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CVTA
Central Virginia Transportation Authority

Members

Town of Ashland

Charles City County

Chesterfield County

Goochland County

Hanover County

Henrico County

New Kent County

Powhatan County

City of Richmond

VA House of Delegates

Senate of VA

Commonwealth Transportation Board

CRAC
GRTC
RMTA
Port of Virginia
VDRPT
VDOT

TO: Central Virginia Transportation Authority Members and Alternates

FROM: Chet Parsons, Executive Director

DATE: April 18, 2025

COPY: Eric Gregory, CVTA Legal Counsel
Kristy Choi, PFM
Megan Martz Gilliland, KC

RE: CVTA Bond Issuance next steps

This memo provides practical guidance for the CVTA to establish a timeline for bond issuance following the bond validation process. Highlighting the work tasks for each of the three committees below provides a step-by-step process for the CVTA to be prepared for bond issuance in 2026. The tasks outlined below are in order by timeline to ensure that a deliberate, transparent process is followed to develop a strong regional project package.

My recommendation is for the Authority to consider this process and if in agreement, issue the Executive Director to provide guidance for the three committees identified below.

Technical Advisory Committee

The sharp focus for the TAC is on identifying and planning for priority projects across the region. Through the expertise of the membership, the TAC is where regional project applications are developed and submitted, local CVTA project plans are created, and impacts of regional needs are assessed through travel benefits for the region.

<u>TAC bond development responsibilities:</u>

1. Identify priority projects that have true regional impact, regardless of political boundary or cost. One project will be chosen per member locality to assemble a candidate listing for consideration by the CVTA.
2. Develop timelines for identified projects. This will identify how the slate of proposed projects will perform across the region and help to identify funding commitment amounts and timing. Information to consider may include, but is not limited to, project phasing, years of expenditure, and relationship to local CIP or economic development program.

3. CVTA funding need for each project in relation to overall project budget. Include timing of requested CVTA commitment vs other fund sources.

Finance Director's Working Group (FDWG)

The sharp focus for the FDWG is on identifying the financial approaches to best achieve the implementation of priority projects proposed by the TAC. The FDWG will help to translate the technical project needs with bond options to guide the Finance Committee in development of recommendations.

<u>Finance Director's Working Group bond development responsibilities:</u>

4. Understand impacts – Types of bonds available to the CVTA and the associated terms (what percent of the money has to be spent over what duration, how many years for payback); Cost of issuing a bond in comparison to the bond amount; Impact an initial bond will have on future bonding
5. Using input from the TAC regarding project development details, prepare a regional snapshot of combined project budget demands by year.
6. Develop funding need projections by year that will cover the overall costs for the identified regional priorities.
7. Work with Finance Committee as needed to refine or prioritize project packages to meet the funding focus for the CVTA.

Finance Committee

The sharp focus for the Finance Committee is on absorbing the technical project needs from the TAC, the financial implications from the FDWG, and CVTA priorities to develop a recommended initial bond financing package for consideration by the CVTA.

<u>Finance Committee bond development responsibilities:</u>

8. Review and assess impacts of the FDWG funding package on the CVTA and its financial impacts in relation to annual estimated tax revenues.
9. Request updates from TAC as needed to provide more information on particular priority projects.
10. Work with bond counsel and financial advisors to understand guardrails for development of an initial bond package and its impact on the annual regional project budget. Assume bond package will only include sales and use tax revenues as committed resources.
11. Prepare recommended bond financing package for consideration by the CVTA.