



Virginia Department of Rail and Public Transportation

# Navigating the Road to Transportation Funding

Virginia Association of Counties Annual Conference

November 13, 2017

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Agency Director



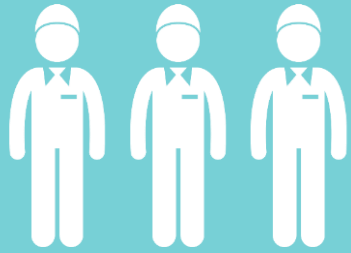
Virginia Department of Rail and Public Transportation



# Transit Capital Funding

## Economic Benefits

Transit Capital Spending  
by Virginia transit  
agencies generates



**\$150 million**  
in productivity costs

## Transit Spending

Each year, Virginia  
transit agencies spend:

**\$630 million**

on capital, including

**\$ 440 million**

on state of good repair  
investment



## Benefits for Virginia



**\$600 million**

in tax revenues to  
the Commonwealth  
from Metro and VRE  
(NVTC, 2018)

# Transit Capital Project Revenue Advisory Board



- Created by the General Assembly in 2016 to:
  - Develop a proposal for new revenues to replace expiring CPR bonds
  - Develop a project-based prioritization strategy for transit capital projects
    - State of Good Repair
    - Expansion projects (using same factor areas as Smart Scale)
- Report provided to General Assembly in August 2017

# Transit Capital Project Revenue Bonds

2007 General Assembly authorized CTB to issue \$3 billion in CPR bonds

- Minimum of 20 percent of bond proceeds (\$60 million annually) required for transit capital through 2019

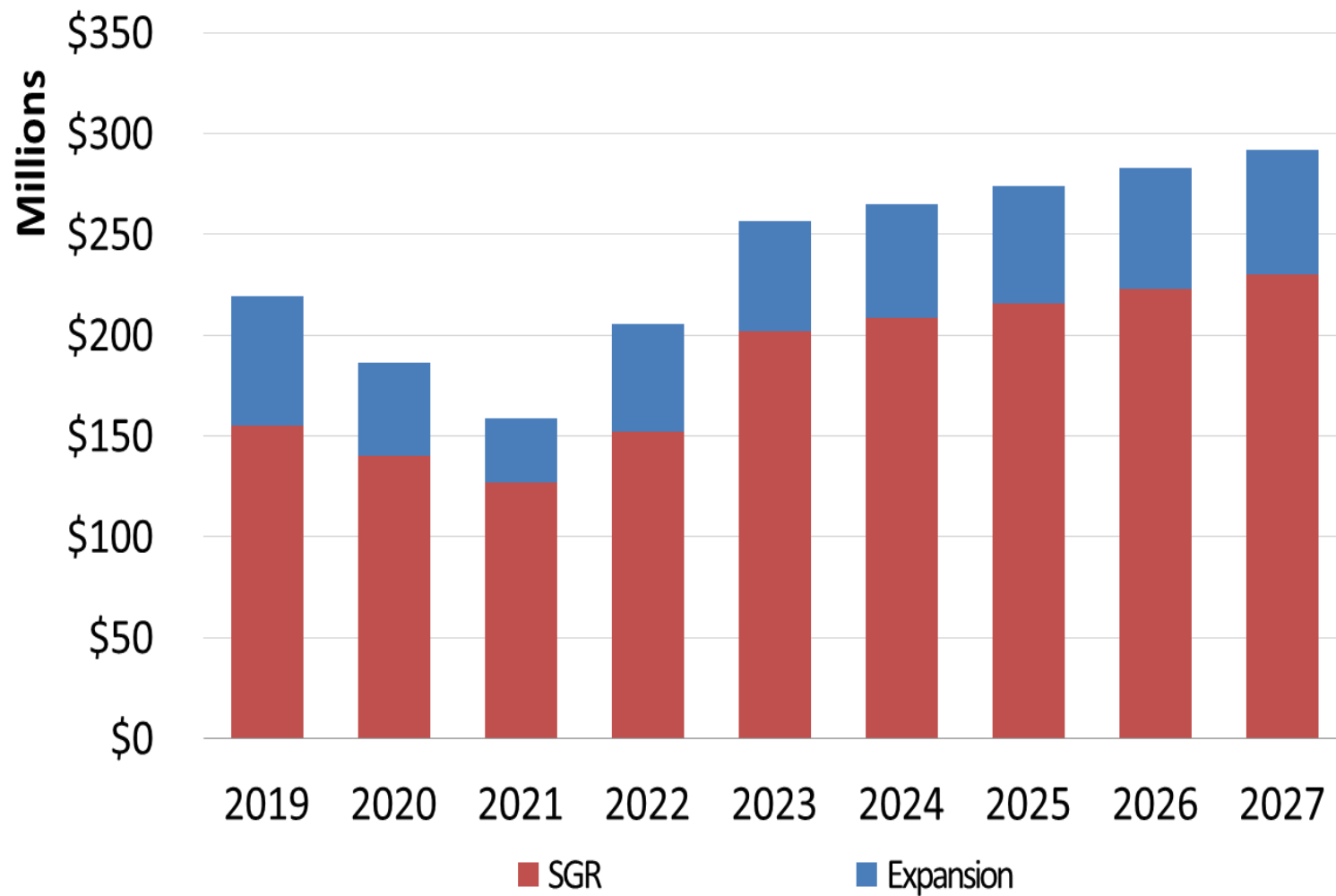
CPR bonds comprise 44 percent (\$110 million) of the entire transit capital program in FY 2018

In 2008, Congress provided \$150M in funding to WMATA and required \$50M match from VA, DC, and MD

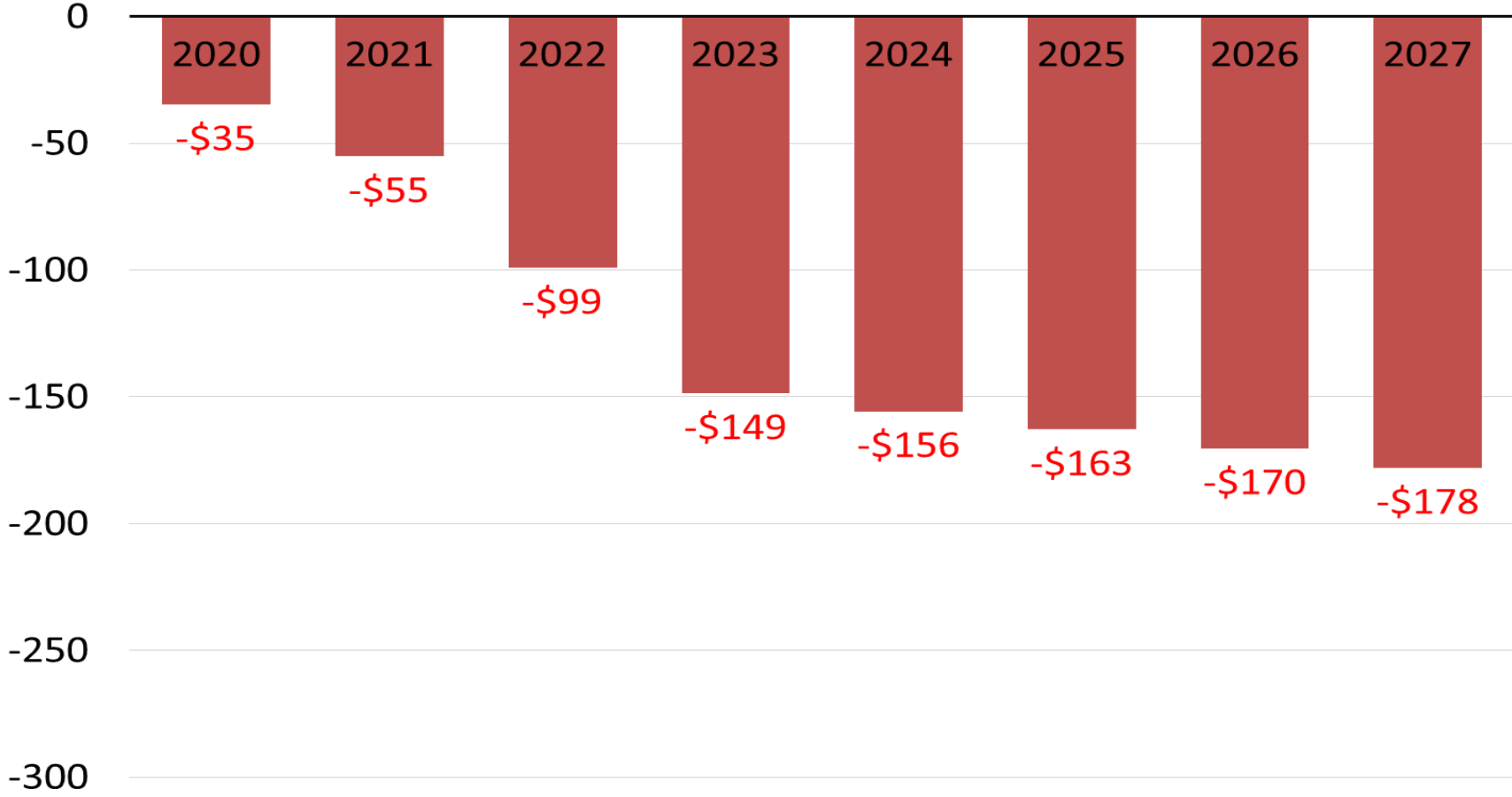
- Ten-year funding commitment expires in 2020
- Funding for VA Match is from CPR Bonds



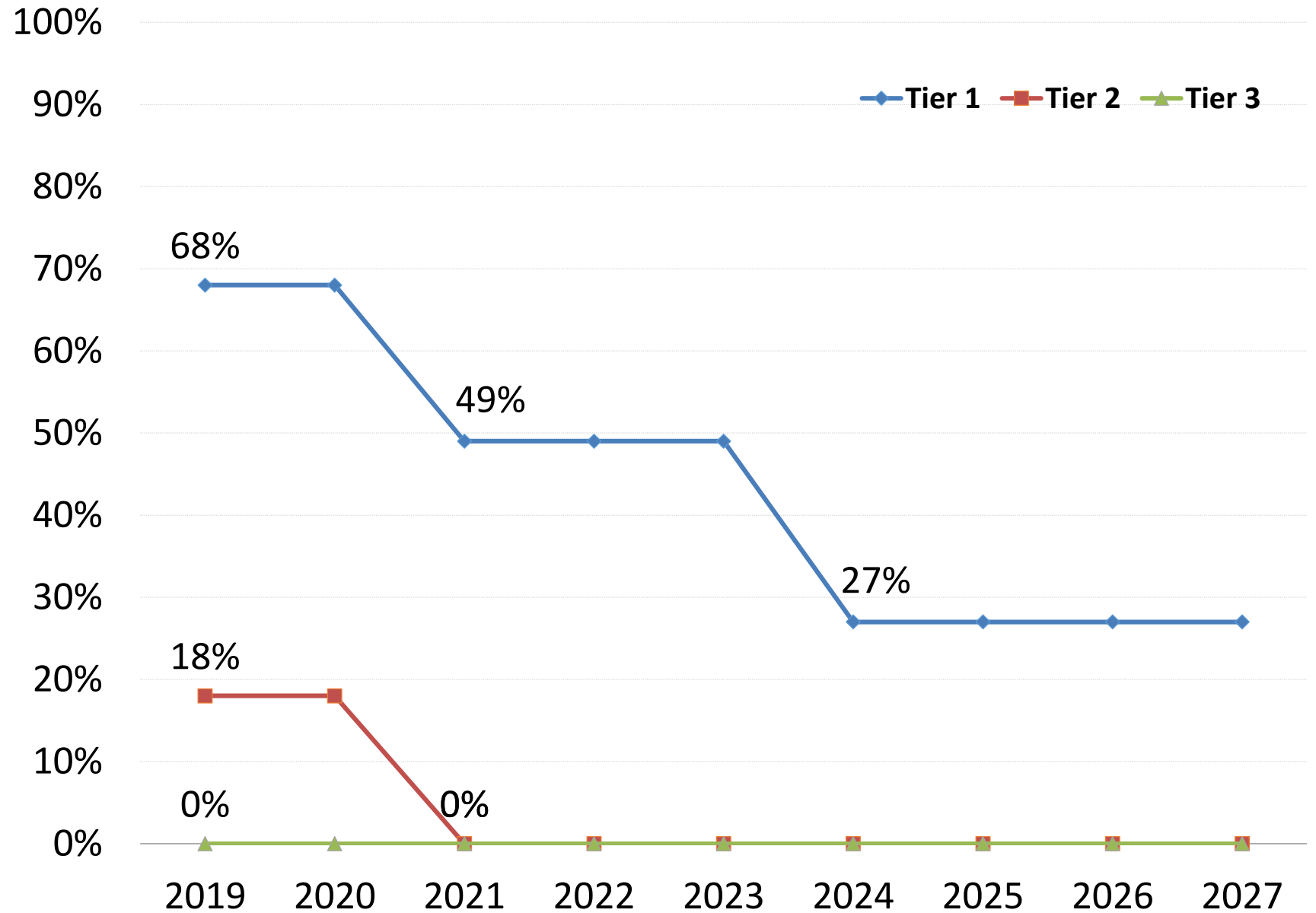
# Future Transit Capital Funding Needs



# Future Transit Capital Funding Gap



# State Match Rate





## Transit Capital Project Case Study: Potomac Rappahannock Transportation Commission

Purchase 31 Replacement Commuter Buses	2018	If Transit Capital Revenues Are Not Replaced
Total Project Cost	\$18.3 million	\$18.3 million
Federal Pass-Through	\$0	\$0
DRPT Transit Capital	\$12.45 million (Tier I-68%)	\$4.94 million (Tier I-27%)
Local Required Match (Minimum 4%)	\$5.86 million (Actual-32%)	\$13.36 million (Actual- 73%)

**Additional Local Money Needed: \$7.5million**

# Transit Capital Project Case Study: City of Harrisonburg

Purchase Two Expansion Buses	2018	If Transit Capital Revenues Are Not Replaced
<b>Total Project Cost</b>	<b>\$840,000</b>	<b>\$840,000</b>
<b>Federal Pass-Through</b>	<b>\$672,000 (80%)</b>	<b>\$168,000 (20%*)</b>
<b>DRPT Transit Capital</b>	<b>\$134,400 (Tier I-68%, Actual 16%)</b>	<b>\$226,800 (Tier I-27%)</b>
<b>Local Required Match (Minimum 4%)</b>	<b>\$33,600 (Actual-4%)</b>	<b>\$445,200 (Actual- 53%)</b>

\*Absent sufficient statewide funding for the transit capital program, DRPT will need to distribute federal pass-through funding across a wider group of transit agencies statewide, including those who currently do not receive it.

**Additional Local Money Needed: \$411,600**

# Transit Capital Project Case Study: Blacksburg Transit

Bus Administration & Construction Facility	2018	If Transit Capital Revenues Are Not Replaced
<b>Total Project Cost</b>	<b>\$40.0 million</b>	<b>\$40.0 million</b>
<b>Federal Pass-Through</b>	<b>\$25.7 million (64%)</b>	<b>\$8.0 million (20%*)</b>
<b>DRPT Transit Capital</b>	<b>\$10.3 million (Tier II-34%, Actual-26%)</b>	<b>\$0 (Tier II-0%)</b>
<b>Local Required Match (Minimum 4%)</b>	<b>\$4.0 million (Actual-10%)</b>	<b>\$32.0 million (Actual-80%)</b>

\*Absent sufficient statewide funding for the transit capital program, DRPT will need to distribute federal pass-through funding across a wider group of transit agencies statewide, including those who currently do not receive it

**Additional Local Money Needed: \$28.0 million**

# Funding Principles



Virginia should consider a funding approach that utilizes

- A combination of revenue sources to spread the impact or a single statewide source that is predictable and sustainable
- Revenue sources that ramp up gradually to address future gaps and needs
- A combination of statewide and regional sources with the majority of support coming from statewide sources
- An approach for regional funds directed to prioritized needs within that region
- A floor on regional taxes
- Excess Priority Transportation Fund revenues (after debt service) dedicated to transit capital as this source becomes available

# WMATA Funding and Governance

## WMATA Funding Needs

\$15.5 billion in additional capital funds needed over the next 10 years  
Operating subsidies are growing at nearly twice the rate of revenues



# WMATA Funding and Governance Review



- Former U.S. DOT Secretary Ray LaHood leading review
  - Review WMATA's governance structure, labor policies, and its long-term financial stability
  - Compare WMATA's condition to similar transit systems throughout the country
  - Identify recommended executive and legislative actions
- Coordinating with MWCOCG Metro Strategy Group





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**SMART  
SCALE** | *Funding the Right  
Transportation Projects  
in Virginia*

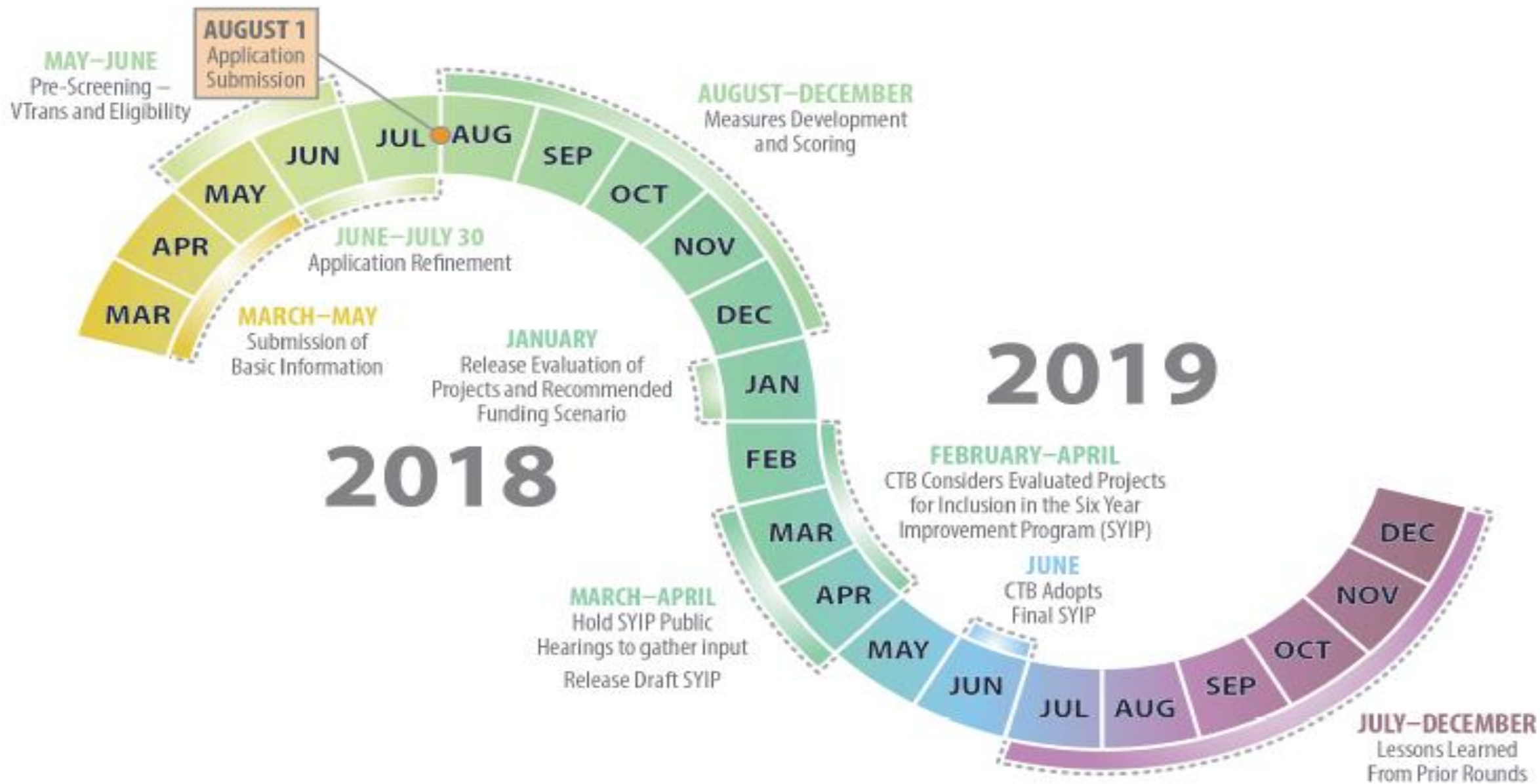
# Smart Scale

# Proposed Changes to Measures Update



- As a result of CTB meetings and feedback from applicants and the SMART SCALE team, the following changes will not be advanced:
  - Congestion Mitigation** Adjusting person throughput calculation to better reflect the size of project improvements.
  - Accessibility** Eliminate the 45 and 60-minute cap for auto and transit job access, respectively.
- Final draft of SMART SCALE Technical Guide updated to reflect the final proposed changes.





# App Limits, Eligibility, and Readiness



## Application Limits

Limit number of applications allowed per applicant. Use a two-tiered population-based approach to set application limits (4 for smaller applicants, 8 for larger applicants).

## Project Eligibility

Projects or project elements for repair or replacement of existing assets are not eligible for SMART SCALE funding.

## Full Funding Policy

- Benefits associated with fully funded or committed project element(s) excluded from consideration.
- Projects fully funded through a proffer or in a CIP, TIP, or SYIP are not eligible.

## Project Readiness

- New guidance on required level of planning and supporting documentation for major roadway projects.
- Applicants must coordinate with VDOT/DRPT to assess the level of environmental documentation required.

## Project Support

Applicants must provide a resolution of support from relevant governing/policy board.

## Relationship of Major Project Elements

Project elements must be associated (contiguous or same improvement type).

## Changes in Project Scope and Cost

New guidance on rescoring and applicants responsible for cost attributable to increase in scope regardless of budget.

# Measures

## Safety

Remove DUI crashes and use blended rate for fatal and severe injury crashes.

## Congestion Mitigation

Person throughput and delay analysis will now use existing year traffic volumes, not future year traffic volumes.

## Economic Development

- Zoned properties must get primary access from project.
- Require any project with more than 10 million square footage to provide additional documentation.
- Project must be specifically referenced in local comprehensive plan or regional economic development strategy.
- Projects receive additional points based on the degree to which the area is rated as economically distressed.
- Site development buffer reduced to a maximum of 3 miles.
- Revise points related to readiness of development to focus on site plans with more points awarded for approved detailed site plans and less for pending and conceptual site plans.
- Freight tonnage-based measure for intermodal access scaled by the length of the improvement.

## Land Use Coordination

Replaced subjective criteria related to the degree to which an area had transportation efficient development patterns with a non-work accessibility criteria.



# Fair Share of Funding

District	FY18-23 Under Old "40-30-30"	Actual FY18-23 Under SMART SCALE - SGR
Bristol	126.8	211.8
Culpeper	117.9	173.3
Fredericksburg	130.4	385.5
Hampton Roads	375.0	636.8
Lynchburg	133.2	199.6
Northern Virginia	392.1	596.7
Richmond	275.8	469.9
Salem	179.3	295.1
Staunton	146.8	227.5

Figures in millions and 40-30-30 is an extrapolation of FY21 funding levels

## Fewer Projects in SYIP, More Moving Forward

SYIP Update	Number of Projects Added	Projects Not Fully Funded
FY12-17	1152	242
FY14-19	1143	297
FY18-23	692	62

Includes all projects added over the course of the fiscal year

# Major Interstate: SMART SCALE vs. Other Resources

Interstate	SMART SCALE	Regional/Tolls/Other
I-64	397	1,179
I-66	0	2,680
I-77	5	0
I-81	168	0
I-85	0	0
I-95/I-395	220	940

Figures in millions

## Resource Levels

- Currently \$800M to \$1B available every two years for SMART SCALE
- Viability of gas tax mid- to long-term is questionable
  - Volvo – all hybrid or battery power by 2019
  - GM – at least 20 all electric vehicles by 2023
- Transit fiscal cliff due to expiration of CPR bonds
  - CTB will need to consider options including use of SMART SCALE dollars if legislative solution is not identified



# SMART SCALE Requests

## Round 1

## Round 2

## % Change

Total #  
Submitted

321

436

36%

Requested  
Funding

7.2B

9.7B

38%

Available Funding

1.4B

1B

-29%

Max # Apps from  
Locality

12

33

175%

Avg # Apps per  
Locality

2.2

2.8

27%





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