



POCAHONTAS PARKWAY (RT. 895)

Project Overview

 Laura Farmer
Chief Financial Officer

March 6, 2025

Project Profile and Timeline

- Approximately nine miles, four lane, limited access tollway located from the then eastern terminus of Chippenham Parkway at I-95 to a connection with I-295 southeast of Richmond International Airport, including the high-level bridge crossing I-95
- Built in accordance with the 1995 Public-Private Transportation Act (PPTA) which allows private entities to propose innovative solutions for designing, constructing, financing and operating transportation improvements
 - Comprehensive Agreement executed between VDOT and Flour Daniel/Morrison Knudsen (FDMK)/Pocahontas Parkway Association (limited liability corporation) in June 1998 under the PPTA (Construction complete in 2002)
- Proposal from Transurban in 2004 led to a conversion into long-term contract to lease, develop, and maintain including construction of Richmond Airport Connector (2006)
- Acquired by and currently operated by Globalvia (2016)



Image from Pocahontas 895

Project Overview

- **Since there are no non-toll alternative routes available, certain criteria were considered before determining that 895 could be successfully built and financed through tolls:**
 - High construction costs due to required high-level bridge across the James River
 - Roadway principally benefits local residents and businesses in Chesterfield County
 - Roadway saves considerable time and mileage for many users which allows users to make a cost/benefit determination to use the new road
 - Provided better access to Richmond International Airport
 - New high-speed toll collection technology (at the time) reduced operating costs and enhanced time saving aspect for users
- **Acquired by Globalvia in 2016**
 - 99-year concession agreement (under the original 2006 agreement) at a total cost of \$611 million
 - Globalvia has 100% control of the roadway
- **Cost**
 - Original construction cost totaled \$324 million (including \$9.28 million in federal funding for preliminary engineering)

Project Financing

- **Original construction**
 - 63-20 corporation tax-exempt toll revenue bonds - \$354 million
 - State Infrastructure Bank loan - \$18 million
 - Federal funds for design costs - \$9 million

- **Transurban Long-term lease (2006)**

- Senior bank debt - \$420 million
- Subordinated debt - \$55 million
- Equity contribution - \$141 million
- TIFIA loan - \$150 million

(Under the terms of the agreement, Transurban defeased all of underlying debt and was obligated to construct the Richmond Airport Connector (RAC), a 1.58-mile, four-lane extension of the toll road to Richmond International Airport (open January 2011))

- **Globalvia Long-term lease (2016)**

- \$650 million total investment
- 50/50 equity and debt (long-term)

Richmond Airport Connector (Opened 2011)

- 1.58-mile 2+2 lane section from Pocahontas Parkway to Charles City Road
- Construction began in 2008, and the road was opened to the public in January 2011
- The project cost approximately \$50 million, and its design, construction, and operation and maintenance were already included in the 2006 concession agreement.
- Users travelling on the Airport Connector to/from the 895 Main Plaza only pay tolls at the Main Plaza, while users travelling on the Airport Connector to/from I295 through the 895 pay tolls at the Airport Connector ramps.
- Users travelling within the Airport Connector but not accessing 895 do not pay tolls.
- Benefits of building the Richmond Airport Connector included:
 - Improved airport access and shorten travel times for passengers, employees, and those with airport-related business.
 - Less traffic on local roads and enhanced safety for both travelers and freight carriers by separating airport and non-airport traffic.

Toll Rate Setting

- **Tolling: Fixed rate based on entrance/exit and vehicle class**
- **Toll Rates: Increases based on greater of Consumer Price Index or Gross Domestic Product Rates**
- **Toll Revenue Usage: Facility operations and maintenance**
 - **Operating costs: Tolling and IT systems management, traffic signage management, customer service, safety management, incident management and response, snow and ice removal, etc.**
 - **Maintenance costs: Roadway maintenance, toll facilities maintenance, tolling systems and upgrades, etc.**
 - **Debt service payment**

PPTA Benefits

- **Pocahontas Parkway was the first project pursued under the 1995 PPTA that was undertaken to support the design, construction, finance, operations and maintenance of a transportation facility**
 - **Private entity accepted revenue risk for the project with requirements for ordinary and major maintenance over the life of the concession period**
 - **VDOT monitors facility's condition and regularly coordinates with Operator in accordance with requirements of the agreement**