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Review of Commonwealth Debt and Debt Capacity

Briefing for the Senate Finance & Appropriations Committee

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State Treasurer

November 16, 2023

Presentation Outline

- Importance of Maintaining the Commonwealth's AAA Bond Rating
  - Triple-AAA Rated States
  - Impact of a Rating Downgrade on Borrowing Costs
  - Virginia's Tax-Supported Debt Compared to Other States
- Commonwealth Debt Overview
  - Issuers
  - Types of Debt
  - Tax-Supported Debt Outstanding, Authorized and Issued
- Debt Capacity Advisory Committee (DCAC) and the Debt Capacity Model
  - Background
  - Model
  - Factors Impacting Capacity and the Recommendation

Importance of AAA Bond Rating

- Commonwealth has held a AAA general obligation bond rating from Moody's since 1938, Standard and Poor's since 1962 and Fitch since 1991

- Subject-to-appropriation bonds are rated one notch below the state's General Obligation (G.O.) rating at AA+ (Includes: Virginia College Building Authority [VCBA] 21st Century, Virginia Public Building Authority [VPBA], Commonwealth Transportation Board [CTB])

- Bond investors willing to accept lower rate of interest for high credit quality

- Demand for credit quality is high
  - Stock market volatility and global markets unrest results in flight to quality
  - Reduced reliance on bond insurers make "natural" AAA's/AA's more valuable
  - Portfolio managers need highly-rated bonds to improve fund profile

Triple-AAA Rated States

	Moody's		**S&P**		**Fitch**	
State	**Rating**	**Outlook**	**Rating**	**Outlook**	**Rating**	**Outlook**
Delaware	Aaa	Stable	AAA	Stable	AAA	Stable
Florida	Aaa	Stable	AAA	Stable	AAA	Stable
Georgia	Aaa	Stable	AAA	Stable	AAA	Stable
Indiana*	Aaa	Stable	AAA	Stable	AAA	Stable
Iowa*	Aaa	Stable	AAA	Stable	AAA	Stable
Maryland	Aaa	Stable	AAA	Stable	AAA	Stable
Minnesota	Aaa	Stable	AAA	Stable	AAA	Stable
Missouri	Aaa	Stable	AAA	Stable	AAA	Stable
North Carolina	Aaa	Stable	AAA	Stable	AAA	Stable
South Dakota*	Aaa	Stable	AAA	Stable	AAA	Stable
Tennessee	Aaa	Stable	AAA	Stable	AAA	Stable
Texas	Aaa	Stable	AAA	Stable	AAA	Stable
Utah	Aaa	Stable	AAA	Stable	AAA	Stable
Virginia	Aaa	Stable	AAA	Stable	AAA	Stable

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* Issuer Rating: No GO Debt

Potential Impact of Rating Downgrades on Cost of Borrowing

- In the event of a downgrade to Virginia's AAA rating, the Commonwealth would no longer be able to issue its bonds at the lowest interest rates, increasing the borrowing costs for its debt financed capital projects
- What if Virginia were to be downgraded from AAA to AA?*
  - As of October 16, 2023, bond yields on AA rated 20-year municipal bonds ranged from 7 basis points higher on the short-end to 31 basis points higher on the long-end relative to AAA rated bonds.
  - For every $100 million in bonds issued at the lower AA rating, the Commonwealth's debt service payments would increase by approximately $2.8 million over the 20-year life of the bond.
- A downgrade to the Commonwealth's credit rating would result in downgrades to Virginia's appropriation supported bond credit ratings and could result in additional downgrades to other debt issuing entities within the Commonwealth
- A downgrade could also have a negative impact on economic development, reducing the Commonwealth's ability to attract and retain businesses

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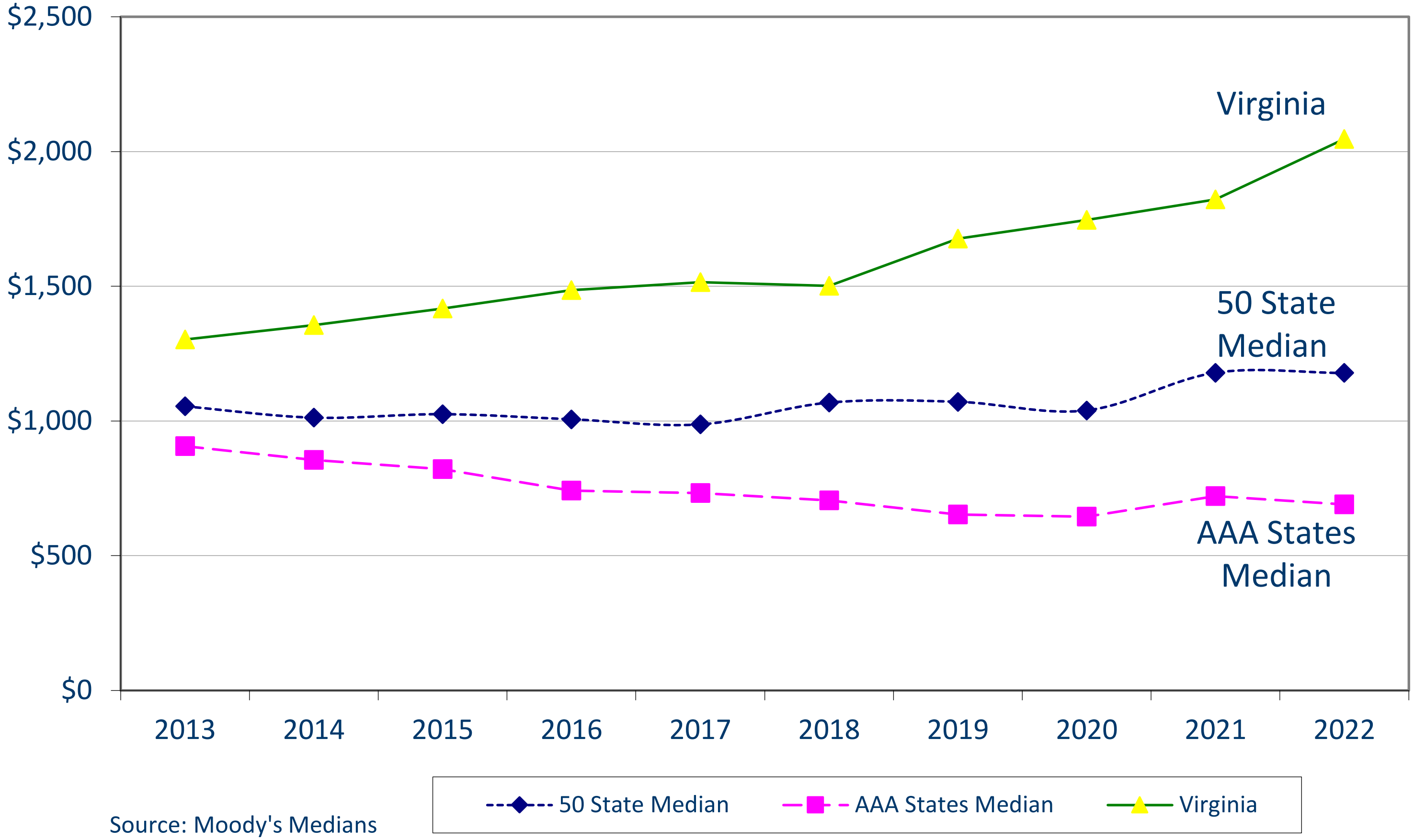
*Analysis prepared by Public Resources Advisory Group. Rates as of October 16, 2023. Detailed analysis is included on Appendix pages A-3 and A-4.

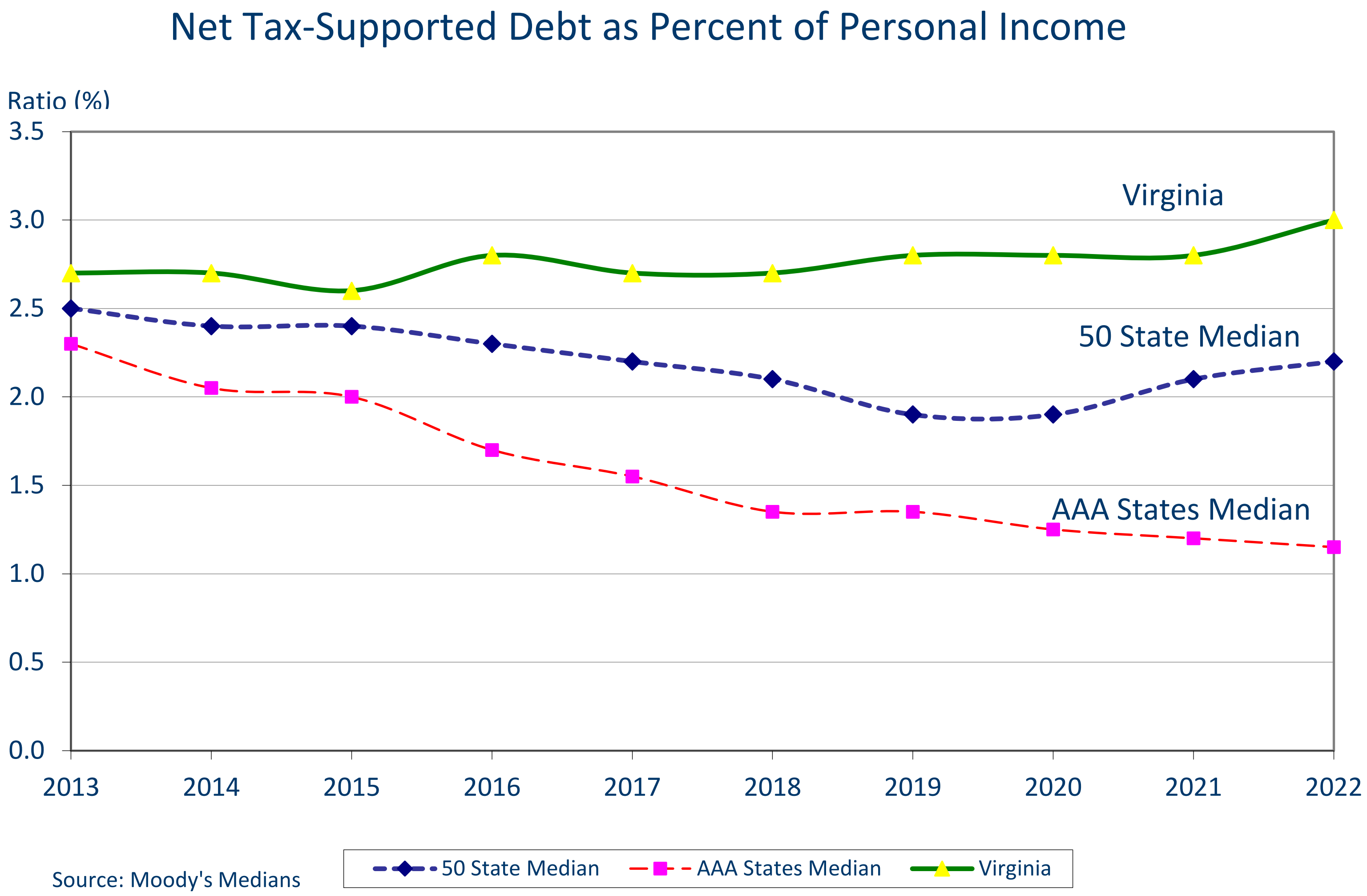
Virginia's Tax-Supported Debt Compared to Other States

Net Tax-Supported Debt Per Capita



Source: Moody's Medians

Virginia's Tax-Supported Debt Compared to Other States



Source: Moody's Medians

Virginia’s Tax-Supported Debt Compared to Other States

- While the Commonwealth’s tax-supported debt burden may be greater than both the nationwide and Triple-AAA medians, there are certain mitigating factors that reduce the financial impact of this debt burden
  - Rating agencies cite Virginia’s diversified economy, large Federal government presence, well-managed finances, high levels of reserve funds, and sophisticated debt capacity model as positive factors that allow the Commonwealth to support its tax-supported debt levels while maintaining its AAA rating
  - All of the Commonwealth’s outstanding tax-supported debt is fixed rate debt which has not been impacted by increasing interest rates. In addition, the Commonwealth issued and/or refunded the majority of its tax-supported debt at historically low interest rates, allowing the Commonwealth to finance needed capital projects at the lowest cost of capital
  - Some Triple-AAA states have obtained their AAA ratings largely because they have very little or even no tax-supported debt, skewing the data points for the Triple-AAA rated states lower

Debt Overview - Issuers

- The following are the primary tax-supported* debt issuing boards and authorities:
  - Treasury Board – General Obligation
  - Virginia College Building Authority
  - Virginia Public Building Authority
  - Commonwealth Transportation Board
  - Virginia Port Authority (VPA)

- The following authorities currently issue moral obligation or sum-sufficient appropriation bonds:
  - Virginia Resources Authority (VRA)
  - Virginia Public School Authority (VPSA)

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*Defined on slide 20

Debt Overview – Framework of Article X of Constitution

Type	Purpose	G.A. Action	Referendum	Security	Issuer
9(a)	Emergencies, Deficits, Redeem Prior Obligations	General Authorization	No	GO	Treasury Board
9(b)	Capital Projects	Specific Project Authorization	Yes	GO	Treasury Board
9(c)	Revenue Producing Capital Projects	2/3 Majority Project Authorization	No	Revenues +GO	Treasury Board
9(d)	Anything Else	General Authorization	No	Revenues/ Appropriations	Agencies Authorities Institutions

Debt Overview – 9(b) and 9(c) Debt

- 9(b) General Obligation Debt
  - Requires authorization by General Assembly and approval of voters at a referendum
  - Secured by full faith and credit of the Commonwealth (G.O. Pledge)
  - Paid by general fund revenues
  - Impacts debt capacity
  - AAA/Aaa/AAA ratings provide lowest interest rates
  - Last voter approved referendum 2002

- 9(c) General Obligation Debt
  - Revenue producing projects (eg. dorm, dining and toll roads)
  - Paid by revenues from project, but backed by Commonwealth's G.O. Pledge
  - AAA/Aaa/AAA ratings provide lowest interest rates
  - Tax-supported debt, but not included in debt capacity model, doesn't impact debt capacity

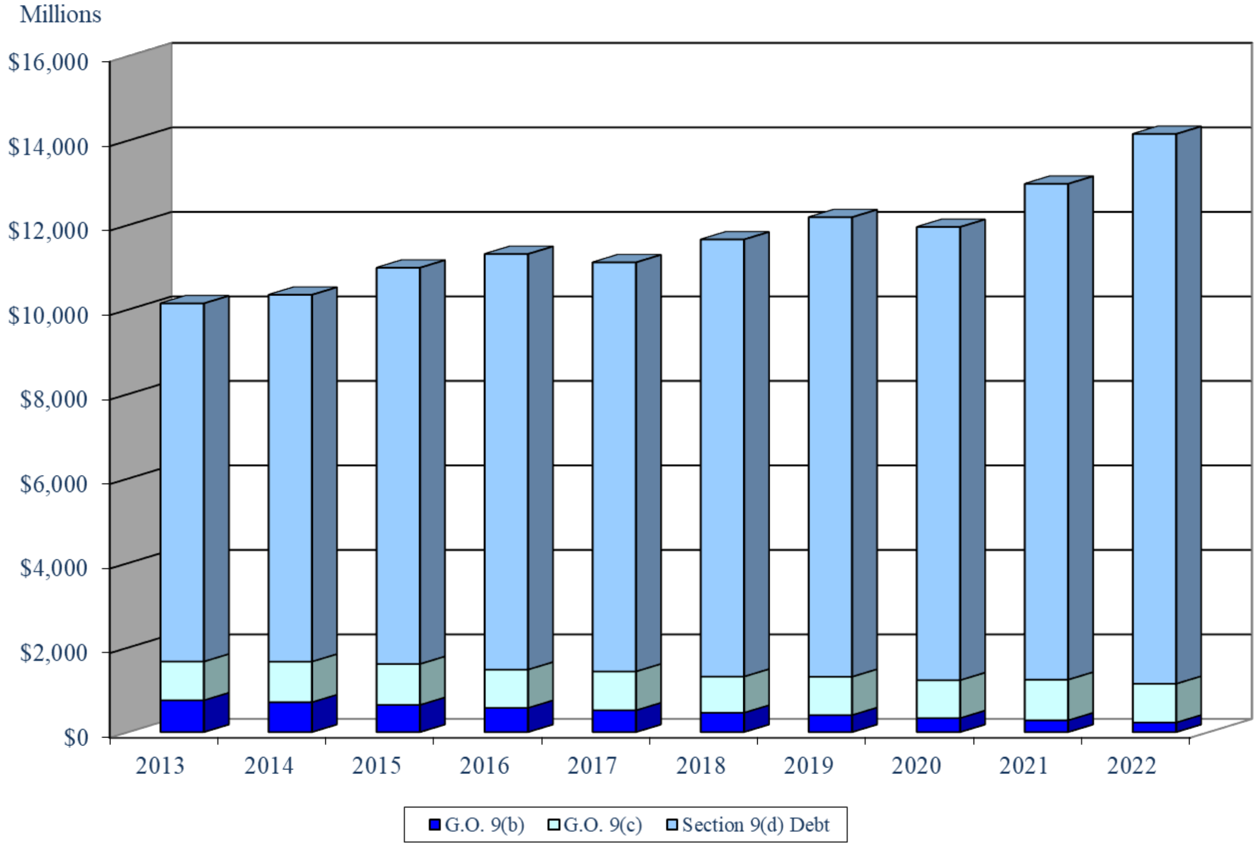
Debt Overview - 9(d) Debt

- 9(d) Appropriation-Backed Debt (eg. VCBA 21st Century Program and VPBA)
  - Higher Education & General state projects
  - Secured by appropriations from the general fund
  - Slightly higher interest rates due to appropriation-backed security (AA+/Aa1/AA+ ratings)
  - Tax-supported debt; included in debt capacity model, impacts debt capacity

- 9(d) Higher Education Debt
  - Eligible for all project types
  - May be issued by institution or through VCBA Pooled Bond Program
  - Secured by general revenues of higher education institution
  - Not considered tax-supported debt

Debt Overview – Outstanding Tax-Supported Debt by Category

Fiscal Years 2013-2022[1]



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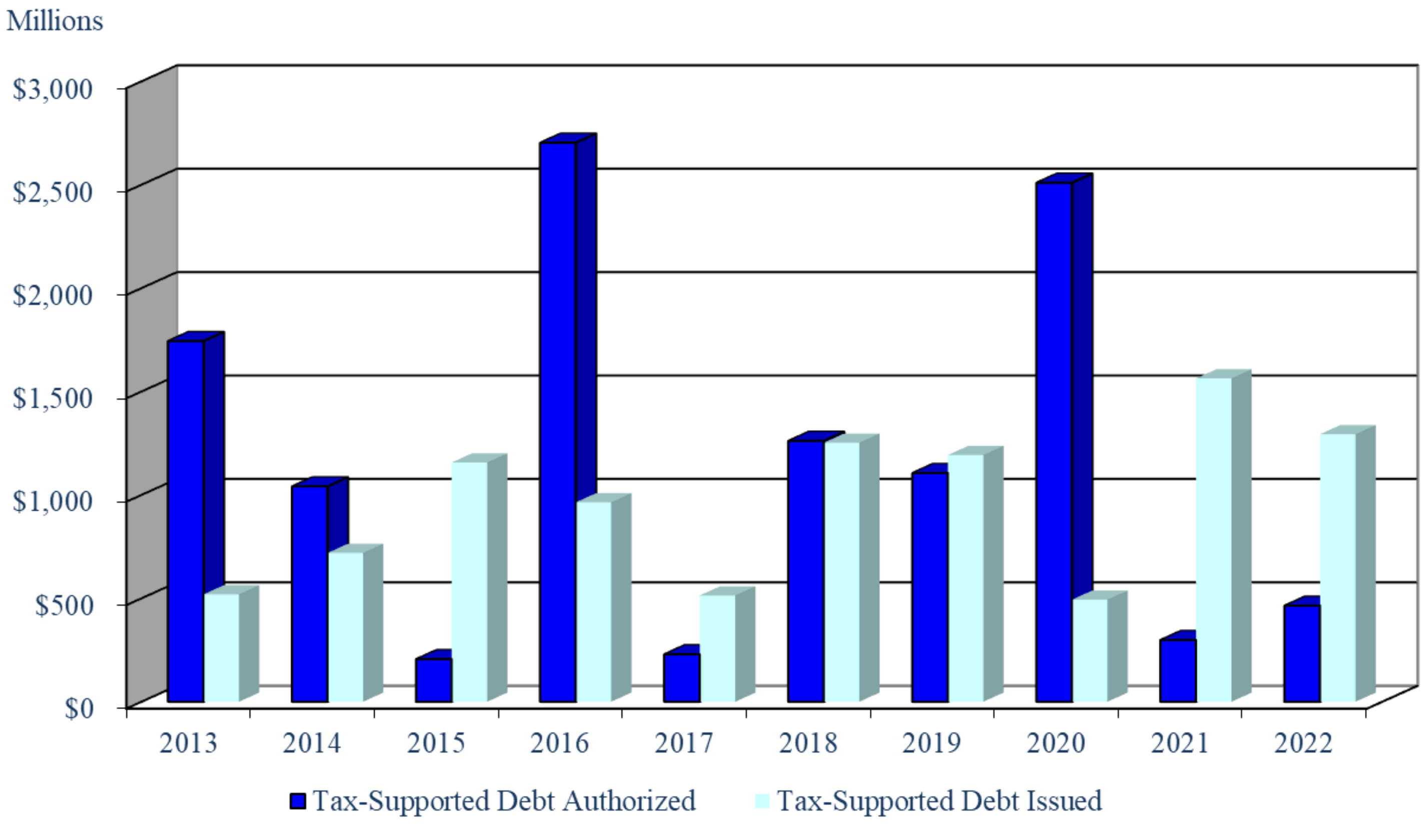
(1) Excludes other long-term obligations such as pension liabilities, OPEBs and compensated absences.

Debt Overview – Tax-Supported Debt Authorizations vs. Issuances

Fiscal Years 2013-2022

$11.57 Billion in Authorizations vs. $9.67 Billion in Issuances



Historical State-Supported Capital Appropriation – Cash vs. Debt

Funding Sources for State-Supported Capital Appropriations

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
General Fund Appropriation	3,276,000	1,800,000	618,318,850	2,057,779,488	402,660,202
General Fund-Supported Bonds	1,264,742,172	2,062,396,308	189,639,137	-	-
Commonwealth Port Fund	3,000,000	-	-	166,000,000	-
Total State-Supported Capital Appropriation	1,271,018,172	2,064,196,308	807,957,987	2,223,779,488	402,660,202

Percent General Fund Cash of State-Supported Capital Appropriation	**0.3%**	**0.1%**	**76.5%**	**92.5%**	**100.0%**

Debt Capacity Advisory Committee (DCAC) Background

- The Committee was originally created in September of 1991 by Executive Order and subsequently codified under Chapter 43 of the 1994 Virginia Acts of Assembly, as amended
- The Committee's general mandate is:
  - Annually review the size and condition of the Commonwealth's tax-supported debt
  - By January 1, submit to the Governor and the General Assembly an estimate of the maximum amount of new tax-supported debt that prudently may be authorized for the next biennium (Section 2.2-2714 Code of Virginia). This estimate is advisory and in no way binds the Governor or the General Assembly
  - Annually review the amount and condition of moral obligation debt and other debt for which the Commonwealth has a contingent or limited liability
  - Review the amount and condition of Commonwealth obligations that are not general obligations or moral obligations

Debt Capacity Advisory Committee Members

- The Honorable Stephen Cummings, Secretary of Finance, Chairman*
- Anne Oman, Staff Director, House Appropriations Committee*
- April Kees, Staff Director, Senate Finance & Appropriations Committee*
- David Richardson, State Treasurer*
- Harold “Hal” Greer, Director, Joint Legislative Audit & Review Commission*
- Harold “Chip” Hughey, Citizen Member
- Michael Maul, Director, Department of Planning and Budget*
- Ronald Tillett, Citizen Member
- Sharon Lawrence, Acting State Comptroller*
- Staci Henshaw, Auditor of Public Accounts*

**Ex-officio*

Importance of Measuring Debt Affordability

- Debt affordability is a key factor assessed by rating agencies
- Attempts to correlate the borrowing for capital needs with the ability to repay
- Issuance above capacity can cause erosion in credit rating
- Most states perform a debt capacity calculation

Debt Capacity Model – Measure and Inputs

- In order to preserve the Commonwealth's ability to provide core government services, debt service should be limited to an appropriate level

- DCAC adopted the measure that debt service on tax-supported debt should not be greater than 5% of blended revenues
  - Committee has reaffirmed this measure each year
  - Recommendation is expressed in terms of a ten-year average

- Blended revenues include:
  - General Fund Revenues
  - General Fund Transfers – ABC, Sales Tax, Recurring Transfers
  - Virginia Health Care Fund
  - Transportation Trust Fund (TTF)

Debt Capacity Model – Measure and Inputs (Continued)

- Tax-supported debt included in Debt Capacity Model:
  - Debt for which debt service payments are made or pledged to be made from funds derived from state-wide tax revenues
    - 9(b) General Obligation
    - 9(d) VCBA (21st Century and Equipment), VPBA, VPA, and CTB debt secured by the TTF
    - Long-term leases, installment purchases and miscellaneous debt

- Debt not included in Debt Capacity Model:
  - 9(c) G.O. since payments are to be paid by project revenues
  - Debt/Notes of Institutions of Higher Education supported by General Revenues of the Institution
  - Moral Obligation issued by VRA
  - Sum-Sufficient Appropriation issued by VPSA
  - Grant Anticipation Revenue Vehicles (GARVEES)

Debt Capacity Model – Measure and Inputs (Continued)

- All scheduled debt service on outstanding tax-supported debt is included in the model
- Estimated debt service on authorized but unissued debt is included in model and is based on:
  - Information from agencies
  - Short-term interest rates
  - Long-term interest rates
- The Model Interest Rate is based on the average of the last 12 quarters of the Bond Buyer 11 Index for G.O. debt and 25 bps is added for 9(d) debt
  - A Modified Model Interest Rate of 4.25% was ultimately adopted by the DCAC Committee in making its debt capacity recommendation for 2022 due to unprecedented rate increases

Debt Capacity Model - Currently Authorized & Unissued Debt

As of June 30, 2023*

(Dollars in Millions)

VPBA	$	1,403.7
VCBA	$	1,101.7
Transportation - CPR	$	146.6
Transportation - NVTD	$	24.7
Transportation - Route 58	$	226.4
Total	**$**	**2,903.1**

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* Preliminary and unaudited

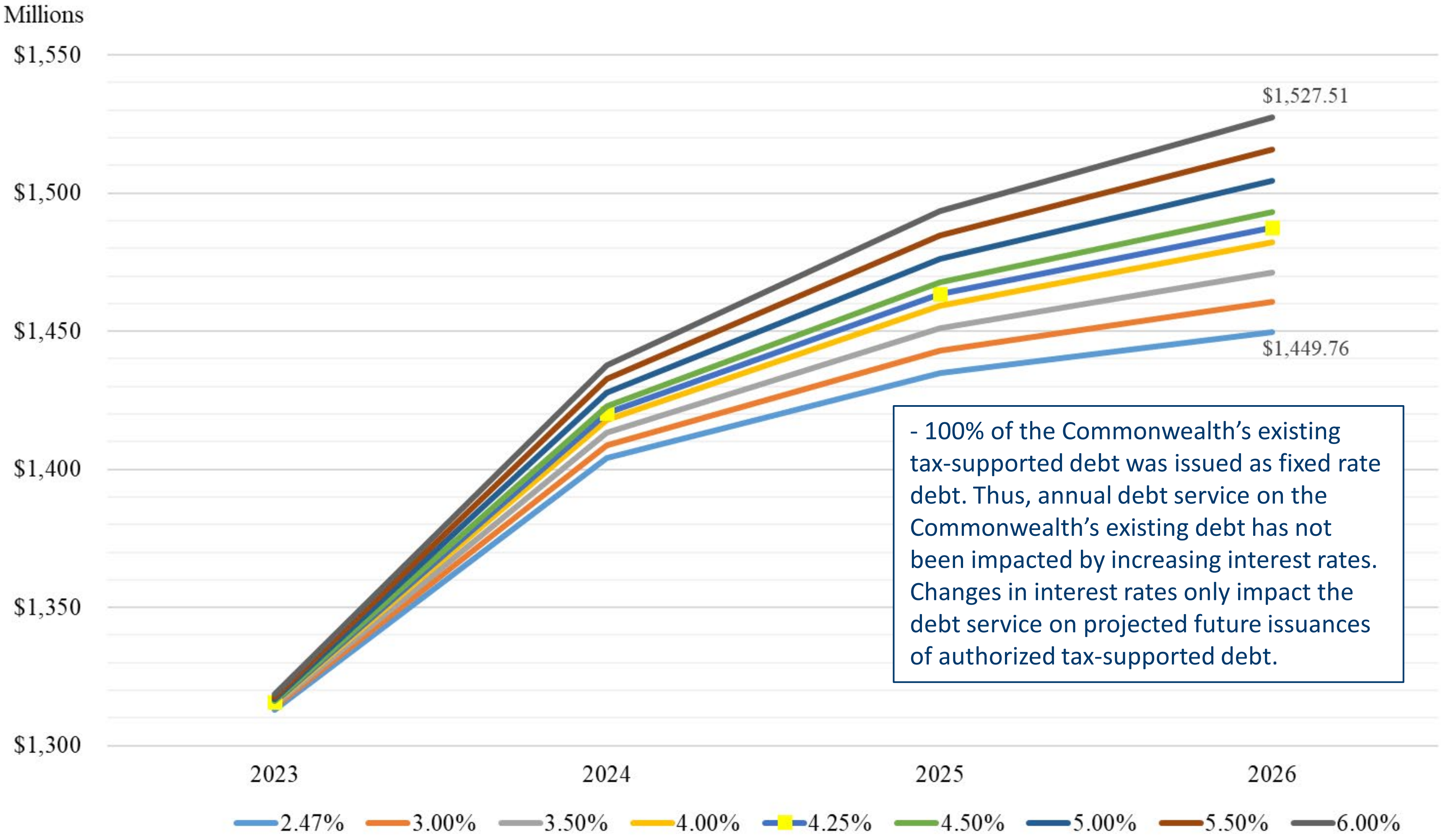
Debt Capacity Model – Factors Affecting Debt Capacity

- Revisions to revenue estimates
  - Driven by economy
  - Policy/Tax changes

- Authorization of additional tax-supported debt

- Changes to issuance assumptions
  - Actual financing dates/terms vs. estimated
  - Revisions to project spending schedules
  - Changes in interest rates

Interest Rate Sensitivity – Maximum Annual Tax-Supported Debt Service *



- 100% of the Commonwealth's existing tax-supported debt was issued as fixed rate debt. Thus, annual debt service on the Commonwealth's existing debt has not been impacted by increasing interest rates. Changes in interest rates only impact the debt service on projected future issuances of authorized tax-supported debt.

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*Maximum Annual Debt Service based on existing debt service as of June 30, 2022 and projected debt service on all authorized and unissued debt as of June 30, 2022. Authorized and Unissued debt is assumed to be issued at fixed rates equal to the rates in the above chart.

How Does the DCAC Recommendation Impact Authorizations?

- Recommendation is non-binding, but is taken into consideration by the Governor and the General Assembly when developing the budget
- Available debt capacity may constrain the ability to finance capital needs
- Previously authorized projects can be delayed, rescinded, or adjusted to impact the timing and amount of debt service

A Summary of the Committee’s 2022 Debt Capacity Recommendations can be found in the Appendix on page A-2

Debt Capacity Staff Contacts

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Appendix
Description of Types of Debt

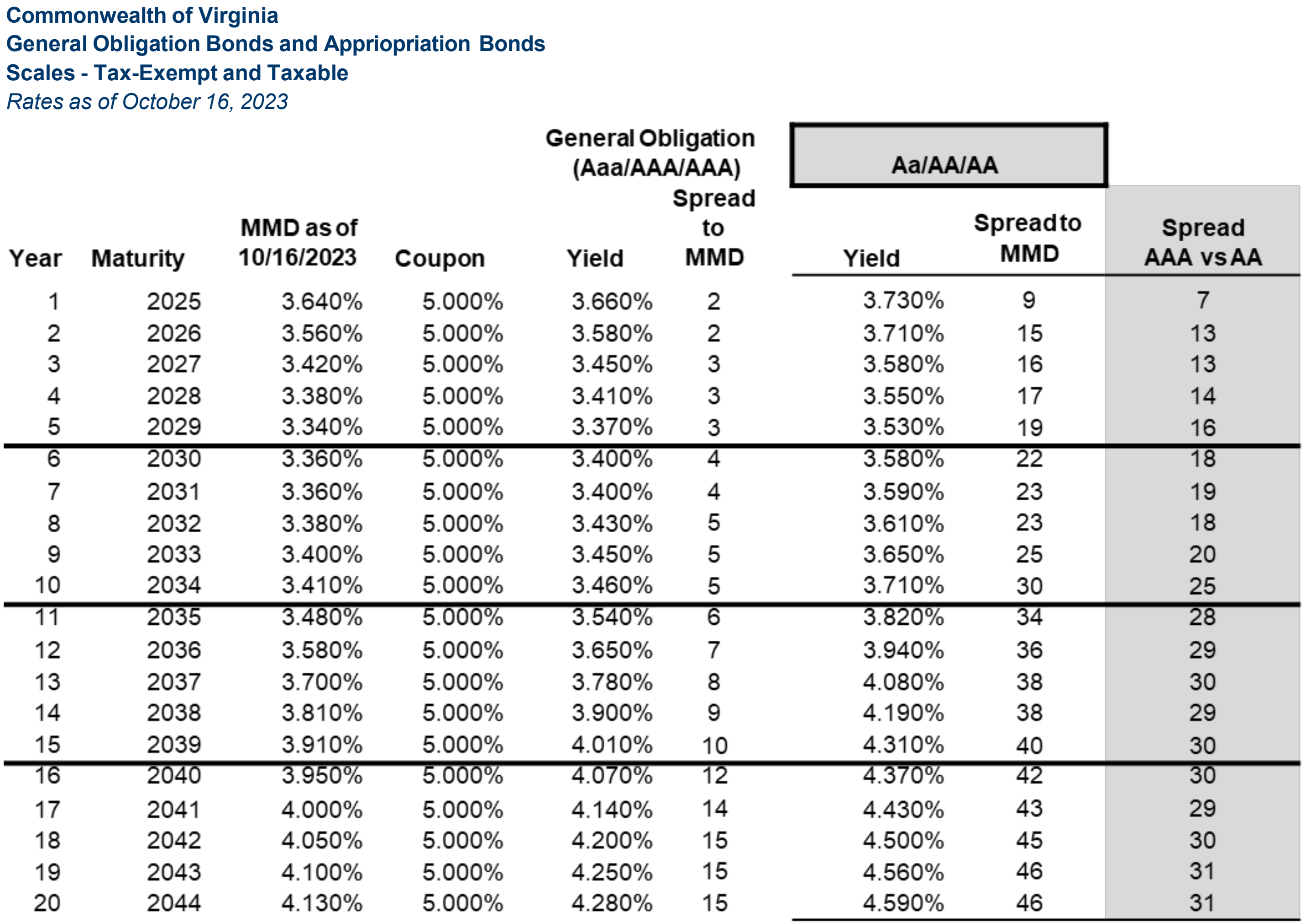
Types of State Bonded Debt		Primary Security	Rating (Moody's, S&P, and Fitch)	Typical Purpose	Authorization Required	Debt Capacity	Typical term
General Obligation Bonds							
GO - 9(b)	Voter-approved GO's	GF	Aaa/AAA/AAA	Capital	GA + voters	Yes	20
GO - 9(c)	Project revenues + GO pledge	NGF/Auxiliary, Tolls + GO backstop	Aaa/AAA/AAA	Revenue-producing capital (dorm, dining, parking)	GA + Feasibility	No (1)	20-30
Subject to Appropriation/Revenue Bonds							
VCBA	21st Century Program	GF	Aa1/AA+/AA+	Capital - E&G, Maint Reserve	GA	Yes	20
VCBA	Equipment Trust Fund	GF	Aa1/AA+/AA+	Educational/Research Equipment	GA	Yes	7
VPBA		GF	Aa1/AA+/AA+	Capital - Maint Reserve, regional jails, water quality/ stormwater grants	GA	Yes	20
Other 9(d) Debt							
VCBA	Higher Ed Projects	NGF-General Revenue Pledge + State aid intercept	Aa1/AA/AA+	Capital - Rec/sports facilities, Athletic, Convocation, etc.	GA	No	20-30
College/ University	Higher Ed Projects	NGF-General or specific revenue pledge	Varies	Capital - Rec/sports facilities, dormitories, athletic, Convocation, etc.	GA (except Level 3's)	No	20-30
Long-term leases, support agreements	Foundations, conduit issuers	NGF-General or specific revenue pledge	Varies	Capital - dormitory, multi-use facilities	GA (except Level 3's)	No	20-30

(1) So long as net revenues provide for debt service

Appendix
DCAC's December 2022 Recommendation

- Up to an additional $972 million could prudently be authorized and issued during each of fiscal years 2023 and 2024
- Committee noted the Commonwealth's fiscal strength entering 2023 but urged the Governor and General Assembly to consider the impacts that an economic downturn could have on the Commonwealth's revenues and overall fiscal condition
  - Material changes to the Commonwealth revenues or prevailing interest rates will impact the Commonwealth's debt capacity
- Committee urged the Governor and the General Assembly to continue to use caution when considering future tax-supported debt authorizations
  - Virginia's debt burden has increased significantly over the last 10 years
  - Nearly $4 billion in authorized but unissued tax-supported debt
  - Rising construction costs and higher interest rates may require additional funding for previously authorized capital projects
- Committee recognized the Governor's proposed budget amendments appropriate $100 million in FY2023 and an additional $300 million in FY2024 (contingent on FY2023 revenue triggers) to address funding shortfalls for existing capital projects

Appendix
AAA vs AA Spreads



Commonwealth of Virginia
General Obligation Bonds and Appriopriation Bonds
Scales - Tax-Exempt and Taxable
Rates as of October 16, 2023

				General Obligation (Aaa/AAA/AAA)		Aa/AA/AA		
Year	Maturity	MMD as of 10/16/2023	Coupon	Yield	Spread to MMD	Yield	Spread to MMD	Spread AAA vs AA
1	2025	3.640%	5.000%	3.660%	2	3.730%	9	7
2	2026	3.560%	5.000%	3.580%	2	3.710%	15	13
3	2027	3.420%	5.000%	3.450%	3	3.580%	16	13
4	2028	3.380%	5.000%	3.410%	3	3.550%	17	14
5	2029	3.340%	5.000%	3.370%	3	3.530%	19	16
6	2030	3.360%	5.000%	3.400%	4	3.580%	22	18
7	2031	3.360%	5.000%	3.400%	4	3.590%	23	19
8	2032	3.380%	5.000%	3.430%	5	3.610%	23	18
9	2033	3.400%	5.000%	3.450%	5	3.650%	25	20
10	2034	3.410%	5.000%	3.460%	5	3.710%	30	25
11	2035	3.480%	5.000%	3.540%	6	3.820%	34	28
12	2036	3.580%	5.000%	3.650%	7	3.940%	36	29
13	2037	3.700%	5.000%	3.780%	8	4.080%	38	30
14	2038	3.810%	5.000%	3.900%	9	4.190%	38	29
15	2039	3.910%	5.000%	4.010%	10	4.310%	40	30
16	2040	3.950%	5.000%	4.070%	12	4.370%	42	30
17	2041	4.000%	5.000%	4.140%	14	4.430%	43	29
18	2042	4.050%	5.000%	4.200%	15	4.500%	45	30
19	2043	4.100%	5.000%	4.250%	15	4.560%	46	31
20	2044	4.130%	5.000%	4.280%	15	4.590%	46	31

Appendix
AAA vs AA Debt Service - $100 million – 20 Years

	General Obligation (Aaa/AAA/AAA)	Double-A Rated Bonds (Aa/AA/AA)	Difference
Sources			
Par	93,180,000.00	94,900,000.00	
Premium	7,535,918.90	5,825,542.80	
Total Sources	100,715,918.90	100,725,542.80	
Uses			
Project Fund	100,000,000.00	100,000,000.00	
Cost of Issuance	250,018.90	251,042.80	
Underwriter's Discount	465,900.00	474,500.00	
Total Uses	100,715,918.90	100,725,542.80	
TIC	4.1592%	4.3667%	
All-in TIC	4.1874%	4.3951%	0.2077%
Annual Debt Service			
2025	7,479,000	7,615,000	136,000
2026	7,478,000	7,616,500	138,500
2027	7,475,000	7,615,750	140,750
2028	7,479,750	7,612,500	132,750
2029	7,476,500	7,616,500	140,000
2030	7,475,250	7,617,000	141,750
2031	7,475,500	7,613,750	138,250
2032	7,476,750	7,616,500	139,750
2033	7,478,500	7,614,500	136,000
2034	7,475,250	7,617,500	142,250
2035	7,476,750	7,614,750	138,000
2036	7,477,250	7,616,000	138,750
2037	7,476,250	7,615,500	139,250
2038	7,478,250	7,612,750	134,500
2039	7,477,500	7,612,250	134,750
2040	7,478,500	7,613,250	134,750
2041	7,475,500	7,615,000	139,500
2042	7,478,000	7,616,750	138,750
2043	7,475,000	7,612,750	137,750
2044	7,476,000	7,612,500	136,500
Total	149,538,500	152,297,000	2,758,500
PV DS @ G.O. All-in TIC	100,000,016	101,845,750	1,845,734

Update on Capital Outlay

November 16, 2023

Capital Outlay Planning Process & Six-Year Project Advisory Committee

- In 2008, the requirement for a six-year capital outlay plan was codified.
  - The goals of this plan are: 1) to provide for a more business-like approach to capital budgeting; and 2) to produce a more consistent, reliable, and predictable capital outlay program.
- The “Six-PAC” reviews, analyzes, and recommends projects to the Governor annually for inclusion in the six-year plan.
  - The group is comprised of the Secretary of Finance and the Directors of the Department of Planning and Budget, Department of General Services, State Council of Higher Education for Virginia, House Appropriations Committee, and Senate Finance and Appropriations Committee.
  - The “Six-PAC” was tasked by the 2022 General Assembly to manage transfers from the 2022 Capital Supplement Pool for cost overruns and authorize projects in the 2022 Higher Education Pool to proceed to construction.
- Part 2 and Part 4 of the Appropriation Act include additional conditions for the administration of capital outlay projects.

Capital Outlay Funding Process

Pool Process

- Funds general fund capital projects in a pool that receives a total appropriation equal to the sum of all the projects in the pool.
- Projects receive an initial cost estimation, are added to a planning pool, have further cost refinements in design, and inclusion in a construction pool.
- Funds are administratively moved between projects as cost estimates are refined.
- Shortfalls are addressed by transferring excess funds among pools or from future supplements (allowed through budget language).

Stand-Alone Projects

- Projects are authorized and funded separately from the pool process.
- These projects are generally either:
  - Funded entirely with nongeneral funds (e.g., higher education dorms);
  - Improvement projects fully or partially funded with general fund;
  - Umbrella projects (several maintenance reserve projects for one or more facilities); or
  - Designated infrastructure accounts (e.g., DCR state parks deferred maintenance).

During the 2022-2024 Biennium, 93 percent of Capital Outlay is Funded from GF or NGF Cash

Capital Outlay 2022-2024 Biennium by Fund Source

Fund Type ($ in millions)	Chapter 769, 2023 Session Total	2023 Special Session I Amendments	Chapter 1, 2023 Special Session I Total
General Fund	$2,249.2	$211.3	**$2,460.5**
VPBA/VCBA Tax-Supported Bond	0.0	0.0	**0.0**
9(c) Revenue Bonds	100.9	0.0	**100.9**
9(d) Revenue Bonds	56.4	98.4	**154.8**
Nongeneral Fund Cash	977.7	213.5	**1,191.2**
Total	**$3,384.2**	**$523.2**	**$3,907.4**

The 2022-2024 Appropriation Act authorized GF debt service for the state's share of capital costs for local and regional jails and Commonwealth Transportation debt service for improvements at the Virginia Port Authority.

During this Biennium, the General Assembly Focused on Improvement and Maintenance Reserve Projects

Capital Outlay 2022-2024 Biennium by Project Type				
Major Category ($ in millions)	**GF Cash**	**NGF Cash**	**NGF Supported Bonds**	**Total**
Supplements	$212.5	$0.0	$0.0	**$212.5**
Maintenance Reserve	469.3	45.2	0.0	**514.4**
New Construction	999.6	188.3	161.6	**1,349.5**
Improvements	638.5	810.2	94.2	**1,542.9**
Equipment	72.0	120.9	0.0	**192.9**
Planning / Acquisition	68.6	26.6	0.0	**95.2**
Total	**$2,460.5**	**$1,191.2**	**$255.70**	**$3,907.4**

Inflation and Supply Chain Disruptions Increased Project Costs

- Cost escalation impacts projects differently depending on the project's stage.
- Since FY 2022, $550.0 million GF has been appropriated to supplement previously authorized capital construction projects for cost overruns.
  - "Six-PAC" has approved $309.9 million in supplements from the 2022 Capital Supplement Pool.

Escalation Percentages used by Department of General Services	
Prior to 2021	3.5 - 4.5%
2021	15.6% (supply chain 9% / inflation 6.6%)
2022	15.6% (supply chain 9% / inflation 6.6%)
2023	10.6% (supply chain 4% / inflation 6.6%)
2024	6.6% (inflation)

Source: Department of General Services, DGS Capital Outlay Projects Update to SFAC Capital Outlay Subcommittee, January 2023.

Capital Outlook – 2024-2026 Biennium

- State agencies and higher education institutions requested $7.1 billion in state GF support for capital projects.
- SFAC staff analysis suggests $950.0 million of these requests represent previously authorized commitments (detailed planning complete), or high priority projects, including maintenance reserve, infrastructure, or life-safety project.
- Other needs are expected to include additional projects supplements ($300.0 million), continuing the maintenance reserve program ($400.0 million) and funding equipment for projects nearing completion ($40.0 – 50.0 million).
- Significant needs exist for state agencies and will continue to grow. For example:
    - Aging prison and mental health facilities;
    - Maintenance reserve projects; and
    - Growing life-safety and emergency projects.

Known Capital Commitments for the 2024-2026 Biennium

Commonwealth Courts Building

- Demo Pocahontas Building – East Tower.
- Renovate Pocahontas Building – West Tower.
- New Judicial Building for the Virginia Supreme Court and the Virginia Court of Appeals.
- 315,000 SF facility.

- Demolition – Spring 2024.
- New construction starts (provided funding approved): 1st Quarter 2025.
- Completion: 1st Quarter 2028.

Source: Department of General Services, DGS Capital Outlay Projects Update to SFAC Capital Outlay Subcommittee, January 2023.

New State Office Building

- Demolition of building and parking deck underway at 7th and Main Streets.
- Plan for state office building to replace James Monroe Building.

Source: Department of General Services, DGS Capital Outlay Projects Update to SFAC Capital Outlay Subcommittee, January 2023.

Jefferson Lab High Performance Data Facility Building

- U.S. Department of Energy announced Jefferson Lab as the lead for its High Performance Data Facility Hub.
- State committed a $43.0 million short-term and state-supported Treasury Loan for the construction of the building.