town under a blue sky with white clouds.

**GOOD CORPORATE CITIZEN**

# Road Improvement Projects

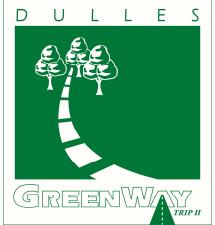
- ❖ Since opening, more than \$125 million has been invested in road improvement projects
  - Widening of roadway to 3 lanes in each direction
  - Additional off-ramps at Rt 606 (East and West), Shreve Mill Rd and Battlefield Pkwy
  - Added a lane to the eastbound connection with the DTR, and added a lane to the DTR from the Greenway merge to the Centreville Road exit
  - Recently completed improvements at the west end of the road, working with Loudoun County to add a lane along Route 15 and reconstruct the King St off-ramp



# Sustainability Initiatives

- ❖ Maintain over 149 acres of natural wetlands
- ❖ Partnership with the Loudoun Wildlife Conservancy and the American Eagle Foundation to install High-Definition cameras over the bald eagles' nest on the Greenway wetlands in Leesburg
  - Eagle Naming Contest in Partnership with LCPS – Over 9,000 students K-12 participated in the contest
  - View cams at [dullesgreenway.com/eagle-cam/](http://dullesgreenway.com/eagle-cam/)





# Supporting the Local Not-for-Profit Community

- ❖ Nearly **\$4 million** in charitable contributions over 14 years supporting several Loudoun County organizations that would otherwise require government support
- ❖ Run the Greenway fun run event launched in 2021
  - Over 1,500 runners raised more than \$150k for local Loudoun charities
  - 2022 event Saturday May 7 – sign up at [dullesgreenway.com/run-the-greenway/](http://dullesgreenway.com/run-the-greenway/)



# Types of Contracts

- ❖ Tolling System
- ❖ Engineering Services
- ❖ Professional and Technical Services
- ❖ Safety
- ❖ Construction
- ❖ Snow Operations
- ❖ Computer Services
- ❖ Pavement Inspection
- ❖ Roadway



A wide-angle photograph of a multi-lane highway curving through a landscape of green fields and dense trees under a dramatic sunset sky.

**QUESTIONS?**