

I-81 Corridor Finance Update

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Changes since December 2024 Financial Update

- **Dedicated I-81 Fuel Tax Estimate – Update provided by Department of Taxation**
- **Commonwealth Transportation Fund Revenue Update**
- **Allocation updates to VDOT Program Areas to address inflation and other needs**
- **Resulting changes to the funding available for Construction Formula Distribution**
 - **20% of state and federal funding available is dedicated to Interstate Operations and Enhancement Program**

| Estimate/Allocation Changes since December Update (Overlapping years) | (in millions) | | | | | Total |
|---|---------------|---------|---------|---------|---------|-----------------|
| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | |
| I-81 Fuel Tax | (\$4.6) | (\$5.7) | (\$5.9) | (\$6.1) | (\$6.2) | (\$28.5) |
| I-81 Share of Interstate Operations and Enhancement Program (IOEP) | (17.3) | (11.4) | (10.4) | (12.4) | (10.4) | (61.9) |

- **Total estimated cost of the I-81 Corridor Program increased from \$3.6 billion to \$3.9 billion. This change is primarily due to the estimate update for the Ironto Widening Segment, Exit 128 to Exit 137**

Additional Funding

- **General Fund Support - \$245 million**
 - \$70 million provided during the 2024 Session to support continued advancement of projects in the Interstate 81 Corridor
 - \$175 million from 2024 GF surplus to support projects on the corridor (Appropriated during the 2025 General Assembly Session)
- **This funding was assumed in the December 2024 Advisory Committee Presentation**

Revenue and Expenditures to Date

Interstate 81 Improvement Fund (in millions) Activity through June 30, 2025 (Preliminary)

| Sources | Actuals Through FY 2025 |
|--|-------------------------|
| I-81 Fuels Tax | \$465.7 |
| Interstate Operations and Enhancement Program Allocation (State and Federal) | 436.3 |
| General Fund | 245.0 |
| Other Sources Prior to FY 2021/Other | 71.5 |
| Interest Income | 48.5 |
| Total | \$1,224.9 |
| Bonds/TIFIA Loan | 199.4 |
| Total | \$1,466.4 |

| Activity | Total |
|---|------------------|
| Expenditures | |
| Pay-Go Project Expenditures | \$405.6 |
| Bond / TIFIA Fund Project Expenditures | 116.9 |
| Debt Service | 18.0 |
| Financing Costs/Administration | 1.4 |
| Total | \$541.9 |
| Balance Remaining | |
| Fund Balance | \$762.4 |
| Bond Balance | 0.0 |
| Federal IOEP Balance | 37.4 |
| Federal Earmark | 42.0 |
| TIFIA Balance | 82.6 |
| Total Available | \$882.4 |
| Expenditures and Balance Remaining Total | \$1,466.2 |

Totals differ due to rounding

Sources – Revenue Performance and Projections

| Sources | Actuals Through FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | Total |
|---|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Regional Fuels Tax | \$465.7 | \$88.6 | \$89.5 | \$91.4 | \$93.4 | \$95.4 | \$95.4 | \$1,019.4 |
| Interstate Operations and Enhancement Program Allocation | 436.3 | 97.4 | 107.3 | 112.8 | 120.9 | 128.1 | 133.6 | 1,136.4 |
| General Fund | 245.0 | | | | | | | 245.0 |
| Other Sources Prior to FY 2021/Other/Federal Earmark* | 71.5 | - | - | - | - | - | - | 71.5 |
| Interest Income | 48.5 | - | - | - | - | - | - | 48.5 |
| Prior Year Revision | | (3.3) | | | | | | (3.3) |
| Total | \$1,266.9 | \$182.7 | \$196.8 | \$204.2 | \$214.3 | \$223.5 | \$229.0 | \$2,517.4 |
| Planned Debt for Construction | 199.4 | 199.4 | 334.2 | | 266.9 | - | | \$1,000.0 |
| Total | \$1,466.4 | \$382.1 | \$531.0 | \$204.2 | \$481.2 | \$223.5 | \$229.0 | \$3,517.4 |

Estimate Sources:

Regional Fuels Tax estimate provided by the Virginia Department of Taxation, December 2024

Interstate Operations and Enhancement Program, Commonwealth Transportation Fund Six-Year Financial Plan, June 2025

**Federal earmark of \$42 million allocated in FY 2025*

Uses - Support I-81 Corridor Improvement Program

| Uses (in millions) | Through FY 2025* | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | TOTAL |
|--------------------------------------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Debt Service | \$18.0 | \$12.7 | \$10.6 | \$9.5 | \$14.2 | \$18.1 | \$18.1 | \$101.2 |
| Remaining Fuel Tax Revenue | 446.5 | 70.8 | 77.1 | 80.5 | 77.8 | 76.9 | 76.9 | 906.5 |
| Interstate / IOEP Allocation / Other | 801.3 | 97.4 | 107.3 | 112.8 | 120.9 | 128.1 | 133.6 | 1,501.4 |
| Administration and Financing Costs | 1.2 | 1.8 | 1.8 | 1.4 | 1.4 | 0.4 | 0.4 | 8.4 |
| Total | \$1,266.9 | \$182.7 | \$196.8 | \$204.2 | \$214.3 | \$223.5 | \$229.0 | \$2,517.4 |
| Planned Debt to support Construction | 199.4 | 199.4 | 334.2 | - | 226.9 | - | - | 1,000.0 |
| Total with Planned Debt | \$1,466.4 | \$382.1 | \$531.0 | \$204.2 | \$481.2 | \$223.5 | \$229.0 | \$3,517.4 |

*As of June 30, 2025; preliminary and unaudited

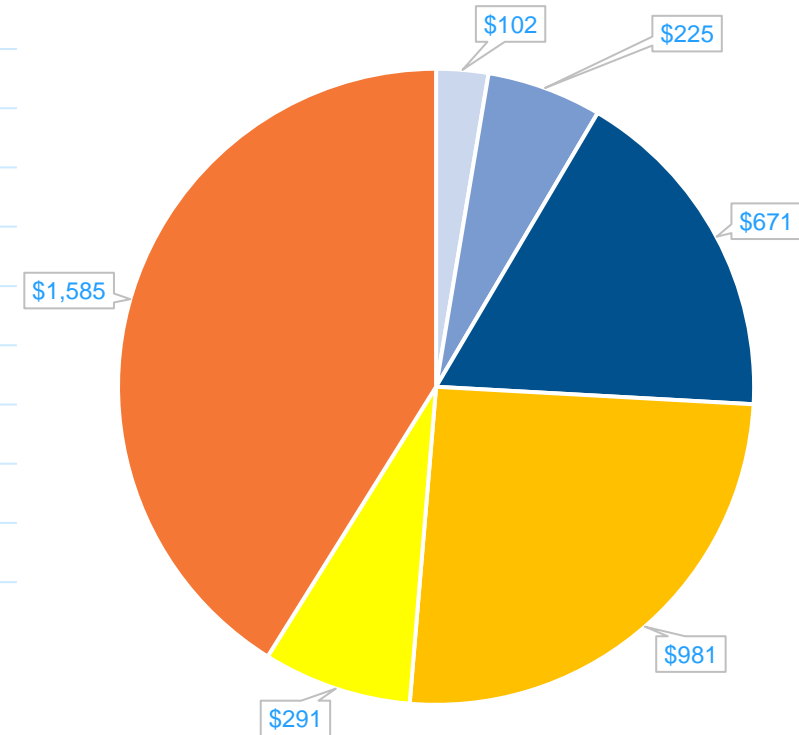
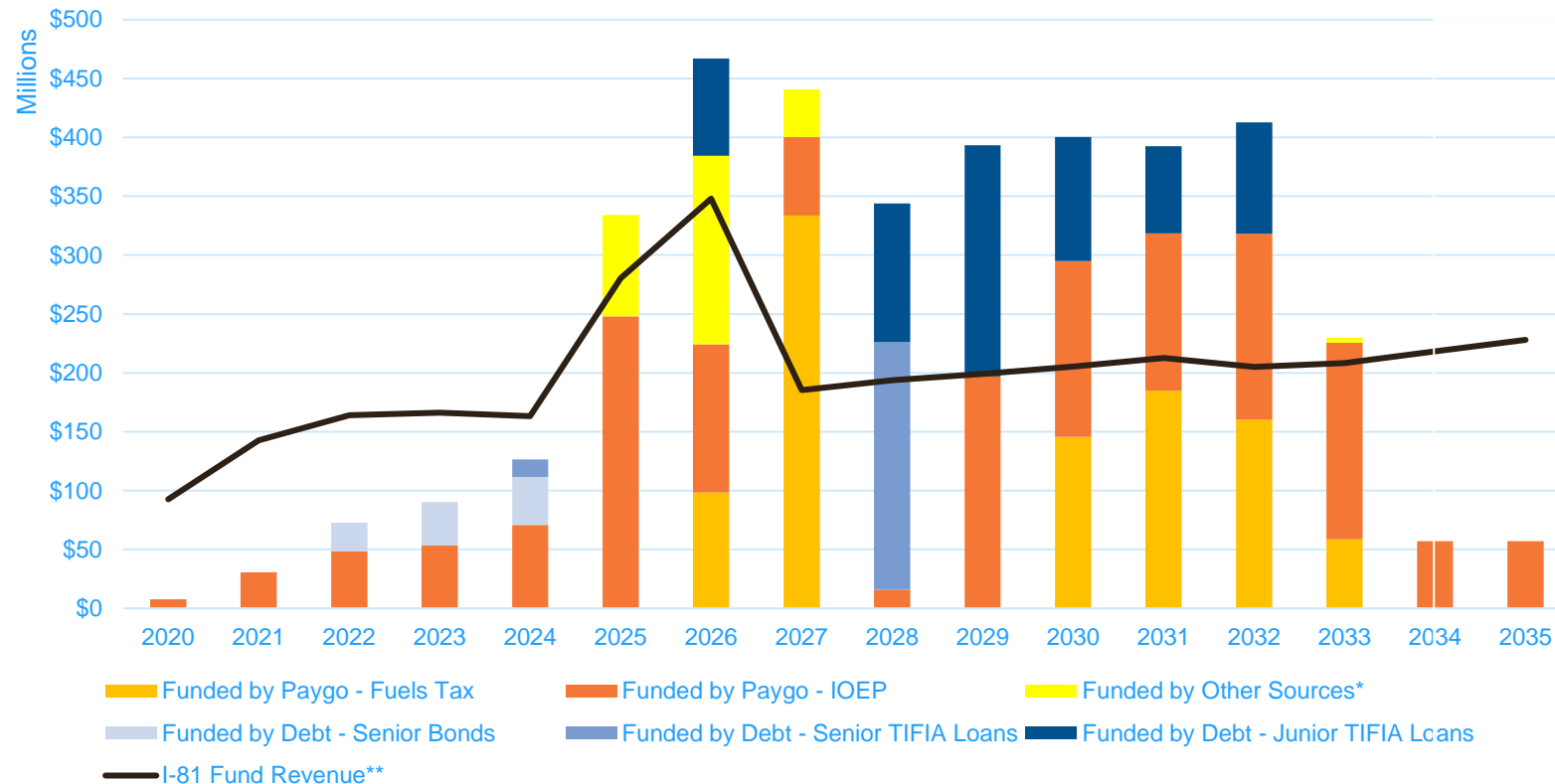
Extended Financial Outlook for I-81 Program

I-81 Corridor Program – Project Costs

The estimated cost of all improvements included in the current CIP totals \$3.9 billion, with projects funded through 2035 (based on the current revenue assumptions and debt model)

Preliminary Funding by Year and Source

- The current I-81 Program of \$3.9 billion is fully funded by a mix of IOEP and fuels tax pay-go as well as multi-lien fuels tax debt
 - Chart Reference – Bars – Modeled Expenditures; Line – Revenue net of financing costs



* Includes \$42 million Federal Earmark, \$70 million General Fund appropriated in FY 2025, and \$175 million General Fund Surplus dedicated to I-81

** net of financing payments

Modeled Funding Potential for Additional Improvements

| (in millions) | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Estimated Allocations available after debt obligations | \$161 | \$171 | \$238 | \$249 | \$235 | \$270 | \$282 | \$295 |

- Assumes debt authorization of \$1 billion for the program is fully leveraged in first tranche of projects

Remaining funding available is pay-go from remaining fuel tax revenue, after debt service, and IOEP allocations dedicated to I-81

- Based on this potential trajectory, the working amount for the IOEP Plan Update is \$2 to \$2.25 billion, with significant resources available beginning in FY 2034

The I-81 Program will continue to benefit from interest earnings on the I-81 Fund and any additional funding provided to supplement the dedicated revenue and allocation streams. This provide opportunities to advance improvements sooner.