FY2015 Transportation Funding Strategies

Key Policy Question(s)

How should available funding be used to effectively address transportation needs and requirements?

Information for Discussion and Decision (Summary)

- HB2313 anticipated to generate $23-$25M annually to support City transportation needs
- Capital and Operating improvements must be prioritized
- Leverage local and matching funds

Council Action Requested

Guidance on proposed Capital and Operational project priorities

Transportation Funding Sources

Source	Agent	Capital/ Operating	Anticipated Annual Funding
CMAQ	Federal	Cap/Oper	$2.1M - $2.8M
RSTP	Federal	Capital	$1.0M - $1.45M
NVTA 30%	State	Cap/Oper	$6.8M - $7.5M
NVTA 70%	State	Capital	$15.9M - $17.4M
TIP 2.2₵*	Local	Cap/Oper	$7.5M
City Cash & GO Bonds	Local	Cap/Oper	$14.9M - $17.5M
DRPT Capital	State	Capital	Discretionary
Urban Funds	State	Capital	Discretionary
New Freedom Grant	Federal	Capital	Discretionary
Transportation Alternatives	Federal	Capital	Discretionary
Section 5309/Small Starts	Federal	Capital	Discretionary
Total Anticipated Formula Funding			**$48M - $54M**

*Capital, operating, & debt service

Congestion Mitigation Air Quality (CMAQ)

- Annual revenue: $2.1 – $2.8M
- Eligibility:
  - Projects that reduce emissions
  - Operating costs for first 3 years of new/expanded service
  - Project development (e.g., AA/EAs), preliminary engineering
  - Emphasis on hybrid replacements/retrofits
- Recommended uses:
  - DASH bus replacements
  - Non-motorized capital improvements
  - Transportation demand management
    - Policies and programs that reduce or redistribute travel demand

Regional Surface Transportation Program (RSTP)

- Annual revenue: $1.0 – $1.45M
- Eligibility:
  - Very flexible; funds projects that improve or preserve transportation infrastructure
  - Includes technology improvements, ADA, trails, transportation management, research, studies, transit capital, non-motorized, etc.
- Recommended uses:
  - Non-motorized capital improvements
  - DASH bus replacements
  - Transportation demand management
  - Traffic management
  - Planning/studies

NVTA Funding

- Significant new funding for the region approved by the General Assembly through HB2313
  - Revenue generated by 0.7% retail sales tax, 2.0% transient occupancy tax, grantors fee of $0.15 per $100 property value
- 70% of funding to be distributed by Northern Virginia Transportation Authority (NVTA)
  - $291M for regional NVTA projects
  - Estimated $16M/year for regional projects within City
    - Funding by year will vary
- 30% of funding distributed directly to local jurisdictions
  - More flexible funding source
  - Estimated $7M/year for City
- Jurisdictions must demonstrate that local funding on transportation spending meets maintenance of effort standard

NVTA 30%

- Annual revenue: $6.8 - $7.5M
  - Revenue generation began in FY14; FY15 CIP will include both FY14 and FY15 funds
- Eligibility:
  - Very flexible, use determined by locality, includes:
    - Public transportation
      - Expansion or replacement; operations or capital
    - Urban/secondary road construction
    - Capital improvements that reduce congestion
    - Transportation capital improvements in NVTA long range plan
- Recommended uses:
  - Transit/non-motorized operating expenses
  - DASH/WMATA capital costs
  - Non-motorized capital improvements
  - Transportation demand management
  - Traffic management

NVTA 70%

- Annual revenue: $15.9 - $17.4M
- Eligibility:
  - Projects must address regional need
  - Road projects must be included in regional plan
  - Mass transit projects must increase capacity
  - Funds distributed by NVTA; jurisdiction to recoup anticipated revenues over long term
- FY14:
  - NVTA call for projects that met above criteria *and* could be implemented in FY14
  - Approved City project list included:
    - DASH Bus Expansion - $3.25M
    - Amtrak/VRE Parking Lot Improvements - $0.5M
    - Traffic Signal Upgrades/Transit Signal Priority $0.7M
    - Shelters and Real-Time Information for DASH/WMATA $0.5M
    - Potomac Yard Metrorail Environmental Impact Statement - $2M

NVTA 70%

- FY15 and beyond:
  - Call for projects anticipated in December 2013
  - Proposed project list to Transportation Commission and Council in January 2014
- Recommended uses:
  - Potomac Yard Metrorail station
  - Metrorail station improvements
  - Dedicated transitways
  - DASH expansion
  - Real-time adaptive traffic signal system

Transportation Improvement Program

- In FY12, Council approved 2.2 cents on the base real estate and additional General Fund cash capital to create the Transportation Improvement Program (TIP)
- Annual revenue: $7.5M
  - Includes capital, operating, and debt service
- Eligibility:
  - Expanded transportation capacity (capital and operations)
- Recommended uses:
  - New/expanded non-motorized capital improvements
  - Transportation demand management
  - Capital Bikeshare
  - Project development and implementation
  - TIP funds can also be used for new/expanded operating expenses
- Will compete with other General fund capital and operating budget needs and initiatives

Funding Strategies

- Reserve NVTA 70% for major capital investments with regional impacts
  - Focus on a small number of major capital projects
  - Deliver high priority projects and expedite projects in the out years
- Rely on CMAQ, RSTP, and 30% funds for non-motorized, project development and implementation, ADA improvements, and transit capital maintenance
- Focus 30% funds and TIP funds on operating expenses in out years
  - As capital projects get built, operating needs will increase
- Continue to pursue discretionary grant funding for non-motorized projects and dedicated transitways
- Continue to pursue Public Private Partnerships and developer contributions where feasible

Funding Strategies (cont.)

- General Fund has historically been used to support:
  - Street resurfacing of major roads
  - Sidewalks capital maintenance
  - Shared use paths
  - WMATA capital contributions
  - Other existing asset maintenance
- FY15 strategy:
  - Budget most restrictive funding first (e.g., NVTA, grants, TIP)
  - Pursue General Fund dollars as secondary source to fill in funding gaps
  - Ensure maintenance of effort standard defined in HB2313 is maintained

Discussion & Decisions