Northern Virginia Transportation Commission

NVTC COMMISSION MEETING

THURSDAY, JULY 5, 2012
MAIN FLOOR CONFERENCE ROOM
2300 Wilson Blvd.
Arlington, VA 22201
8:00 PM

NOTE: NVTC's Executive Committee meets at 7:30 P.M.
Dinner is also available at that time.

AGENDA

1. **Oath of Office for New NVTC Commissioner.**

   Delegate David Ramadan (R-87th) has been appointed to fill a vacancy on NVTC.

   Recommended Action: Chairman Fisette will administer the oath of office.

2. **Minutes of the NVTC Meeting of June 7, 2012.**

   Recommended Action: Approval.

3. **VRE Items.**

   A. Report from the VRE Operations Board and Chief Executive Officer--Information Item.
   B. Authorization to Extend the Norfolk Southern's Operating/Access Agreement--Action Item/Resolution #2192.
   C. Hamilton to Crossroads Third Track Project--Information Item.
   D. Draft Agreement with Spotsylvania County for VRE Station Platform and Head House--Information Item.

4. **Presentation on the I-66 Inside the Beltway Multi-Modal Study.**

   Garrett Moore from VDOT and Jay Evans from Cambridge Systematics will provide a presentation. NVTC staff submitted comments on the study that were discussed at the commission's June 5th meeting.

   Presentation Item.

5. **DRPT's Distribution of Transit Assistance for FY 2013.**

DRPT's intention to by-pass NVTC and provide transit assistance directly to WMATA and NVTC's jurisdictions was discussed at NVTC's June 5th meeting. Staff will provide an update.

Recommended Action: Advise staff how to proceed.

6. **Authorization to Issue a Request for Proposals for a Route 7 Alternatives Analysis.**

The project's Technical Advisory Committee has reviewed the revised scope of work, budget and schedule, as well as a draft RFP.

Recommended Action: Authorize NVTC staff to request proposals from qualified consulting firms.

7. **NVTC Communication Plan.**

Staff has provided materials pertaining to messages, strategies, tactics and budget. However, staff has been diverted to work intensively on the ongoing Efficiency and Consolidation study and DRPT's new approach to distributing state transit assistance.

Recommended Action: Authorize staff to suspend work on the plan and to submit a revised schedule when possible.

8. **Virginia Vanpool Incentive Program.**

Commissioners reviewed a proposed Memorandum of Understanding (MOU) to initiate the program and a draft resolution at their June 5, 2012 meeting. NVTC is now asked to adopt the resolution which provides for execution of the MOU.

Recommended Action: Approve Resolution #2193.

9. **Federal Grants for an Alternatives Analysis/Environmental Assessment in the Van Dorn/Beauregard Corridor.**

Alexandria has asked NVTC to obtain a federal grant for alternatives analysis and another for environmental assessment in this corridor, and to manage the grants when received.

Recommended Action: Approve Resolution #2194.

10. Northern Virginia Transportation Planning Efficiency and Consolidation Study.

Work continues on this regional study in response to a request from Northern Virginia's General Assembly delegation. A progress report will be provided.

Discussion Item.

11. WMATA Items.

A. Report from NVTC's WMATA Board Members.
B. Dashboard Performance Report.
C. Status of Rail to Dulles Phase 2.

Discussion Item.

12. Regional Transportation Items.

A. SJR 297 Study.
B. Northern Virginia's Jobs and Tax Contributions.
C. NVTC Staff Comments on VDOT's Proposed New Policy to Charge a Monthly Fee for Transponders.
D. NVTC Correspondence.

Discussion Item.

13. NVTC Financial Items for May, 2012.

Information Item.

AGENDA ITEM #1

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: June 28, 2012

SUBJECT: Oath of Office for New NVTC Commissioners

Delegate David Ramadan (R-87th) has been appointed to fill a vacancy on NVTC. His district includes parts of Loudoun and Prince William counties.

Chairman Fisette will administer the following oath:

> *I do solemnly swear that I will support the constitution of the United States and the Commonwealth of Virginia and that I will faithfully discharge all the duties incumbent upon me as a member of the Northern Virginia Transportation Commission, according to the best of my ability.*

Northern Virginia Transportation Commission

AGENDA ITEM #2

MINUTES
NVTC COMMISSION MEETING – JUNE 7, 2012
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Fisette at 8:10 P.M.

Members Present
Richard H. Black
Sharon Bulova
John Cook
Thelma Drake (alternate, DRPT)
James Dyke
William D. Euille
Jay Fisette
John Foust
Jeffrey Greenfield
Mark R. Herring
Catherine Hudgins
Mary Hynes
Jeffrey McKay
Ken Reid
Thomas Rust
Paul Smedberg
Lawrence Webb (alternate, City of Falls Church)

Members Absent
Barbara Comstock
Joe May
David F. Snyder
Christopher Zimmerman

Staff Present
Mariela Garcia-Colberg
Rhonda Gilchrest
Claire Gron
Scott Kalkwarf
Stephen MacIsaac (VRE)
Kala Quintana
Rick Taube
Dale Zehner (VRE)

Oath of Office for New NVTC Commissioner

Chairman Fisette announced that Senator Richard Black has been appointed to serve on NVTC to fill the seat vacated by Senator Whipple when she retired. Chairman Fisette administered the oath of office to Senator Black and commissioners welcomed him to NVTC.

Chairman Fisette stated that Delegate David Ramadan has also been appointed to fill the seat vacated by Adam Ebbin. However, Delegate Ramadan was unable to attend this meeting so he will be sworn in at a future meeting.

Minutes of the May 3, 2012 Meeting

Mr. Smedberg moved, with a second by Mrs. Bulova, to approve the minutes. The vote in favor was cast by commissioners Black, Bulova, Cook, Dyke, Fisette, Foust, Herring, Hudgins, Hynes, McKay, Rust, Smedberg and Webb. Commissioners Greenfield and Reid abstained.

VRE Items

Report from the VRE Operations Board and Chief Executive Officer. Mrs. Bulova reported that there are no VRE action items. She announced that this is Mr. Zehner's last NVTC meeting since he is retiring as VRE's CEO at the end of June. Mr. Zehner reported that the average daily ridership (ADR) for the month of May was 19,104. On-time performance (OTP) for May was 96 percent on the Fredericksburg line and 98 percent on the Manassas line. This is the eighth consecutive month that overall OTP has been above 95 percent. VRE also ran four excursion trains at the 18th annual Manassas Railway Festival on June 2, 2012. VRE will also run a select train on June 9th for the 100th Anniversary of the Girl Scouts. Approximately 800 people are expected to use VRE to travel to the anniversary event in Washington, D.C. Mr. Zehner also reported that Meet the Management events are continuing throughout the summer concluding in mid-August.

On behalf of the commission, Chairman Fisette thanked Mr. Zehner for his professionalism and the terrific job he did serving VRE for so many years. Mrs. Bulova observed that Mr. Zehner has been a superb CEO. He stepped into this position of leadership during a difficult time and he has brought back the luster of VRE and raised it to new heights. He has built a great team of staff who will continue providing excellent service. Mr. Zehner stated that he could not have done it without the help of NVTC, PRTC, the VRE Operations Board, DRPT, VRE staff and jurisdictional staff. VRE has doubled its ridership and is now at capacity. VRE has set a standard on how to treat customers.

Transit Alternatives Analysis in the Route 7 Corridor (Alexandria to Tysons Corner)

Mr. Taube stated that NVTC has agreed to obtain the $350,000 federal grant and manage the project for this alternatives analysis of high-capacity transit. Non-federal matching funds of $87,500 are required and DRPT has accepted NVTC's request to provide half of that amount. NVTC jurisdictions (Alexandria, Arlington, Fairfax County and Falls Church) have been asked to share in providing any required non-federal match up to $10,937.50 each. NVTC staff has discussed the scope of work, schedule and budget with the Federal Transit Administration (FTA). At the request of FTA, staff has begun to apply on-line for the federal grant. Resolution #2192 would authorize staff to complete the application for the grant.

Mrs. Hynes moved, with a second by Mr. Smedberg, to approve the resolution.

Senator Black asked staff to provide a brief description of this project. Mr. Taube explained that there is a federal earmark to study high capacity transit in the Route 7 corridor from Tysons Corner to the King Street Station in Alexandria. The study will employ a consultant who will examine the travel patterns, travel demands, and look at different kinds of transit in that corridor. The consultant will then provide the results of the analysis to the jurisdictions for them to determine if they want to pursue any of the alternatives. In this particular corridor there is no Metrorail service.

Chairman Fisette observed that this is a regional effort and even though Arlington County is not located in this corridor, the county is still participating and providing funding. This is an example of how the jurisdictions work together for the good of the region.

The commission then voted on the motion and it passed unanimously. The vote in favor was cast by commissioners Black, Bulova, Cook, Dyke, Fisette, Foust, Greenfield, Herring, Hudgins, Hynes, McKay, Reid, Rust, Smedberg and Webb.

Mr. Euille arrived at 8:21 P.M.

NVTC Communications Plan

Chairman Fisette suggested deferring this until the next meeting. There were no objections.

DRPT Decision to By-Pass NVTC in Providing State Transit Assistance

Chairman Fisette asked Mr. Taube to provide a report. Mr. Taube stated that on May 15th DRPT Director Drake sent a letter announcing her decision to send state transit assistance directly to WMATA and NVTC's jurisdictions. The jurisdictions were only given 10 days to agree in order to receive funding for FY 2013. NVTC and five of its jurisdictions (Arlington and Fairfax counties and the cities of Alexandria, Fairfax and

Falls Church) sent a letter objecting to this approach and asking for time to resolve the issues. DRPT initially extended the deadline until June 4th and then extended it to June 8th. Chairman Fisette stated that, although he was unable to attend, there was a meeting between DRPT and NVTC and jurisdiction representatives on May 31st to discuss these issues.

Mr. Taube reviewed correspondence, the Virginia Code documents, and NVTC's Subsidy Allocation Model (SAM) chronology, which shows how the SAM model has evolved over the years. The SAM, which has been in existence since 1974, was developed for the jurisdictions to help share financial resources and to strengthen their regional partnership. It helps especially for jurisdictions who may receive a sharp change in aid. It has been changed from time to time, with the last change in June 2011.

Mr. Taube stated that a draft letter to Transportation Secretary Connaughton has been prepared, which outlines the concerns NVTC and its jurisdictions have regarding the funding change. The exact wording of the letter may be subject to change but staff would like the commission to focus on the issues that the jurisdictions have concerning this new policy and then authorize Chairman Fisette to sign it. Chairman Fisette stated that the word "demanded" will be changed to "directed" in the first paragraph.

Chairman Fisette asked Tom Biesiadny of Fairfax County staff to review the concerns outlined in the letter, which has been worked on collectively by local staffs. There is a concern that statutory requirements prohibit DRPT's approach. Legal counsel informed NVTC that the Virginia Code compels the funds to be allocated in accordance with NVTC's Subsidy Allocation Model. The proposal to send it directly to the local governments and to WMATA would mean that the allocation process must happen some other way.

Mr. Biesiadny stated the second concern is DRPT's lack of notice. The SAM allocation process has been in place well over three decades with the most recent and significant negotiations occurring over a year-long period between 1999-2000. One of the purposes of the SAM formula is to cushion the impact of abrupt changes in state aid and to protect the smaller jurisdictions from unfair costs. For Falls Church and the City of Fairfax there is a significant amount of Metrobus service that runs through their jurisdictions but they don't have as many riders as the larger jurisdictions. Given this history, there is concern that a 10-day notice of a significant change is particularly troubling since the SAM has been such a substantial part of how state aid and gas tax revenues have been allocated in Northern Virginia. The SAM is a prime example of regional cooperation.

Mr. Biesiadny stated that the letter also expresses a concern about DRPT's failure to understand WMATA's role. WMATA operates the service but is not responsible for paying for the service. The service is paid for by the local governments in Northern Virginia, and the state does contribute to those payments. WMATA bills the local governments for that service on a quarterly basis. Currently, the first quarter WMATA bill is due July 1, 2012. Local governments must pay that bill to keep Metro service operational. NVTC receives notice from the jurisdictions on how much to pay toward the WMATA bills, which are paid from a variety of sources, including state aid, gas tax revenue, local General Funds, Trust Funds at NVTC, other local bond issues, and credits at WMATA. Once the July 1st payment is made, NVTC sends invoices for those bills to DRPT and DRPT reimburses its portion according to its own allocation formula.

Mr. Biesiadny stated that the General Assembly has asked Northern Virginia planning agencies (NVTC, PRTC, NVTA and NVRC) to conduct a study on any efficiencies in consolidation of these organizations. The task force has been meeting to discuss these issues. There is concern that changing the role of one of these agencies could impact the process. A consolidation response is expected back to the General Assembly this fall.

Mr. Biesiadny stated that the letter also points out that DRPT's policy change creates financial burdens for NVTC and its jurisdictions, because NVTC currently prepares grant applications, submits invoices and assures compliance with DRPT's complex rules. If jurisdictions are required to do this work, it will create additional administrative burdens with no recourse within their already approved local FY 2013 budgets. There is concern that payments would now be processed in six different locations as opposed to one place and this seems contradictory to the governor's initiative to improve government efficiency. In addition, there are funds that come off the top of the SAM formula, including NVTC's administrative budget as well as several regional projects, including electronic transit schedules and NTD data collection resulting in $6 million in federal funding for WMATA. These are services that NVTC provides to its jurisdictions.

In regards to DRPT's concern for the need for transparency, Mr. Biesiadny stated that there are a number of ways to address this concern without changing the formula process. In conclusion, Mr. Biesiadny stated that the current process of distributing funds through NVTC for Northern Virginia's transit systems has worked well for many decades and should not be changed. At the very least, the legal ramifications should be fully understood before any action is taken to change the process.

Mrs. Drake stated that it is important to hear the jurisdictions' concerns and to look at how we move forward together. DRPT's change in procedure is driven entirely by the need for transparency. Everywhere else in the commonwealth state funds go directly to the transit organization. The amount of funding that is currently allocated will not change; only the recipient changes. She explained that the funds could go through the SAM formula with the only difference being that it is transparent as for whom the funds are intended and where they went. It could be done through a virtual accounting process. The jurisdictions could contract with NVTC to do the work. Mrs. Drake stated that this new process is not related to the consolidation effort. DRPT expects local governments to continue to use NVTC. From the discussion at the May 31st meeting, it is very clear that the jurisdictions see value in what NVTC does for them. NVTC still will manage the gas tax revenues, state funding for VRE and the other grant projects it manages.

Mrs. Drake stated that DRPT disagrees with NVTC's interpretation of the Code because it is superseded by budget language that has been in place for two years, which states: "Notwithstanding any other provision of law, funds allocated to Metro under this program may be dispersed by the Department of Rail and Public Transportation directly to Metro or any other transportation entity that has an agreement to provide funding to Metro as deemed appropriate by the Department."

Mrs. Drake also expressed her concern about the large pool of reserve funds (approximately $148 million) held at NVTC for the jurisdictions. These funds could also be used for the July 1st WMATA billing payment. This reserve needs to be looked at as to its purpose and why such a large amount sits at NVTC.

Chairman Fisette stated that his understanding is that there is a distinction between the budget language which speaks to the dispersal of funds and the question of how the funds are allocated through the SAM as it is worded in the statute. Mr. MacIsaac stated that as he interprets the statute and the budget language, it presents a statutory interpretation problem because there are conflicting provisions of law. In 1999, the General Assembly adopted legislation (Section 58.1-638.A.5 of the Code) that says that funds for WMATA must be allocated in accordance with NVTC's SAM model. The budget language referenced by Mrs. Drake gives DRPT the authority to make the payment to WMATA directly. The conflict of the budget language is that it addresses who may pay but it doesn't address the manner in which the payment will be made. The conflicting statutes would need to be harmonized. The SAM formula would still need to be applied regardless of who is making the payment to WMATA.

Senator Black asked if it could be harmonized by providing DRPT with the computer allocation amounts calculated by NVTC. Mr. Biesiadny explained that the problem with this approach is that DRPT's payments are on a reimbursement basis and each year the percentage of funding amounts change based on the state's own allocation formula. In addition, the jurisdictions use at least three other funding sources, as described earlier, to pay their WMATA bills. All of this has to be considered before payment is received at WMATA on the first day of the quarter in order for transit service to continue. He added that DRPT may send funds to WMATA but that does not complete the process.

Chairman Fisette asked jurisdictional staff how it would work if the new process goes into effect. Mr. Biesiadny replied that staff has not identified how it could be done. Chairman Fisette asked Mrs. Drake how DRPT sees it being done. Mrs. Drake stated that the only thing that changes is the recipient. If jurisdictions choose to run the funds through the SAM, they can certainly do that. Mrs. Bulova observed that it is not a matter of "choosing" because the jurisdictions are "required" to run the funds through the SAM, and that is one of the reasons why the jurisdictions rely on NVTC to do it. In response to a question from Chairman Fisette, Mr. Biesiadny stated that Mrs. Drake's explanation still does not clarify it.

In response to a question from Mr. Smedberg, Mr. Biesiadny stated that WMATA bills must be paid on the first day of the quarter. Since DRPT funding is on a reimbursement basis, WMATA will receive basically a double payment. Theoretically, the double payment could be used for a future payment, but the process would still need to be figured out. It's not a simple solution. Steve Pittard from DRPT explained that state funding is allowed to be drawn down five days in advance of the due date. It doesn't have to be done on a reimbursement basis.

Mrs. Hynes observed that the SAM is a complicated process that has been negotiated over many years. It is fair for NVTC to ask (with it being June 7th and the WMATA bills due on July 1st) that DRPT to write out exactly how the new process would work. She is reminded of when there was a shift in the allocation of the gas tax and it took an entire year to get it working correctly. There is nothing more important to this region than making sure Metrobus and Metrorail continue service to the riders as well as WMATA continuing to move towards a state of good repair. There absolutely needs to be agreement that it will work seamlessly before jurisdictions feel comfortable with the process. Mrs. Drake replied that DRPT is coming to NVTC on June 12th to review the SAM model and document how it works. In regards to the July 1st WMATA payment deadline, the jurisdictions have been anticipating this and there are funds available in the reserve.

Mr. Foust observed that the current process has been in place almost 40 years and asked if something happened to create the necessity for this change. The local governments have already passed their FY 2013 budgets and he asked why there can't be time to discuss it and implement it over the coming year. Why does it have to be done immediately? Mrs. Drake replied that the issue is transparency. Everyone in the state is being treated the same way and the six-year plan is expected to be printed immediately. The June 8th deadline is for the jurisdictions to say whether they want their money. Discussions can still continue.

Chairman Fisette agreed with Mr. Foust and does not understand what the rush is. He is somewhat flabbergasted that no conversation occurred before DRPT's May 15th letter and now there is an expectation that it must be done immediately. It makes sense to resolve the issues first before implementing changes so that everyone knows it can be done seamlessly and that transit service is not interrupted. He does not understand how DRPT can go to the CTB with a proposal for which staff does not understand how it will be implemented. Mrs. Drake stated that the timing of the six-year plan necessitates that it be done now. Chairman Fisette replied that it does not make sense because the six-year plan can be amended at any time. Mrs. Drake stated that she hears the concerns and will take them back to the commonwealth.

Chairman Fisette responded that he does not understand the decision to do it regardless of the questions and concerns the jurisdictions have. Mr. Euille observed that if DRPT is saying that the jurisdictions would receive the funding but then could give it to NVTC to go through the formula, he asked what is gained. It is just more steps in the process. Mrs. Drake replied it is transparency. Mr. Euille stated that it implies NVTC is doing something wrong. Everything NVTC does is transparent.

Chairman Fisette asked what is DRPT's definition of "transparency." Mrs. Drake replied that the commonwealth provides a significant amount of funding to Northern Virginia for transit that needs to be as transparent as anywhere else in the commonwealth. It is important to be able to follow the funds. It is very difficult for people to understand the current process and see that the funds come from the state. This proposal will make it very clear where the funds are going.

Mrs. Bulova stated that this change will complicate the transparency and accountability already in place. Local governments will start to receive checks from the state, but they won't know if it's the correct amount according to the SAM. That is why it works so well using NVTC and why it has worked so well over the many decades. Mrs. Drake stated that there is no difference in the amount that will be received. Mrs. Bulova observed that the amount would not be according to the SAM, which has been agreed to by all the jurisdictions. It is the jurisdictions' fear that by complying with the June 8th deadline that it will give the impression that they agree with the new process. It is counter to what the General Assembly has asked for to streamline government. Mrs. Drake responded that the letter is for DRPT and not for CTB. She fully expects the letters to say that the jurisdictions disagree; however, if they want the funds, they must submit a response by June 8th.

Mr. Reid stepped out of the room.

Mrs. Hudgins observed that the problem that has been described is the lack of transparency. Mrs. Drake stated that DRPT has no trouble following its funding contributions; however, nobody else can. Mrs. Hudgins stated that it is important to direct the solution to the explicit problem. If the public does not understand, there are other solutions, such as an annual agreement between DRPT and the jurisdictions on what the actual amount is. She asked how others will understand there is transparency with the new process. Mrs. Drake stated that it will be very clear that the money is from DRPT. Funding now goes through NVTC and it is not clear that DRPT provides funding at all. Chairman Fisette suggested that the jurisdictions provide in writing acknowledging that they are the recipients of the funds and direct DRPT to deposit the funds at NVTC, which still gives DRPT the ability to publicly clarify it. He asked if this could be the solution. Mrs. Drake stated that she can't answer that until after June 12th.

Mr. Greenfield asked why DRPT can't defer action until after the 12th. Mrs. Drake stated that it is important for DRPT to treat all transit throughout the commonwealth the same way and there needs to be transparency. Mr. Greenfield expressed his opinion that if it is all about acknowledging DRPT's funding, then NVTC could amend its Communications Plan to accommodate this in a formal way. He stated that with the issue of transparency, DRPT is implying NVTC is doing something wrong. Not once since he has sat on this Board has a NVTC or DRPT audit of NVTC uncovered any problem. He also asked who are the "people" that need to understand it. Mrs. Drake stated that she hears it over and over again that the state does not give any money to Northern Virginia.

Mrs. Hynes stated that to be candid, Mrs. Drake believes it is the people in this room. Mrs. Drake stated that it is the people in this room, as well as the press, legislators and the public. Mr Euille observed that instead of Northern Virginia sending tax revenues to the state coffers, maybe it should send it directly to those who need it throughout the state.

Mr. McKay expressed his concern that this DRPT process has been the least transparent process. If the driving factor is transparency, why would DRPT sneak a change in two weeks before the CTB approves the six-year plan without talking to the organization that handles this, without understanding the legal implications, without understanding now the SAM works, and without understanding the accounting issues associated with a change. To have DRPT give an explanation that the change will occur regardless of the concerns but DRPT could go back and ask CTB to reverse it later, just doesn't work. He is concerned with the communication between DRPT and NVTC and its jurisdictions. There is a DRPT representative at NVTC meetings each month and nobody brought this to NVTC's attention. If we can't have better communication than this, then it is a sign of bad governance. It is no way to govern; it is no way to communicate. DRPT talks about partnerships; however, this is not a partnership. If transparency is the issue, then there needs to be early communication and discussions to understand all the ramifications of a change.

Chairman Fisette observed that this almost 40-year process is one of the best examples of regional collaboration and cooperation. The comparison of how it is done in other parts of the state doesn't mean that it has to be done exactly the same in Northern Virginia. This region is unique and transit is much more complicated. It is the lifeblood of the economy. There isn't another Metro-like transit system in the state. In his view, the evolution of the collaboration and cooperation of this region is epitomized in NVTC and the SAM model. To come in and undo that or threaten it, does not make sense.

Mr. Reid returned to the discussion.

Senator Black asked if DRPT is saying transparency is asking Northern Virginia to do what the rest of the state does. Mrs. Drake explained that it is based on the same model. The only change that will take place is where the funds are physically going. Mrs. Hynes asked, in DRPT's desire for transparency, what is it that the public, press and legislators will look at to tell the story differently than what is currently done. Will the six-year plan be different? Mrs. Drake responded that it would not be a document. It would be clear to the jurisdictions how much is coming to each jurisdiction and how much is going to WMATA. Mr. Webb stated that Falls Church would have to amend its budget to be able to use these funds. It adds work to already over worked jurisdictional staff. Mrs. Drake stated that Falls Church subsidy is from the gas tax as well, which will continue to flow through NVTC.

Chairman Fisette stated that Mr. Biesiadny did a good job of reviewing the draft letter outlining the concerns. Mrs. Drake thanked everyone for their comments and will get back to them after June 12th. If there are any compelling reasons why this new process can't happen, DRPT can ask CTB to reverse it.

Mrs. Bulova moved, with a second by Mr. Webb, to authorize NVTC's chairman to sign and send the letter to DRPT, with the wording change "demanded" to "directed" in the first paragraph.

In response to a question of clarification from Mrs. Hynes, Chairman Fisette explained that the action is to only authorize him to sign the letter as NVTC's chairman. The other five localities will take their own action. Mrs. Hynes stated that she expects that staff will continue to tweak wording over the next few days, and she is comfortable with Chairman Fisette, Vice-Chairman McKay and Secretary-Treasurer Smedberg conferring and agreeing on any edits. There were no objections.

Mr. Foust suggested adding a comment that NVTC appreciates DRPT's desire for transparency and NVTC is willing to work with DRPT to find a way to achieve that goal without these funding changes.

Senator Herring observed that as a state legislator he feels compelled to make a statement. It seems from his vantage point, ever since the McDonnell administration has come in, that there has been one after another example of confrontational approaches to Northern Virginia transit issues, from state directed appointments on the WMATA Board, threatening millions of dollars of state funding for WMATA, financial audits, attempts to eliminate NVTC without much discussion and now this. This type of confrontational approach is a distraction from what constituents expect. They expect officials to work together—across jurisdictional boundaries and across different governmental levels—to meet the needs of the people. The status quo is not perfect and improvements can be made; however, no advance discussion and being confrontational is counterproductive. There needs to be a better way to work together.

The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Bulova, Cook, Euille, Fisette, Foust, Greenfield, Herring, Hudgins, Hynes, McKay, Rust, Smedberg and Webb. Senator Black voted no and Commissioners Dyke and Reid abstained. Mr. Reid explained that Loudoun County already has a direct agreement with DRPT and it works well for them.

Chairman Fisette thanked Mrs. Drake for coming to NVTC to discuss this issue. Mrs. Drake left the meeting and did not return.

Virginia Vanpool Incentive Program

Chairman Fisette suggested deferring discussion of this item to the next meeting. Mr. Taube asked commissioners to read the materials and be prepared to take action at the July 5th meeting. NVTC will be asked to approve a Memorandum of Understanding (MOU) with PRTC and the George Washington Regional Commission (GWRC), the sponsors with NVTC of the new vanpool program. NVTC will also be asked to authorize a bridge loan in FY 2014, if needed, to the Vanpool Incentive Program of up to $1.1 million, to complete required funding and qualify for $3.4 million in state and federal aid awarded by CTB. The recommended source of funds would be NVTC jurisdiction trust funds to be budgeted for FY 2014. These are complicated and complex documents. Commissioners should contact staff with any questions or comments prior to the next meeting.

I-66 Multi-Modal Study (Inside the Beltway)

Mr. Taube stated that staff comments were provided to meet the May 22nd deadline. There are many significant issues remaining and the public will not have further opportunity to comment prior to completion of the final report. Chairman Fisette reported that VDOT project staff will be at NVTC's July 5th meeting to provide a briefing on the final report. Mrs. Hynes stated that she received a briefing from VDOT and she came away from that meeting with a very different understanding of what she originally thought VDOT was proposing. She will share with NVTC a copy of her letter to VDOT. Mr. Reid also asked if NVTC could receive a briefing on the proposal to allow commuter buses on the shoulders of I-66 inside the Beltway.

Legislative Items

State Legislative Update. The biennial budget was approved with an additional $9.9 million for transit operating assistance statewide in FY 2013. NVTC staff estimates that its jurisdictions could realize an additional $6.3 million in FY 2013 funding, plus $619,000 for VRE and $341,000 for PRTC. No additional funding for the Dulles Rail project was provided.

Federal Legislative Update. The House of Representatives approved a "skeleton" multi-year surface transportation authorization bill for the purpose of permitting a conference committee to begin work. The Senate version includes increased expenditures and restoring the monthly tax-free transit benefit to $240.

Study of Northern Virginia Transportation/Planning Agency Efficiency and Consolidation. Mr. Taube reported that the Efficiency and Consolidation Task Force, made up of the chairs and vice-chairs of NVTC, PRTC, NVRC and NVTA, has held several meetings and the next meeting is scheduled for the end of June. The meetings are open to the public.

WMATA Items

Mrs. Hudgins stated that according to WMATA's Vital Signs Report, Metrobus ridership has increased but Metrorail ridership is down.

Regional Transportation Items

SJR 297 Study. Mr. Taube reported that DRPT conducted another stakeholders' meeting on May 7th in Richmond. NVTC staff discussed comments with jurisdictional staff and submitted them to DRPT. The issues mentioned in the comments are likely to persist through the final DRPT report to the General Assembly. On the positive side, this study will provide an opportunity to demonstrate to the General Assembly why more funding is needed for transit. Chairman Fisette stated that it is important to monitor this closely because funding is fundamental to the work of this organization. Mr. Taube stated that the results of the study should be available in the fall of 2012.

Mr Reid left the meeting at 9:47 P.M. and did not return.

Regional Household Travel Survey. MWCOG recently released the results from area-specific surveys conducted in spring 2011 and fall 2011. The surveys reveal an impressive 53 percent transit mode share in Crystal City for commuting trips, but also in Shirlington (34 percent) and along Columbia Pike (25 percent). The surveys also provide important “before” data for Reston in advance of the planned Metrorail station and for Columbia Pike in advance of transit improvements in that corridor.

Region Forward. MWCOG has prepared a draft Baseline Progress Report measuring the current status of the National Capital Region with respect to the 28 targets. The report also classified targets as major, moderate, or minor challenges. This report will be presented to the MWCOG Board of Directors in June, 2012.

NVTC Correspondence

NVTC Comments on CTB’s Six Year Improvement Program. Mr. Taube stated that in the spirit of transparency and cooperation with DRPT, NVTC’s comments are kinder and gentler than comments that have been made in the past.

NVTC Letter from the Virginia Department of Tax. TAX Commissioner Burns has replied to NVTC’s letter and provides more details about his department’s ongoing efforts to improve the accuracy of taxpayers’ allocations of the 2.1 percent motor fuels tax to the correct jurisdiction.

NVTC’s Public Outreach

Commissioners had no questions on the report provided.

NVTC Financial Items for April, 2012

The financial reports were provided to commissioners and there were no questions.

Adjournment

Without objection, Chairman Fisette adjourned the meeting at 9:50 P.M.

Approved this 5th day of July, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

Northern Virginia Transportation Commission

AGENDA ITEM #3

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: June 28, 2012

SUBJECT: VRE Items

A. Report from the VRE Operations Board and VRE Chief Executive Officer--Information Item.

B. Authorization to Extend the Norfolk Southern Operating Access Agreement--Action Item/ Resolution #2192.

C. Hamilton to Crossroads Third Track Project--Information Item.

D. Draft Agreement with Spotsylvania County for VRE Station Platform and Head House--Information Item.

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Item #3A

Report from the VRE Operations Board and VRE's Chief Executive Officer

Minutes are attached from the VRE Operations Board's meeting of June 15, 2012. Also attached is the VRE CEO's monthly performance report.

Virginia Railway Express

CHIEF EXECUTIVE OFFICER'S REPORT

June 2012

MONTHLY DELAY SUMMARY

	February	March	April	May
System wide				
Total delays	21	17	15	21
Average length of delay (mins.)	19	23	34	17
Number over 30 minutes	3	2	6	1
Days with Heat Restrictions/Total days	0/20	1/22	1/21	1/22
On-Time Performance	96.5%	97.4%	97.6%	96.8%
Fredericksburg Line				
Total delays	7	10	6	13
Average length of delay (mins.)	16	29	24	19
Number over 30 minutes	0	2	2	1
On-Time Performance	97.5%	96.8%	98.0%	95.8%
Manassas Line				
Total delays	14	7	9	8
Average length of delay (mins.)	21	14	45	14
Number over 30 minutes	3	0	4	0
On-Time Performance	95.6%	98.01%	97.3%	97.7%

SYSTEM RIDERSHIP

The average daily ridership (ADR) for May was 19,322 (Amtrak Cross Honor numbers are estimated). May 2012 ADR was 1% less than last May 2011. However, May 2012 ADR is higher than April 2012 ADR when the usual trend is for ADR to drop slightly each month until September. This may indicate that higher gas prices and highway congestion has more influence than the reduction in transit benefits. We will continue to monitor this trend. Year-to-date ridership eleven months into the year is 6.6% higher than last year. There were also six out of twenty-two days with ridership over 20,000 in May. The top ten ridership days are below:

1	April 12, 2011	21,496
2	March 23, 2011	21,136
3	December 6, 2011	20,953
4	April 17, 2012	20,914
5	December 14, 2011	20,853
6	December 1, 2011	20,824
7	April 13, 2011	20,803
8	May 10, 2011	20,803
9	April 6, 2011	20,791
10	October 25, 2011	20,789

ON-TIME PERFORMANCE

During the month of May, 660 trains operated with only 21 delays. In addition, we achieved eleven days of 100% on-time performance (OTP). System wide OTP was 96.82% in May. The Fredericksburg line saw 95.78% OTP, and the Manassas line saw 97.73% OTP. May is the eighth straight month of 95% OTP or better.

GIRL SCOUT TRAIN

This year marks the 100th Anniversary of Girl Scouting with a national celebration in Washington, DC on June 9th, 2012. VRE was approached and hired to run an eight car train from Rippon to L'Enfant carrying approximately 800 Girl Scouts and their families to the mall. VRE staff rode the train with them and assisted with boarding at Rippon and L'Enfant. A great time was had by all.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

VRE was notified on May 7, 2012 that we have again received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of government accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This is the fifth consecutive award of the Certificate received by the VRE Finance Department.

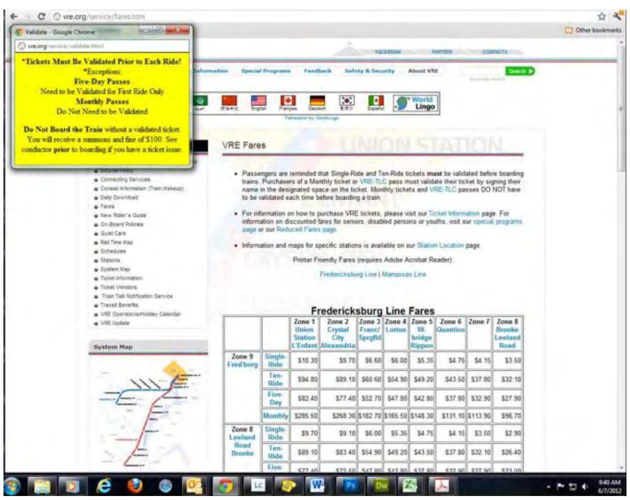
ALEXANDRIA KING ST. PEDESTRIAN TUNNEL

The Alexandria – King St Pedestrian tunnel project funded from the FHWA Rail Crossing and Rail Safety program will connect the King St Metro Station directly to the Alexandria VRE/Amtrak station. The project will improve the ADA access, eliminate the at-grade track crossing, and upgrade the eastern VRE/Amtrak platform. The feasibility study has begun with a consultant kick off meeting. During the month of June preliminary survey will be done of the existing platform of the Alexandria Station and the existing breakaway panel within the King St Metro Station. A meeting will also be held to introduce all stakeholders to the project and identify key points of contact. Investigations will be done and preliminary concepts will be discussed and finalized throughout the following months to complete the feasibility study no later than September.

VALIDATION REMINDERS

In our continuing efforts to make sure every rider is properly informed of the need to validate tickets, we have taken the following steps:

1. **TVM Stickers** – We have added stickers under the ticket slot on the Ticket Vending Machine (TVM) informing riders of the need to validate. (See illustration below)
2. **Website** – we have added a pop-up box to our website that will come up anytime someone clicks on the "New Riders", "Schedules", "Fares", "Ticket Information", and "Ticket Vendors" pages. This pop-up box is bright yellow and reminds passengers to validate prior to boarding, and the consequences of not validating. (See illustration below)
3. **Station Platforms** – We are working on adding a reminder to validate tickets which will display on the monitors and through the PA system just before each train arrives at the station.
4. **Trains** – As each train approaches the station, an audio message will play on the train's external speakers reminding passengers to validate tickets prior to boarding.



GAINESVILLE-HAYMARKET

VRE counsel is reviewing the revised agreement for Gainesville-Haymarket. The award of the consultant contract for environmental review and preliminary engineering is pending the execution of this agreement.

SUMMONS OVERVIEW

In May, there were 79 cases of fare evasion that were brought before the court. Details are provided below:

Outcome	Occurrences	Fine	Court Costs
Continued	4		
Guilty with reduced fine	0	$50	$81
Prepaid	20	$100	$81
Guilty	2	$100	$81
Guilty in absentia	21	$100	$116
Dismissed	10	0	$81
Dismissed due to passenger Is under 18 years of age	0	0	0
Waived with Proof of Monthly Ticket	18		
Waived due to defective ticket	1		
Waived (blind passenger)	1		
Waived machine capture ticket	1		
Waived because of validation	0		
Dismissed schedule on wrong date	1		

BROOKE AND LEELAND PARKING EXPANSION UPDATE

Brooke Parking Expansion - The project is approximately 30% complete. The site has been cleared and excavation/fill operations are well underway. Utilities have been relocated to make way for the new lot. Storm water management structures are being installed. We expect to complete this project by December.

Leeland Parking Expansion - This project is approximately 50% complete. The site has been cleared and grading is in the final stages. The underground storm water management structures are installed. Lighting installation is underway. Paving operations are scheduled for late July and the project is expected to be completed by September.

CROSSROADS WAREHOUSE

The Crossroads Warehouse project is substantially complete. Minor finish work is remaining and building systems are being commissioned and tested. We expect to occupy the building in July once County approvals are obtained.

MEET THE MANAGEMENT

The annual "Meet the Management" program began at Union Station on April 4. Comments to date have been very positive. Board members are welcome to attend any of the events. The remaining schedule is provided below.

June 20	Manassas Park, all morning trains
June 27	Quantico, all morning trains
July 11	Burke Centre, all morning trains
July 18	Rippon, all morning trains
July 25	Rolling Road, all morning trains
August 1	Woodbridge, all morning trains
August 8	Backlick, all morning trains
August 15	Lorton, all morning trains

MONTHLY PERFORMANCE MEASURES – MAY 2012

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
May Fredericksburg OTP Average	95.78%
May Manassas OTP Average	97.73%
VRE MAY OVERALL OTP AVE.	96.82%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2012 Passenger Totals	4,360,166
VRE FY 2011 Passenger Totals	4,089,514
PERCENTAGE CHANGE	6.6%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
MAY 2012	421,769*
MAY 2011	408,818
PERCENTAGE CHANGE	-0.7%(NORMALIZED)
SERVICE DAYS (CURRENT/PRIOR)	22/21

*Amtrak Cross Honor numbers are estimations

Chief Executive Officer's Ridership Report

JUNE 2012

As Reported to the VRE Operations Board
June 15, 2012

Monthly Ridership and OTP: May 2012

Date	Manassas AM	Manassas PM	Total Manassas	# Trains Op MSS	Trains Delayed MSS	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	# Trains OP Fred'burg	# Trains Delayed Fred'burg	Actual OTP TD	Total Trips	Actual OTP TD
1	5,060	4,894	9,954	16	2	88%	4,957	5,194	10,151	14	1	93%	20,105	90%
2	5,021	5,012	10,033	16	0	100%	4,952	4,981	9,933	14	0	100%	19,966	100%
3	4,895	4,921	9,816	16	0	100%	4,859	5,110	9,969	14	0	100%	19,785	100%
4	3,938	3,688	7,626	16	0	100%	4,355	4,218	8,573	14	0	100%	16,199	100%
5														
6														
7	4,622	4,640	9,262	16	0	100%	4,614	5,090	9,704	14	1	93%	18,966	97%
8	4,894	5,109	10,003	16	0	100%	4,996	5,190	10,186	14	0	100%	20,189	100%
9	4,980	5,177	10,157	16	2	88%	5,118	4,857	9,975	14	1	93%	20,132	90%
10	4,861	4,754	9,615	16	0	100%	4,939	5,185	10,124	14	0	100%	19,739	100%
11	4,081	3,902	7,983	16	0	100%	4,011	4,345	8,356	14	3	79%	16,339	90%
12														
13														
14	4,710	4,601	9,311	16	1	94%	4,993	4,796	9,789	14	0	100%	19,100	97%
15	4,629	5,086	9,715	16	0	100%	4,825	5,193	10,018	14	0	100%	19,733	100%
16	4,707	4,899	9,606	16	0	100%	4,932	5,294	10,226	14	0	100%	19,832	100%
17	4,752	4,869	9,621	16	0	100%	4,969	5,304	10,273	14	2	86%	19,894	93%
18	3,789	3,564	7,353	16	0	100%	4,556	4,692	9,248	14	0	100%	16,601	100%
19														
20														
21	4,719	4,626	9,345	16	1	94%	4,908	5,104	10,012	14	1	93%	19,357	93%
22	4,929	5,097	10,026	16	0	100%	4,979	5,196	10,175	14	1	93%	20,201	97%
23	4,733	4,866	9,599	16	0	100%	4,985	5,189	10,174	14	0	100%	19,773	100%
24	4,723	4,618	9,341	16	0	100%	4,781	5,271	10,052	14	0	100%	19,393	100%
25	3,256	3,373	6,629	16	0	100%	3,662	4,043	7,705	14	0	100%	14,334	100%
26														
27														
28														
29	4,969	4,753	9,722	16	0	100%	4,789	4,963	9,752	14	1	93%	19,474	97%
30	4,999	5,151	10,150	16	2	88%	5,119	5,335	10,454	14	0	100%	20,604	93%
31	5,075	5,090	10,165	16	0	100%	5,227	5,172	10,399	14	2	86%	20,564	93%
	102,342	102,690	205,032	352	8	98%	105,526	109,722	215,248	308	13	96%	420,280	97%

Adjusted total: 205,332 — Adjusted Total: 219,748 — Adjusted Total: 425,080

# of Service Days:	22			Total Trips This Month:	425,080	Adjusted Total:	425,080
Manassas Daily Avg. Trips:	9,320	Adjusted Avg.:	9333	Prior Total FY-2012:	3,935,086		
Fred'burg Daily Avg. Trips:	9,784	Adjusted Avg.:	9989	Total Trips FY-2012:	4,360,166		
Total Avg. Daily Trips:	19,104	Adjusted Avg.:	19,322	Total Prior Years:	53,006,578		
				Grand Total:	57,366,744		

Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days.
" designates "S" schedule day

Monthly Ridership Changes:
FY 2011 v. FY 2012

	MANASSAS			FREDERICKSBURG				
Current Month	Cumulative FY2011	Cumulative FY2012	% change	Cumulative FY2011	Cumulative FY2012	% change	Current Total	% change
July	177,199	174,866	-1.3%	183,554	203,162	10.7%	378,028	4.8%
August	356,554	379,224	6.4%	369,561	430,255	16.4%	809,479	11.5%
September	531,826	561,165	5.5%	560,951	628,888	12.1%	1,190,053	8.9%
October	687,461	747,745	8.8%	749,050	833,524	11.3%	1,581,269	10.1%
November	842,550	929,938	10.4%	936,793	1,032,918	10.3%	1,962,856	10.3%
December	992,422	1,111,082	12.0%	1,119,345	1,218,911	8.9%	2,329,993	10.3%
January	1,156,798	1,298,378	12.2%	1,311,930	1,422,799	8.5%	2,721,177	10.2%
February	1,321,505	1,486,107	12.5%	1,503,871	1,627,022	8.2%	3,113,129	10.2%
March	1,530,573	1,689,604	10.4%	1,744,670	1,844,808	5.7%	3,534,412	7.9%
April	1,721,462	1,881,376	9.3%	1,959,234	2,053,224	4.8%	3,934,600	6.9%
May	1,916,908	2,086,708	8.9%	2,172,606	2,272,972	4.6%	4,359,680	6.6%
June	2,118,380			2,398,986			0	

*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

Chief Executive Officer's Report

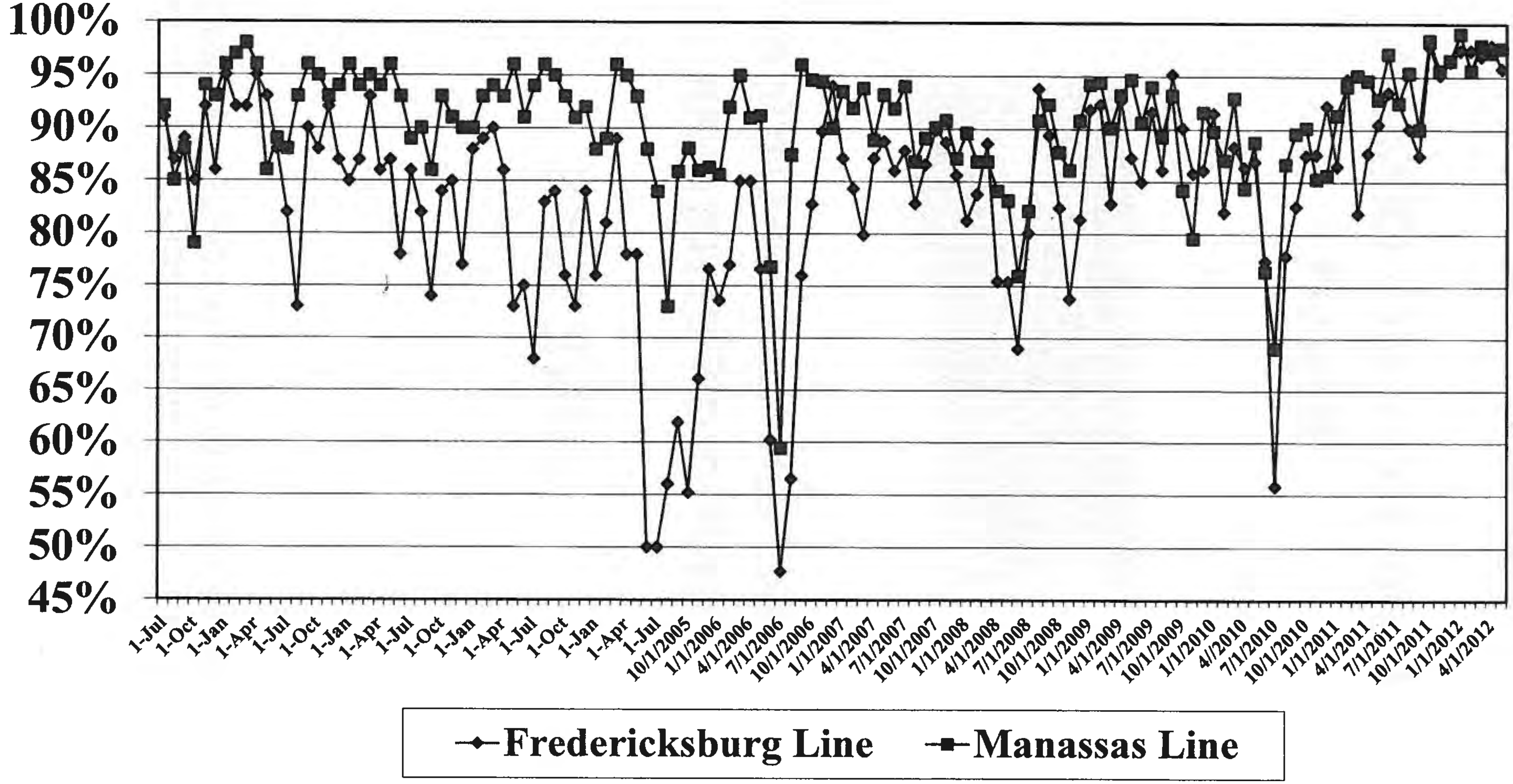
Chief Executive Officer's On-Time Performance

JUNE 2012

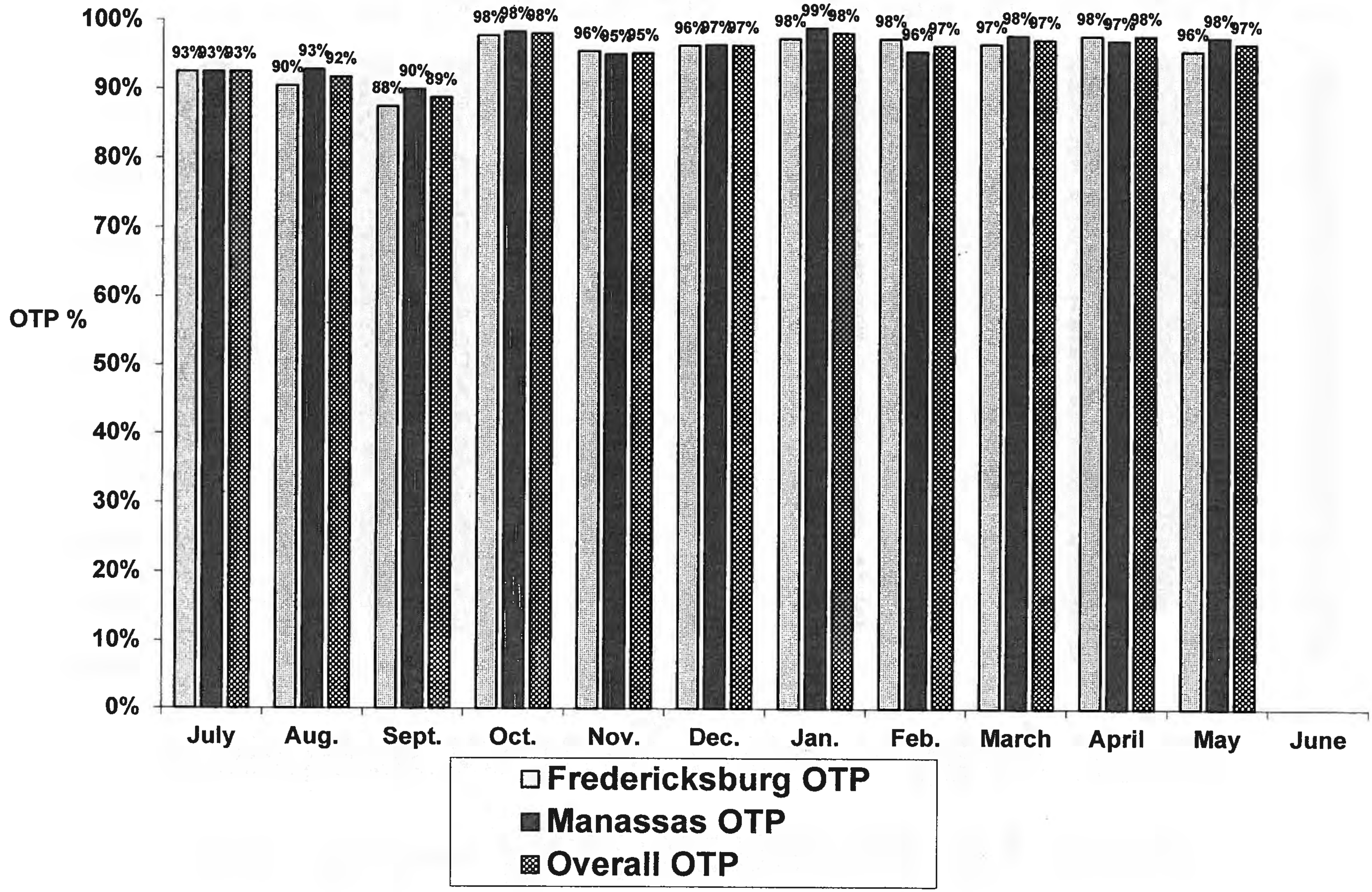
As Reported to the VRE Operations Board
June 15, 2012

On-Time Performance

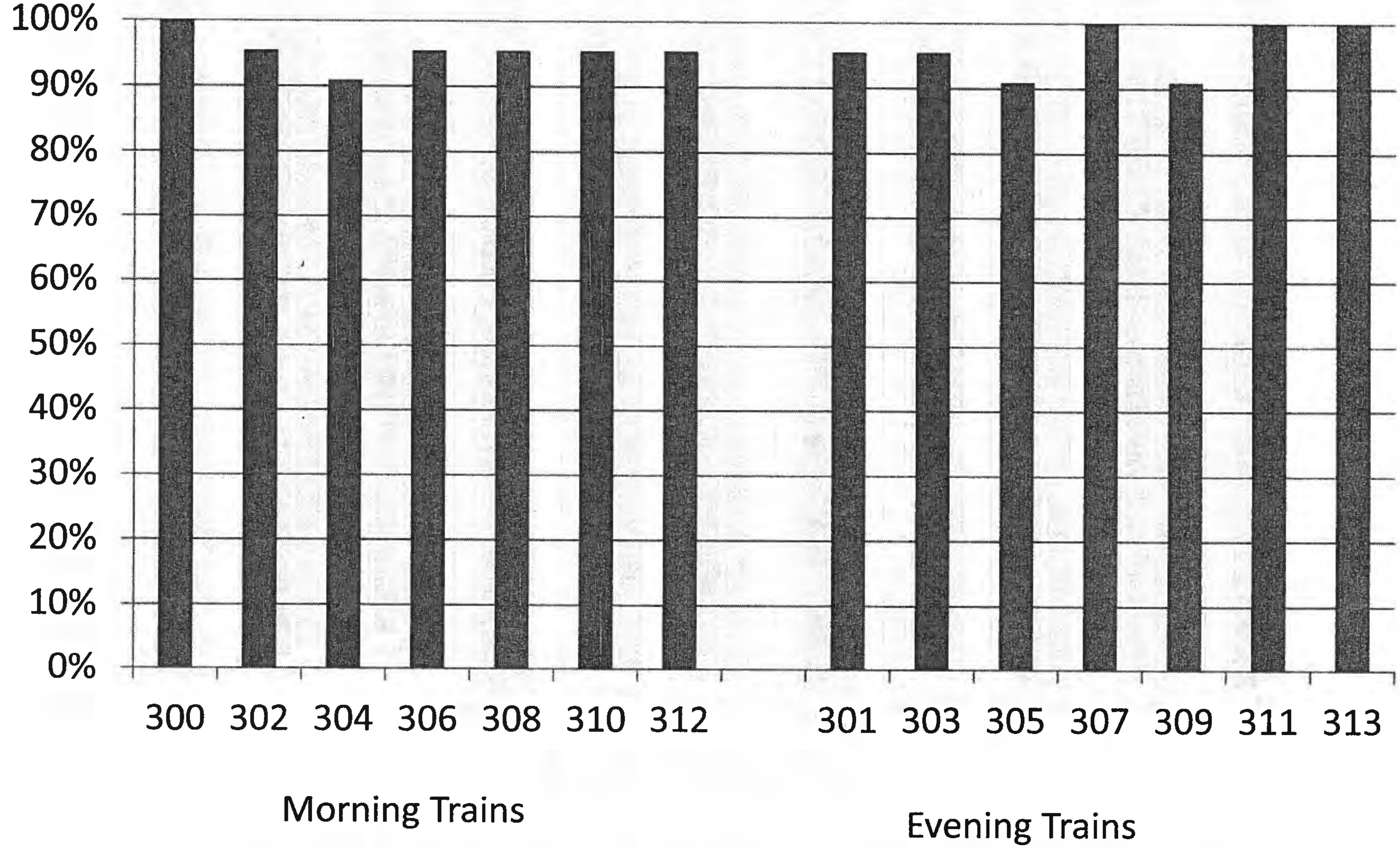
July 2001 – May 2012



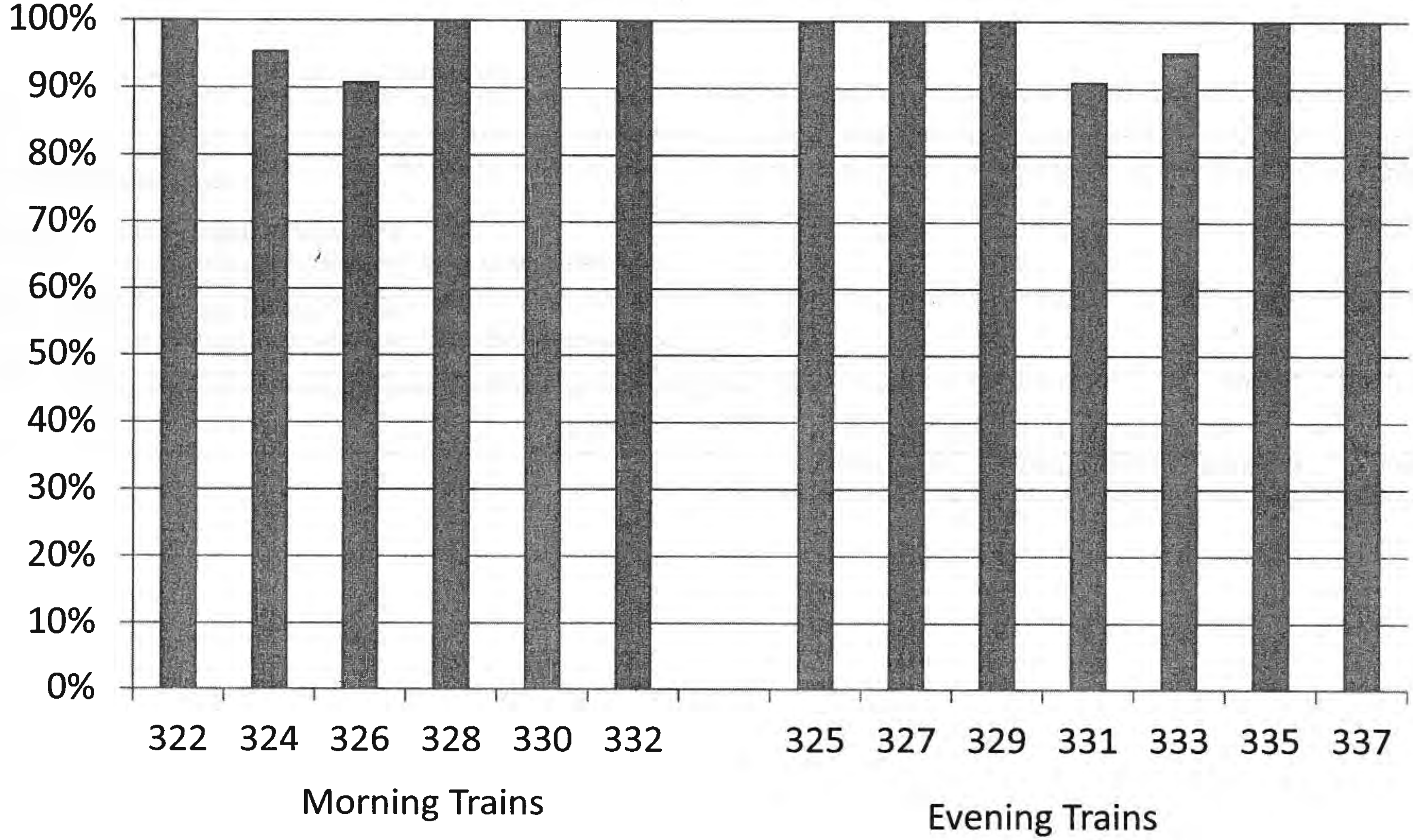
Average On-Time Performance FY-2012



On-Time Performance By Train Fredericksburg Line – May 2012



On-Time Performance By Train Manassas Line – May 2012



Delays by Cause
March 2012 Through May 2012

	March Delays	April Delays	May Delays	% of Overall Delays
VRE ***VRE Train Interference, Mechanical Problems, Crew Related and Late Turns***	10%	26%	18%	18%
Freight Railroads ***Train Interference, Switch/Signal Problems, Slow Orders/Restricted Speeds/Stop Signals, Maintenance of Way***	35%	26%	48%	37%
Amtrak ***Train Interference, Switch/Signal Problems, Slow Orders/Restricted Speeds/Stop Signals, Maintenance of Way***	25%	6%	11%	14%
Other ***Weather, Passengers, Other***	30%	42%	23%	31%
Total Delays	100%	100%	100%	100%

*Each train can have more than one cause for its delay. For example a train may be 5" late due to a slow order and 4" late due to heavy passenger travel on that train. Both causes would be listed in this chart: One for "Other" and one for "Freight Railroads."

1500 King Street, Suite 202
Alexandria, VA 22314-2730

M I N U T E S

VRE OPERATIONS BOARD MEETING
HYLTON MEMORIAL – PRINCE WILLIAM COUNTY, VIRGINIA
June 15, 2012

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
John Cook (NVTC)	Fairfax County
Wally Covington (PRTC)	Prince William County
Frederic Howe (PRTC)	City of Fredericksburg
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
Suhas Naddoni (PRTC)*	City of Manassas Park
Kevin Page	DRPT
Gary Skinner (PRTC)	Spotsylvania County
Paul Smedberg (NVTC)	City of Alexandria
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)*	Arlington County

MEMBERS ABSENT	JURISDICTION
Susan Stimpson (PRTC)	Stafford County

ALTERNATES PRESENT	JURISDICTION

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Harry Crisp (PRTC)	Stafford County
Mark Dudenhefer (PRTC)	Stafford County
Brad Ellis (PRTC)	City of Fredericksburg
Jay Fisette (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Martin E. Nohe (PRTC)	Prince William County
Benjamin T. Pitts (PRTC)	Spotsylvania County
Bob Thomas (PRTC)	Stafford County

STAFF AND GENERAL PUBLIC	
Nick Alexandron – PRTC	Christine Hoeffner – VRE
Gregg Baxter – Keolis	Eric Johnson – VRE
Donna Boxer – VRE	Mike Lake – Fairfax County DOT
Nancy Collins – Stafford County	Bob Leibbrandt – Prince William County
Rich Dalton – VRE	Steve MacIsaac – VRE counsel
John Duque – VRE	Sirel Mouchantaf – VRE
Patrick Durany – Prince William County	Dick Peacock – Citizen
Anna Gotthardt – VRE	Lynn Rivers – Arlington County
Claire Gron – NVTC staff	Mark Roeber – VRE
Al Harf – PRTC staff	Brett Shorter – VRE
Chris Henry – VRE	Dale Zehner – VRE

* Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman Covington called the meeting to order at 9:29 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Milde moved, with a second by Mr. Howe, to approve the agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg and Way.

Approval of the Minutes of the May 18, 2012 Operations Board Meeting – 4

Ms. Bulova moved approval of the minutes. Mr. Smedberg seconded the motion. The vote in favor was cast by Board Members Bulova, Cook, Covington, Howe, Jenkins, Page, Skinner, Smedberg and Way. Ms. Caddigan and Mr. Milde abstained.

Chairman's Comments – 5

Chairman Covington thanked the Board for accommodating the different meeting location. He reported that VRE's year-to-date ridership is at 4.363 million passenger trips, which is nearly 300,000 more trips than last year in the same time frame. VRE should eclipse 4.7 million passenger trips this year, which would be a seven percent increase and would break another record. Year-to-date on-time performance (OTP) is at 94.7 percent for the Fredericksburg line and 95.6 percent for the Manassas line. This is the highest annual OTP in VRE's history and is the first time OTP has been over 90 percent for both lines for the year, which is up six percent over the previous "best year" in 2009.

Chairman Covington announced that a Step-Up ticket change is proposed to help mitigate I-95 HOT lanes construction congestion. This initiative, supported by VDOT and DRPT, would buy-down the Step-Up fare from $5 to $3. The Northern Virginia Mega Projects Regional Steering Committee is expected to approve the TMP at its July 31st meeting. Up to $960,000 in TMP funding is recommended over the three-year construction period. Action by the Operations Board will be requested at the August 2012 meeting to amend the VRE tariff to accept the buy down. Construction is expected to begin in August 2012 and be completed in 2015.

Chairman Covington also stated that VRE staff was working on a major 20th anniversary event in June. However, after difficulty in trying to coordinate schedule of various legislators, including Governor McDonnell and Senator Warner, he has directed staff to reschedule the event to September.

On behalf of the VRE Operations Board and staff, Chairman Covington thanked Mr. Zehner for his years of dedication and commitment that he has given VRE, which has turned into a respected and efficient public transportation agency. A future farewell celebration will be planned for Mr. Zehner. VRE is a far better commuter rail system under Mr. Zehner's leadership.

Chief Executive Officer's Report – 6

Mr. Zehner reported that ridership for the month of May was 19,453, which is about the same compared to the same time last year. Ridership is "pancaking" as a result of the reduction in transit benefits. In regards to the proposed change to the Step-Up fare, the reduced fare will entice riders to shift to Amtrak trains which will open up seats on VRE trains. There could also be some shifting on the Manassas line, but there are fewer Amtrak trains. On-time performance for May was 96.8 percent overall (96 percent on the Fredericksburg line and 98 percent on the Manassas line). This is the 10th month in a row where OTP reached over 95 percent on both lines. However, VRE has had some OTP issues in June. On the afternoon of June 13th there was an Amtrak train that violated the rules inside the Union Station Terminal, which caused 15 out of 16 VRE trains to be delayed as well as MARC and Amtrak trains. There have been some other delays in June, but not caused by VRE, the railroads or Keolis.

Mr. Smedberg asked what constitutes a rule violation. Mr. Zehner explained that there are a number of ways a train can violate the rules. In this week's incident, an Amtrak train leaving Union Station had engine problems and stopped. The engineer backed up through a red signal without permission. Once there is a violation, the railroad is shut down and supervisors are brought in to investigate. This is the normal process. Unfortunately, it delayed VRE service approximately an hour.

Mr. Zehner passed around new signage that will be put on the Ticket Vending Machines to make it clear that riders must validate their ticket before boarding the train. Also, VRE has enhanced its website with a pop-up feature that provides this information under the new rider and other sections of the website. VRE will also modify the announcing system on the trains and the monitors at the station.

[Mr. Zimmerman arrived at 9:38 A.M. and joined the discussion.]

Mr. Zehner stated that VRE still does not know the amount of federal funding it will receive for the next year. He is hopeful that if the funding is what is expected, staff can come back to the Board for action in August to add the extra railcars it discussed at the last meeting. Mr. Way observed that the cost would be about $110,000 and would generate approximately 100,000 additional seats annually, which calculates to $1 per seat. This is one of a few incremental opportunities that VRE can do to generate additional revenue, as well as increase capacity. He encouraged staff to continue to pursue this. Mr. Zehner stated that it is important that it fits into next year's existing approved budget. Mr. Way stated that if it could not be accommodated in the budget it would be appropriate for staff to come to the Board and ask for it to be included because it will generate a significant amount of fare revenue.

Mr. Howe stated that VRE is limited in train capacity because of platform lengths and he asked if VRE could do double staging where the first half of the train is boarded/exited and then the train moves forward to board/exit the second half. He is aware of mid-day storage issues, but asked if this suggestion would be viable. Mr. Zehner stated that the problem is that it slows down the whole trip and VRE could not do it on the existing schedule. He estimated that it would add an additional 20-30 minutes if it was done at all the stations. Riders do not want a longer trip, especially on the Fredericksburg line. Mr. Howe suggested it could be done for the high capacity express trains. Mr. Zehner stated that VRE will continue to lengthen platforms. Mr. Page asked if the current railroad access agreements allow for longer trains or would VRE have to renegotiate the agreements. Mr. Zehner responded that VRE can make the trains as long as it wants. The access fee is per train and not per car.

VRE Riders' and Public Comment – 7

Mr. Peacock stated that he was impressed listening to a Keolis conductor explain flash flood restrictions to a complaining passenger. He thanked Mr. Zehner for his outstanding leadership as VRE's CEO. VRE's reliable service helps VRE deal with the freight railroads because VRE service does not negatively impact their freight operations. With VRE's reliable service, VRE can receive more federal and state funding. Many of VRE riders are federal employees working for Congress, Homeland Security and the Military.

Consent Agenda – 8

Mr. Skinner moved, with a second by Mr. Smedberg, to approve the following Consent Agenda items:

Resolution #8A-06-2012: Authorization to Issue a Solicitation for General Engineering Consulting Services.

Resolution #8B-06-2102: Authorization to Issue an RFP for Final Design of the Alexandria King Street Station Pedestrian Tunnel Project.

Resolution #8C-06-2102: Authorization to Issue an IFB for Track Rehabilitation at the Crossroads and Broad Run Yards.

The Board voted on the motion and it unanimously passed. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

FY 2014 Budget Guidelines – 9A

Mr. Zehner reported that the VRE Operations Board is being asked to provide budget guidelines for the development of the FY 2014 budget for train operations and capital projects. Resolution #9A-06-2012 would accomplish this.

Mr. Zehner reported that the CAO Task Force met on June 12th to begin the review of various budget issues. He then reviewed the seven budget guidelines dealing with level of service, jurisdictional subsidy, fare increases, capital improvements, fuel hedging, working capital, and VRE's debt levels. Mr. Zehner stated that VRE will try to maintain the jurisdictional subsidy unless there are valid reasons to increase it. He is also asking staff to bring a Capital Improvement Program to the Board prior to the budget so that discussion can occur on prioritizing projects. Wi-Fi service should be a part of that discussion. Staff is expected to bring this information to the Board in the October-November timeframe.

Mr. Zehner also reviewed things that could affect funding, including the SJR 297 study, access fee grants, federal funding, Wi-Fi, number of trains, cost recovery ratio, and motor fuels tax revenue projections. He reported that the CAO Task Force will meet again in July. The Preliminary FY 2014 Budget will be presented to the Board in August.

Mr. Cook expressed his opinion that VRE should consider an annual fare increase. There is a need for growth, which requires significant funding. Federal and state funding is not increasing and jurisdictional subsidies are difficult from a budget standpoint. VRE needs to look at ways to increase revenues. When fare increases only occur every two-three years, it needs to be a substantial increase of six-eight percent, which is a shock to riders, as opposed to a three percent increase each year. Ms. Bulova suggested implementing a formula similar to what Fairfax County does, which is based on projections and operations as well as external elements (i.e. fuel costs). This would provide some predictability and justification for a fare increase that riders can understand. Mr. Zimmerman stated that if VRE is going to do a fare increase on an annual basis, then it is important that it is predictable, either a fixed amount or based on the Consumer Price Index. He also cautioned that the increase not run ahead of the inflation rate. Too high of a fare increase could turn riders away. Mr. Cook stated that he likes Ms. Bulova's suggestion of a formula based increase where it is planned out and goal oriented. He urged staff to develop a formula over the next six months for the budget process. Mr. Milde reminded the Board that it had a discussion on this issue a few years ago. He agrees that it is a good idea to know year-to-year what to expect. Mr. Zehner stated that VRE has tried indices in the past. Staff will continue to work on it.

Mr. Smedberg asked if there is an industry standard for the cost recovery ratio and if VRE's current range is viable as it moves into the future. Mr. Zehner responded that the Master Agreement requires VRE's cost recovery ratio be at least 50 percent. It is currently around 60 percent, which is much higher than most commuter railroads. Mr. Zimmerman noted that there is no industry standard since it is entirely arbitrary.

Mr. Cook moved, with a second by Mr. Skinner, to approve the resolution, including directing staff to work on a formula for fare increases. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Authorization to Solicit Comments on an Amendment to the VRE Smoking Policy – 9B

Mr. Zehner stated that Resolution #9B-06-2012 would authorize the CEO to solicit comments through email, letter and phone related to the proposed amendment to the VRE smoking policy.

Mr. Zehner reminded the Board that at its last meeting it was suggested that VRE look at its smoking policy concerning smoking on the platforms. The current policy limits smoking to the first 100 feet at the north end of station platforms. Staff would seek comments on a non-smoking policy on the platforms and return to the Board at its August meeting with a recommendation.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve the resolution.

Ms. Bulova asked about smoking in the parking lots. Mr. Zehner replied that the parking lots are not VRE property. The non-smoking policy would be for the platforms only. There is already a no-smoking policy on the trains. Mr. Skinner stated that Spotsylvania has recommended its platform be non-smoking but would provide a smoking area outside of the entrance to the platform area and parking lot. Mr. Cook stated that Fairfax County endorses a non-smoking policy on platforms. Mr. Way questioned the enforceability of such a policy and stated that staff should address enforceability in its recommendation. Mr. Milde noted that if there are no ashtrays, VRE will end up with cigarette butts all over the place. Mr. Zehner stated that staff will address these issues in the recommendation.

The Board then voted on the motion and it passed unanimously. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Authorization to Extend the Amended Operating/Access Agreement with Norfolk Southern – 9C

Mr. Zehner reported that the VRE Operations Board is being asked to recommend that the Commissions authorize VRE's CEO to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to January 31, 2013. Resolution #9C-06-2012 would accomplish this. Following detailed negotiation sessions with Norfolk Southern representatives, an agreement in principle was reached on all contract terms with the exception of liability coverage. A further extension is being requested to provide sufficient time to resolve this one remaining issue.

Ms. Caddigan moved, with a second by Ms. Bulova, to approve Resolution #9C-06-2012. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Authorization to Issue a Task Order for Design Services for the Broad Run Train Wash Facility Project – 9D

Mr. Zehner stated that the Operations Board is being asked to approve Resolution #9D-06-2012 which would authorize VRE's CEO to issue a task order under the GEC contract to STV, Inc. for design services related to the Broad Run train wash facility project. The Task Order will be in the amount of $297,557, plus a 10 percent contingency of $27,956, for a total task order amount not to exceed $325,513.

Mr. Zehner stated that this is the last major project in developing VRE's yards. This authorization will allow for the design to be completed by the end of the year and construction to begin early next year. The authorization will also provide design support during construction to include the inspection and review of manufacturer provided design and fabrication plan submittals. Once design is complete, staff will return to the Board for authorization to issue a construction solicitation.

Mr. Jenkins moved, with a second by Ms. Bulova, to approve Resolution #9D-06-2012. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Authorization to Execute a Force Account Agreement for the Crossroads to Hamilton Third Track Project – 9E

Mr. Zehner stated that the VRE Operations Board is being asked to approve Resolution #9E-06-2012, which would authorize the CEO to execute a force account agreement with CSXT for signal design and related work for the Hamilton to Crossroads Third Track project in the amount of $918,000, plus a 10 percent contingency of $91,800, for a total not to exceed the amount of $1,009,800.

Mr. Skinner moved, with a second by Mr. Milde, to approve the resolution.

Mr. Zehner explained that this project is the last of the original MOU projects with CSXT. In addition, this portion of track is required by CSX prior to the initiation of transit service to the Spotsylvania VRE station. He explained that the scope of the project has increased. CSX has asked that a set of universal crossovers (chevrons) south of Crossroads be added to this project to allow any train coming north to be able to use all three tracks. With the assistance of DRPT, funding has been arranged for this addition, which brings the total project cost to $32.5 million. These design plans are about $1.8 million or five percent of the total. In response to Mr. Way's question about the source of the $32.5 million, Mr. Zehner responded that it is made up from state and federal grants, a small VRE match, and a match provided by CSX ($2.5 million). In response to a question from Mr. Milde, Mr. Page stated that $12.2 million of the project cost is for the crossovers. DRPT came forward with $9.7 million in a combination of state and federal funds for the crossovers and CSX provided the remaining $2.5 million funding. He offered to provide more information about the funding sources for the project following the meeting. Mr. Way stated that the level of VRE's match is low enough that it won't make a huge drain on the jurisdictions. Ms. Bulova observed that this action is not forwarded to the Commissions. However, she suggested providing them with an explanation of the funding.

The Board then voted on the motion and it was unanimously passed. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Mr. Skinner thanked the Board for supporting the Spotsylvania VRE station project.

Authorization to Execute an Agreement with Spotsylvania County for the Design and Construction of the VRE Station Platform and Head-House – 9F

Mr. Zehner stated that the VRE Operations Board is being asked to authorize the CEO to execute a project agreement with Spotsylvania County on behalf of the Commissions, in a form approved by counsel, for the design and construction of the new Spotsylvania County VRE station and head-house. Resolution #9F-06-2012 would accomplish this.

Mr. Zehner explained that Spotsylvania County recently requested that VRE assume project management responsibility for the platform and head-house portions of the new station project. VRE will bear no costs associated with this arrangement. The cost of the work is being funded through a grant from the Commonwealth, with the match provided by the County. Any additional project costs beyond identified grants will be borne by the County. VRE and the County have determined that it will be easier to build the platform and head-house at the same time the track work is done. Agreements are being drafted by counsel to accomplish this.

Mr. Skinner moved, with a second by Mr. Milde, to approve Resolution #9F-06-2012.

Mr. Way asked since VRE is taking over design and construction management, will Spotsylvania County approve VRE decisions. Mr. Skinner explained that VRE staff and County staff are working together. There is no conflict with the design. Mr. Cook observed that Fairfax County is doing something similar with George Mason University and a shopping mall across from GMU where both are doing road improvements and they have decided to use one contractor, which brings costs down.

In response to a question from Mr. Howe, Mr. Skinner stated that the project will be completed by December of 2013. Mr. Zehner stated that the design work will be completed this year. More information about the schedule is in the next agenda item. Mr. Milde suggested that Spotsylvania County staff work closely with VRE staff and include local contractor lists when the RFP is issued.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Authorization to Issue a Task Order for Design and Engineering of the Spotsylvania Platform Project – 9G

Mr. Zehner stated that the VRE Operations Board is being asked to authorize him to issue a task order to STV, Inc. for engineering services for the design of the Spotsylvania VRE platform and head-house project in the amount of $369,011, plus a 10 percent contingency of $36,901, for a total amount not to exceed $405,912. Resolution #9G-06-2012 would accomplish this. Mr. Zehner stated that the task order will not be executed until the agreement is signed from the previous agenda item.

Mr. Skinner moved, with a second by Mr. Howe, to approve the resolution.

Mr. Way asked how the cost estimate is determined. Mr. Mouchantaf explained that VRE asked for proposals from VRE's GEC contractors and two proposals were received. The contractors were able to break down the costs which amounts to about 10 percent of the overall budget, which is in line with standard practices. Mr. Zehner explained that VRE usually competitively hires two-three GEC contractors and then they compete for different task orders. VRE selected STV for this work.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Page, Skinner, Smedberg, Way and Zimmerman.

Wi-Fi – 11A

Mr. Zehner recommended that Wi-Fi service be discussed as part of the Capital Improvement Program and to determine how it fits in with other capital projects. This is potentially a $1.4 million project. Mr. Milde noted that in past discussions there were two other less expensive options. Mr. Zehner stated that staff recommended against those options because of the quality of service. Amtrak is receiving complaints for dead spots which interrupt service. VRE still has dead spots along its route. Staff's position is if VRE is going to do it, it is important to do it right.

[Mr. Naddoni entered the room at 10:27 A.M.]

Mr. Milde asked Mr. Page if there are any private-public partnerships available to build towers in dead spots. He is looking for more creative and less expensive alternatives. Mr. Page stated that he will ponder this but communication agreements have always been at the local level so it may be beneficial to ask jurisdictional attorneys.

Mr. Page observed one can look back at the 9/11 terrorist attack and see that VRE had Push Talk which was the only communications system that worked that day when other communication systems were shut down. VRE has a track record of dealing with homeland security issues, where there could be some trading of bandwidth and capacity. VRE has proven to be an emergency provider in the time of crisis.

Mr. Cook stated that he likes the idea of staff coming back with more comprehensive ideas. In a few years, everything will be done on Smart phones. VRE needs to be ahead of the curve of where new technology is headed. Mr. Zimmerman suggested looking outside the country as well to look at innovative technology. Mr. Naddoni observed that VRE provides a premium service and it needs reliable Wi-Fi service. It will be a negative if it does not do it well and it will frustrate the riders. Mr. Way observed that riders do not want to pay extra for Wi-Fi service. Mr. Skinner asked if there is a capability of using a booster. Mr. Milde noted that this has been discussed at a past meeting.

Chairman Covington recalled that Governor Warner's administration was interested in being more technology oriented. He asked if the Commonwealth is anywhere close to adopting a statewide smartcard capability. Mr. Page stated that during the Warner Administration there were some land use planning issues which resulted in problems setting up cell towers in some communities. He explained that the challenge for the Amtrak Acela train, which is going over 100 m.p.h. is trunking every 1/3 mile to another tower. There is so much switching happening. It gets very complicated very quickly because of all the cellular carriers. It will be a challenge for VRE to provide a high quality Wi-Fi. Mr. Smedberg suggested looking at VRE's own station locations to install boosters, cellular towers or other equipment.

Publication of Proposed Disadvantaged Business Enterprise Overall Annual Goal for Federal FY 2013-2015 – 11B

PRTC and VRE have established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation. The DBE program intends to provide contracting opportunities to small businesses owned and controlled by socially and economically disadvantaged individuals. DOT grantees must establish an overall annual goal for DBE participation in federally assisted contracts and prescribe implementation methods. The proposed federal FY 2013-2015 goal is 7.9 percent. At its June 7th meeting, PRTC authorized public comment on the DBE goal. Public comment will conclude after 45 days. Barring any negative public comments, the goal will be submitted to FTA by the August 1st deadline. Once adopted, the goal will be posted on the PRTC and VRE websites and included in relevant procurement documents involving DOT-assisted contracting opportunities. No action by the Operations Board is required.

Operations Board Member Time – 12

Mr. Skinner again thanked for Board for its support for the actions pertaining to the Spotsylvania VRE station project. The project continues to move forward and there will be a great celebration when the station opens for service.

Mr. Page provided more data for Agenda Item #E. He stated that the VRE Operations Board adopted a Crossroads Third Track project of $20,332,380 total cost, of that the local match (VRE's share) was $3,723,708. Under this upcoming six-year plan there are no additional costs incurred at the local level associated with the additional 12.5 million. Ms. Boxer stated that VRE is using $7.9 million of its formula funds toward the project. Additionally, the local VRE match to the state REF funds is 30%, which is the cause of the higher VRE local contribution.

Mr. Jenkins asked that a discussion of the appointment of an Acting CEO be added to the Closed Session motion. Mr. MacIsaac stated that this would fit into the scope of the motion.

Chairman Covington suggested a ten minute recess before the Closed Session. At 10:45 A.M. the Board recessed for 10 minutes.

<u>Closed Session</u>

Chairman Covington moved, with a second by Mr. Smedberg, the following motion:

> Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purposes of discussing personnel matters.

The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Milde, Naddoni, Page, Skinner, Smedberg, Way and Zimmerman.

The Board entered into Closed Session at 10:55 A.M. During the Closed Session, Board Members Jenkins, Naddoni and Way left the meeting and did not return. The Board returned to Open Session at 2:26 P.M.

Chairman Covington moved, with a second by Mr. Smedberg, the following certification:

> The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:
>
> 1. Only public business matters lawfully exempted from open meeting requirements under Chapter 37, Title 2.2 of the Code of Virginia were discussed; and
>
> 2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Milde, Page, Skinner, Smedberg and Zimmerman.

On a motion by Chairman Covington and a second by Mr. Smedberg the Board unanimously approved the Resolution discussed in Closed Session that appoints

Richard Dalton as Acting CEO. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Milde, Page, Skinner, Smedberg and Zimmerman.

Adjournment

Without objection, Chairman Covington adjourned the meeting at 2:28 P.M.

Approved this 17th day of August, 2012.

____

Wally Covington
Chairman

____

Susan Stimpson
Secretary

CERTIFICATION
This certification hereby acknowledges that the minutes for the June 15, 2012 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.
Rhonda Gilchrest ______________________________ Rhonda Gilchrest

virginia railway express
Media Release

Mark Roeber, Manager of Public Affairs and Government Relations
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mroeber@vre.org

VRE's Board Appoints Richard Dalton as Acting CEO

Alexandria, VA (June 18, 2012) – The VRE Operations Board today announced the appointment of Richard Dalton as the agency's Acting Chief Executive Officer effective July 1, 2012 due to the pending retirement of Dale Zehner, effective June 30, 2012.

"Given Mr. Dalton's background and his performance since his arrival at VRE, the Board felt very comfortable that he was the right fit to continue moving VRE forward while the Board continues the selection process for the chief executive position," said VRE Operations Board Chairman Wally Covington. He also noted that Mr. Dalton has brought many innovative ideas to VRE's operations in his existing position as Director of Rail Equipment and Services and possesses the leadership capabilities necessary to guide VRE during the interim period.

Mr. Dalton is a seasoned veteran of rail operations, particularly the technical and mechanical aspects of the industry, with 20 years of experience in the private sector before joining VRE. Mr. Dalton joined VRE in 2009 as Director of Rail Equipment and Services and has subsequently brought forth critical strategic thinking that has helped VRE increase its performance to some of the highest levels ever.

Mr. Dalton will lead VRE as the organization looks to continue its customer-driven philosophy while maintaining the aggressive growth pattern set forth by CEO Dale Zehner, and he looks forward to working closely with the Board to implement long-term operational plans that are consistent with those goals as outlined in the VRE Strategic Plan. The Phase 2 Long-Term Strategic Plan, as adopted by the Operations Board, calls for the commuter rail agency to explore new and innovative ways to expand service into areas such as Gainesville and Haymarket, as well as bringing commuter rail service to Spotsylvania County.

"I am very thankful to the Operations Board for having the confidence in me to lead VRE in the coming weeks. While we're all saddened that Dale will be leaving us, the VRE family remains focused on providing exceptional service to VRE riders. My pledge is to bring to this job the unwavering commitment to excellence in keeping with the VRE tradition," said Mr. Dalton.

Chairman Covington noted that "Mr. Zehner was deeply committed to achieving excellence in our daily operation while the operation was under his leadership and I feel certain that Mr. Dalton will continue that commitment to excellence that is the hallmark of VRE."

For further information regarding VRE ridership and/or its operation, please email Mark Roeber at mroeber@vre.org or call him directly at (703) 838-5416.

# # #

Item #3B

Extension of the Norfolk Southern Operating Access Agreement

The VRE Operations Board recommends approval of Resolution #2192. This resolution extends the existing agreement with Norfolk Southern to January 31, 2013. The current agreement expires July 31, 2012.

The purpose of the extension is to allow more time to negotiate unresolved insurance issues. The terms of the current agreement would continue during the extended period.

AGENDA ITEM 9-C
ACTION ITEM

TO: CHAIRMAN COVINGTON AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 15, 2012

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH NORFOLK SOUTHERN

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to January 31, 2013.

BACKGROUND:

VRE has an Operating/Access Agreement with Norfolk Southern (NS) relating to VRE operations in the Manassas to Washington corridor. That agreement, entered into in 1999, has been amended and extended several times, most recently this past January, with an agreed upon extension to July 31, 2012. A further extension is being requested at this time to provide sufficient time to complete negotiations of a new agreement.

Following detailed negotiation sessions with Norfolk Southern representatives, an agreement in principle was reached on all contract items with the exception of liability coverage. The Operations Board and Commissions approved these terms at their June and July 2005 meetings respectively, and authorized execution of a new agreement that conformed to each of those items.

Progress slowed, however, due to a failure to reach an agreement on the level of liability coverage. Despite this progress, an extension of the current agreement is needed while this issue is resolved. Recent informal discussions with Norfolk Southern indicate that they may be ready to restart negotiations. The major issue in the negotiation remains the level of liability coverage.

FISCAL IMPACT:

Funding for the Norfolk Southern track access fee has been budgeted in the FY 2012 and FY 2013 budgets, including an escalation of 4%.

NVTC
Northern Virginia Transportation Commission

RESOLUTION #2192

SUBJECT: Extension of Norfolk Southern Operating Access Agreement.

WHEREAS: The commissions currently have an operating/access agreement with Norfolk Southern relating to VRE operations in the Manassas to Washington corridor, with said agreement ending on July 31, 2012;

WHEREAS: Staff has reached an agreement in principle on many substantive items relating to a new agreement following detailed negotiation sessions with Norfolk Southern representatives;

WHEREAS: A proposal to extend the existing agreement to January 31, 2013, without any changes to the existing agreement is expected from Norfolk Southern;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the outstanding liability issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2012 and FY 2013 budgets to allow VRE to continue its operations over Norfolk Southern tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the existing amended operating/access agreement with Norfolk Southern to January 31, 2013.

Approved this 5th day of July, 2012.

____
Jay Fisette
Chairman

____
Paul Smedberg
Secretary-Treasurer

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Item #3C

Hamilton to Crossroads Third Track Project

The VRE Operations Board requested that the attached information item be provided to the commissioners.

INFORMATION ITEM

TO: NVTC CHAIRMAN FISETTE AND PRTC CHAIRMAN MAY AND COMMISSIONERS

FROM: RICH DALTON

DATE: JULY 5, 2012

RE: HAMILTON (HA) TO CROSSROADS (XR) THIRD TRACK PROJECT

At its June 15, 2012 meeting, the VRE Operations Board approved the execution of a force account agreement with CSX for additional design work that must be undertaken by CSX forces for the Hamilton (HA) to Crossroads (XR) Third Track project. The force account agreement is in the amount of $918,000, plus a 10% contingency, for a total amount not to exceed $1,009,800, and will address signal design, environmental and engineering design reviews for the final track design plans, flagging and related services. The VRE Operations Board previously approved, at its December 17, 2010 meeting, the execution of a contract with STV, Inc. for environmental services and final engineering design for the third track project in the amount of $743,366, plus a 10% contingency, for a total amount not to exceed $817,703.

The total Board authorization for the HA to XR third track engineering design, encompassing the two contracts, is $1.83 million, or approximately 5.6% of the $32.5 million project cost, which is within the accepted industry range for engineering design costs. A breakdown of the funding plan for the project is provided below.

Source of Funds	Amount
Virginia Rail Enhancement Fund (REF)[1]	$ 13,856,292
VRE Federal Formula (5307) Funds[2]	$ 7,920,000
Federal Flexible STP[2]	$ 4,500,000
VRE[3]	$ 3,723,708
CSX	$ 2,500,000
TOTAL	$ 32,500,000

1 Requires a 30% match; provided by VRE and CSX

2 Requires a 20% match; provided by VRE and the Commonwealth of VA

3 Local match to Federal formula funds ($830K) provided for in FY12 and FY13 budgets; capital reserve funds ($2.89M) contributed from an allocation of surplus funds from FY10 and FY11

Item #3D

Draft Agreement with Spotsylvania County for VRE Station Platform and Head House

The VRE Operations Board requested that the attached information item be provided to the commissioners.

INFORMATION ITEM

TO: NVTC CHAIRMAN FISETTE AND PRTC CHAIRMAN MAY AND COMMISSIONERS

FROM: RICH DALTON

DATE: JULY 5, 2012

RE: SPOTSYLVANIA VRE STATION PLATFORM AND HEAD-HOUSE

At its June 15, 2012 meeting, the VRE Operations Board authorized the VRE CEO to execute a project agreement with Spotsylvania County on behalf of the Commissions, in a form approved by counsel, for the design and construction of the new Spotsylvania VRE station platform and head-house. A copy of the draft agreement is attached.

In accordance with the terms of the agreement executed with Spotsylvania County to join VRE, the construction of the station platform, head-house and parking facilities are the responsibility of the County. However, Spotsylvania County recently requested that VRE assume project management responsibility for the platform and head-house portions of the new station project including contracting for the design and construction. Due to the coordination effort required between the HA to XR third track and platform construction, it was determined that VRE is best suited to manage this work. The design and construction of the station parking facilities will be undertaken by Spotsylvania County.

The costs for the design and construction of the platform and head-house will be borne by Spotsylvania County. VRE will bear no costs associated with the project and will perform all project management and coordination activities on a reimbursable basis, as outlined in the project agreement. VRE and Spotsylvania County have agreed on the general terms of a project agreement and it is being finalized by legal counsel from both parties.

AGREEMENT FOR DESIGN, CONSTRUCTION, and OPERATION OF THE VIRGINIA RAILWAY EXPRESS STATION PLATFORM AND HEADHOUSE IN SPOTSYLVANIA COUNTY

THIS AGREEMENT, entered into the _____ day of ___________, 2012, by and between the Board of County Supervisors of Spotsylvania County, Virginia (hereinafter "County") and the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, herein together known as the Virginia Railway Express (hereinafter "VRE").

WITNESSETH:

WHEREAS, in accordance with the Agreement Governing Spotsylvania County's Admission to Membership in PRTC and Participation in the VRE dated November 9, 2009, (the "VRE Membership Agreement"), the County is responsible for funding the acquisition of property, environmental review, design, and construction of a commuter rail station, including a boarding platform in the railroad right-of-way which will be subject to a station lease between the VRE and CSX Transportation and under the operation and control of the VRE, and an adjoining commuter rail patron parking lot; and

WHEREAS, the County and the VRE have identified a suitable location for the commuter rail station, and the County is pursuing required federal and state environmental approval, as well as taking all steps necessary for the acquisition of the property and the design and construction of the parking lot; and

WHEREAS, the County has requested the VRE to assist the County, at no cost to the VRE, by taking responsibility for the design and construction of the boarding platform and a head house (hereinafter the "Project"), the funds for which will be provided entirely by the County; and

WHEREAS, the parties acknowledge that the County will be using state and federal funds obtained by the County for the commuter rail station, and agree that all applicable grant requirements must be satisfied; and

WHEREAS, the VRE and the County have agreed upon certain understandings and responsibilities that each will undertake to facilitate the environmental work, design and construction of the boarding platform and head house, to coordinate the work undertaken by the VRE to construct the Project and the work undertaken by the County to construct the parking lot, and to ensure that all applicable grant conditions are met, as such understandings and responsibilities are hereafter set forth in the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. The Project will be managed by the VRE. The VRE shall be responsible for contracting for the design and construction of the Project, and shall do so in consultation with the County.

2. The County shall be responsible for contracting for all environmental work required for the Project and the parking lot, including an access road from the parking lot to a state maintained road, and for design and construction of the parking lot and access road, and shall do so in consultation with the VRE. The County shall provide final design drawings of the parking lot to the VRE for review and comment which the VRE shall provide in not more than ten (10) business days.

3. The VRE shall provide final design drawings for the Project to the County for review and comment which the County shall provide in not more than ten (10) business days. Thereafter, the VRE shall hire a contractor for construction of the Project.

4. The VRE and the County agree to use best efforts to coordinate the construction of the Project and the parking lot, and shall meet as necessary to ensure the work does not conflict.

5. The VRE's contractor shall apply for all permits required by the County for construction of the Project, and the County agrees to expeditiously review all permit applications and to issue necessary permits at the earliest practicable time subject to the applications meeting all applicable County requirements. The County agrees to waive all permit fees and utility connection fees to the extent permitted by law, or shall otherwise reimburse the VRE for all such costs.

6. The VRE staff shall provide all necessary documentation, including but not limited to budgets, schedules, and invoices, for the County to successfully expend and manage the grant funds administered by the County.

7. The VRE and the County acknowledge that, to the extent the state and federal government is providing funds for the Project, the use of such funds may create a state or federal interest in the Project, and that all terms and conditions applicable to such interest apply. The VRE shall be responsible for taking all steps necessary to ensure that the grant requirements are met during the design and construction of the Project, and shall promptly notify the County of those instances when it concludes it is unable to meet the grant requirements. The

VRE agrees to cooperate with the County in steps it must take as a grant recipient to ensure compliance with all grant requirements.

8. The County shall ensure that any local match required for grant funds obtained by the County are appropriated and available for expenditure on the Project.

9. Any additional funds needed for the Project must be secured by the County prior to execution of the Project construction contract.

10. The VRE agree that it will not charge the County for the VRE's staff time spent on the Project.

11. During the course of the Project design and construction, the VRE shall submit contractor invoices to the County for payment. Such invoices shall not be submitted more frequently than monthly. In accordance with all applicable grant requirements, the County shall provide funds to the VRE for payment of an invoice not later than thirty (30) days following the submission of the invoice by VRE to the County.

12. Upon completion of the Project, the VRE will be responsible for the operation of the platform and the head house to the extent the head house contains only those features typically found at VRE stations, including routine maintenance, such as snow and trash removal, and long term capital maintenance subject to annual appropriations. The platform and those portions of the head house that are located on the property of CSXT will become CSXT property in accordance with the Operation Access Agreement between CSXT and the VRE, and will be subject to the Station Facilities Lease Agreement between CSXT and the VRE. In the event that the head house design includes features not typically found at

VRE stations, such as rest rooms and retail space, operating and maintenance responsibilities for the head house shall be addressed in a separate agreement between them.

13. This Agreement constitutes the entire understanding and agreement between the parties. There are no other verbal or written understandings between the parties pertaining to the subject of this Agreement.

14. This Agreement shall not be construed as creating any personal liability on the part of any officer, employee, agent of the parties, nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

15. All requirements for funds to be borne by Spotsylvania County shall be subject to annual appropriations by the Board of County Supervisors Spotsylvania County.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives.

NORTHERN VIRGINIA
TRANSPORTATION COMMISSION
and
POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

____
Dale Zehner, Chief Executive Officer

Date:________________________

BOARD OF COUNTY SUPERVISORS OF
SPOTSYLVANIA COUNTY, VIRGINIA

_______________________________ Clerk

_______________________________ C. Douglas Barnes, County Manager

Date:________________________

AGENDA ITEM #4

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: June 28, 2012

SUBJECT: I-66 Multi-Modal Study (Inside the Beltway)

VDOT staff and consultants will provide a presentation on the final report. Staff comments were provided to meet the May 22nd deadline. A copy is attached.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

May 22, 2012

Valerie Pardo
Project Manager
Virginia Department of Transportation
NOVA Transportation Planning
4975 Alliance Drive
Fairfax, VA 22030

Dear Ms. Pardo,

Thank you for the opportunity, as a member of PARC, to offer my comments on the I-66 Multimodal Study (Inside the Beltway) Draft Final Report. These comments have not been reviewed or approved by NVTC's Board. Please consider the following comments:

1. Given the serious implications of the final recommendation of the I-66 Multimodal Study, the public should be given ample opportunity to comment on the final recommendation. It would be unfortunate to dedicate such time, effort, and resources to this important study only to rush into a recommendation without carefully weighing every available option, and considering all public comments.

2. In essence, the final decision in this "multimodal" study was a choice among six different packages, five of which were premised on highway improvements, and only one of which focused on transit. An impression may exist that the study did not have an appropriate balance of opportunities to improve travel in the corridor using transit.

3. It is not apparent how the information obtained through the market research, stakeholder interviews, public comments, or input from the PARC was considered in the formulation of the final recommendation.

4. Information collected through the course of this study suggests that local support for widening I-66 and for HOT lanes is weak at best, and that the recommended mobility package is not supported by either the public or the PARC. How will VDOT explain the choice of Package #2?

5. I understand that VDOT has heard consistent, strong support for transit improvements throughout this process. Package #4 has been identified as the public's preferred package, and it also appears to be strongly supported by PARC.

6. It would be helpful to compare the packages in terms of relative costs and benefits, such as travel time savings through the corridor. This kind of

analysis would be helpful in measuring and comparing the real benefits of each package.

7. The recommended package, Package #2, is also the most expensive package. The study should adequately demonstrate that any incremental benefits Package #2 offers are worth the cost.

8. While Package #2 (Package #1, plus widen) performs the best of all packages with respect to reducing peak period congested VMT, it is outperformed by Sensitivity 1 (Package #1, no widen) with respect to the other selected measurements: daily PMT, person throughput, and transit ridership. It is also a fraction of the cost of Package #2. Why was this package not selected? Could it be implemented as part of Package #2?

9. All packages appear to have some benefit. If the study does not preclude the implementation of a “hybrid” package which incorporates positive elements of all packages, this option should be explored.

10. The study does not address the fact that adding highway capacity within the corridor does little to alleviate capacity constraints elsewhere in the system.

11. The study should report on the effects of changing the HOV hours and occupancy restrictions to optimize ridesharing and transit use to reduce congestion.

12. The study methodology should have considered the fact that HOV cheating and legal SOV use seriously degrade the corridor’s real-world performance during HOV hours.

13. The study assumes CLRP+ conditions/improvements on I-66, such as the imposition of HOV-3+ restrictions, as the future baseline conditions. It might also be helpful to consider the proposed improvements independent of assuming CLRP+ conditions.

If you have any questions about my comments, please do not hesitate to contact me.

Thank you,

Claire Gron
Public Transit Policy Analyst

I-66 Multimodal Study

Inside the Beltway

Final Report

prepared for

Virginia Department of Transportation
Virginia Department of Rail and Public Transportation

prepared by

Cambridge Systematics, Inc.

with

KFH Group, Inc.
MCV Associates, Inc.
Rummel, Klepper & Kahl, LLP
Sharp & Company, Inc.
Southeastern Institute of Research, Inc.
Toole Design Group LLC

June 8, 2012

Executive Summary

The Virginia Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT) commissioned the I-66 Multimodal Study to address long-term multimodal needs within the I-66 corridor inside the Beltway. This study builds on the recommendations of the 2005 Idea-66 Study and the 2009 I-66 Transit/TDM Study, and fulfills the commitment made to the National Capital Regional Transportation Planning Board (TPB) in TPB Resolution R12-2009.[1]

The goal of the I-66 Multimodal Study was to:

Identify a range of current and visionary multimodal and corridor management solutions (operational, transit, bike, and pedestrian, in addition to highway improvements) that can be implemented to reduce highway and transit congestion and improve overall mobility within the corridor and along major arterial roadways and bus routes within the study area.

Building on the region's 2011 Financially Constrained Long Range Plan (CLRP), the study considered a wide range of complementary and mutually supportive multimodal improvement options, balancing the needs and priorities of users and nearby residents. A multitude of options for improvement were considered, including expanded public transportation, additional highway lane capacity, transportation demand management (TDM), high-occupancy vehicle (HOV) policies, high-occupancy/toll (HOT) policies, congestion pricing, managed lanes, integrated corridor management (ICM), and bicycle and pedestrian corridor access.

This final report provides a summary of the year-long I-66 Multimodal Study and includes recommendations and actions that address the study goals. An interim report was published in December 2011 that documents the long-term issues and needs of the corridor, the market research key findings, and the development of an evaluation methodology to formulate and assess the mobility options and multimodal mobility option packages.

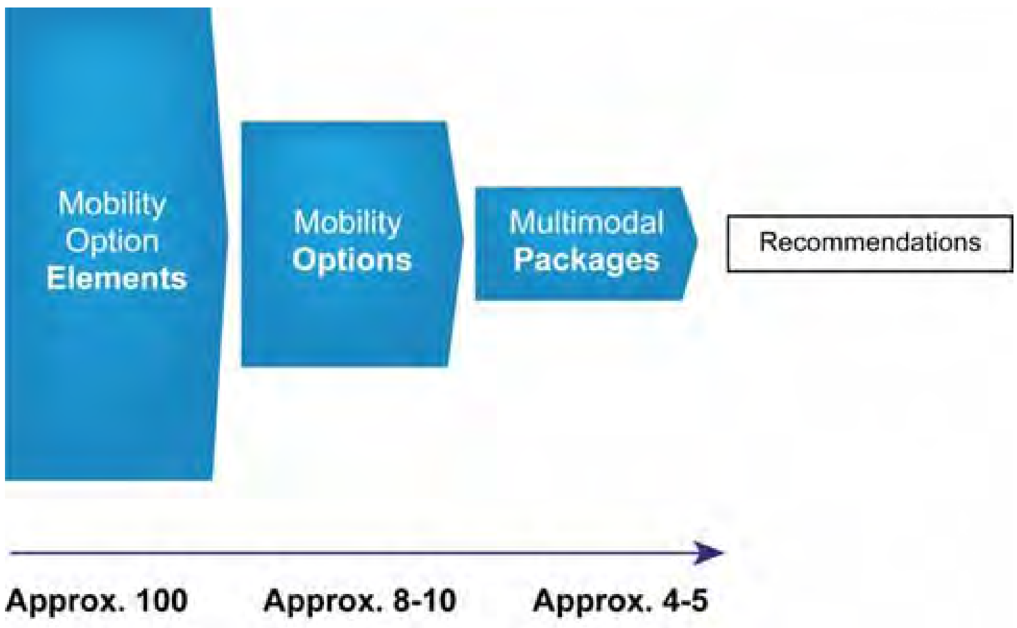
Path to Study Recommendations

The path to developing a final set of recommendations was organized around a structured process for arriving at a set of multimodal solutions. Issues and needs germane to the study area were identified. Subsequently, an evaluation process, illustrated in Figure ES.1, provided a means to move from a starting point of numerous ideas – referred to as mobility option elements – down a path to recommendations, considering first a set of eight to ten discrete

[1] National Capital Region Transportation Planning Board, Resolution on Inclusion in Air Quality Conformity Analysis of Submissions for the 2009 Constrained Long Rang Plan (CLRP) and FY 2010-2015 Transportation Improvement program (TIP). TPB Resolution R12-2009, March 18, 2009.

mobility options and then narrowing to a set of four or five multimodal mobility option packages before developing recommendations.

Figure ES.1 Path to Recommendations



Feedback on key study topics was provided by members of a multi-jurisdictional Participating Agency Representative Committee (PARC) on a regular basis. In addition, public input was provided through market research conducted early in the evaluation process, as well as stakeholder interviews conducted throughout the project, and public meetings held at key milestones of the study.

Technical analysis, coupled with market research, stakeholder interviews, and jurisdictional input from the PARC meetings was used throughout the evaluation process – from identifying issues and needs to selecting a package of multimodal improvements for the long-term.

Mobility Option Elements

Starting with a review of past plans and studies, and proceeding with input from the market research, members of the PARC and Lead Agencies on new strategies, a comprehensive list of mobility option elements was compiled. Section 5.0 of the Interim Report describes this process and lists the more than 100 mobility elements that were examined.

Issues and Needs

A systematic process, as depicted in Figure ES.2, was undertaken to identify the issues and needs associated with the I-66 corridor inside the Beltway. Section 3.0 of the Interim Report documents this process in greater detail. This comprehensive set of transportation issues and needs within the study addressed the following conditions:

1. Westbound roadway congestion;
2. Eastbound roadway congestion (including interchange capacity constraints at the Dulles Connector Road);
3. Capacity issues at I-66/arterial interchanges;
4. Non-HOV users during HOV operation hours;
5. Orange Line Metrorail congestion;
6. Adverse impact of roadway congestion on bus service;
7. Challenges to intermodal transfers (rail, bus, bicycle, car);
8. Bottlenecks on the Washington & Old Dominion (W&OD) and Custis Trails; and
9. Limitations/gaps in bicycle and pedestrian accessibility and connectivity.

Figure ES.2 Process to Identify Issues and Needs

Mobility Options

The issues and needs were mapped against potential mobility solutions to screen over 100 mobility option elements down to 11 mobility options. These solutions – or mobility options – responded directly to the defined issues and needs in the corridor. The mobility options, organized by mode and submode, are listed in Table ES.1.

Table ES.1 Mobility Options

Name	Brief Description
Option A – HOV Restrictions	Designate I-66 lanes in both directions as Bus/HOV during peak periods
Option B1 – I-66 Bus/HOV/HOT Lane System Option 1	Convert I-66 into an electronically tolled Bus/HOV/high occupancy/toll (HOT) roadway
Option B2 – I-66 Bus/HOV/HOT Lane System Option 2	Convert I-66 into an electronically tolled Bus/HOV/HOT roadway and add a lane in each direction
Option C1 – I-66 Capacity Enhancement Option 1	Add lane designated HOV in both directions during peak periods
Option C2 – I-66 Capacity Enhancement Option 2	Add lane in both directions; designate HOV in peak period, peak direction only
Option D – Integrated Corridor Management	Deploy ICM strategies throughout the corridor
Option E – Arterial Capacity Enhancement	Enhance U.S. 50 through application of access management principles and implementation of a bus-on-shoulder lane
Option F – Metrorail Level of Service and Capacity	Provide an alternative connection between the I-66/Dulles Connector Road Corridors and South Arlington through an interline connection between the Orange Line and Blue Line
Option G – Bus Transit Level of Service and Capacity	Implement a range of enhancements to local, commuter, and regional bus services, including bus route changes and additions throughout the study area
Option H – Transportation Demand Management	Enhance TDM strategies drawn from the I-66 Transit/TDM Study
Option I – Bicycle/Pedestrian System Enhancements	Implement a range of bicycle and pedestrian improvements of varying scales

The effectiveness of the mobility options in addressing the issues and needs was assessed using various performance measures derived from an abbreviated application of the TPB travel demand forecasting model and other off-model analytical methods. Section 2.0 of this report presents the mobility option formulation and evaluation discussion.

Multimodal Packages

Using the detailed assessment of the mobility options and input from the PARC, project stakeholders, and the public, the mobility options were combined into four multimodal packages. These four packages (outlined in Table ES.2) were comprised of elements of previously tested mobility options with some modifications and enhancements to better address the congestion and mobility goals of the corridor. All packages include a highway and transit component, ICM solutions, TDM programs, and bicycle and pedestrian improvements.

As documented in Section 3.0 of this report, all of the multimodal packages tested included transportation projects documented in the CLRP for 2040, along with the recommended bus services and TDM measures from the 2009 DRPT I-66 Transit/TDM Study. Metrorail core capacity improvements, including 100 percent eight-car trains on the Metrorail Orange and Silver Lines, were also included as part of the 2040 Baseline scenario for all the packages. Section 3.0 of this report describes the multimodal package assessment process and results.

Table ES.2 Recommended Multimodal Packages

Package	Multimodal Package Elements	
#1	Option B1.	I-66 Bus/HOV/HOT Lane System – Option 1
	Option G.	Bus Transit Level of Service and Capacity
	Option D.	Integrated Corridor Management
	Option H.	Transportation Demand Management
	Option I.	Bicycle/Pedestrian System Enhancements
#2	Option B2.	I-66 Bus/HOV/HOT Lane System – Option 2
	Option G.	Bus Transit Level of Service and Capacity
	Option D.	Integrated Corridor Management
	Option H.	Transportation Demand Management
	Option I.	Bicycle/Pedestrian System Enhancements
#3	Option C1.	I-66 Capacity Enhancement – Option 1
	Option G.	Bus Transit Level of Service and Capacity Modification: Additional buses serving Rosslyn and D.C. Core (i.e., K Street) destinations
	Option D.	Integrated Corridor Management
	Option H.	Transportation Demand Management
	Option I.	Bicycle/Pedestrian System Enhancements
#4	Option G.	Bus Transit Level of Service and Capacity Modification: Improve bus routing and LOS; improved headways further on Priority Bus Include U.S. 50 bus-on-shoulder operation
	Option D.	Integrated Corridor Management
	Option H.	Transportation Demand Management
	Option I.	Bicycle/Pedestrian System Enhancements, including complementary bicycle facility along U.S. 50

Sensitivity Tests

The evaluation of the four multimodal packages highlighted strengths and weaknesses in each package. This led to questions about how specific changes to a package might alter the results. To address these questions, two sensitivity analyses were conducted by modifying package features and performing a full run of the travel demand forecasting model. For the first sensitivity test, Package 1 was modified to test having the HOT operations only in effect during peak periods. The second sensitivity test modified Package 3 to have the new lane operate as a Bus/HOV/HOT lane 24/7 rather than as a Bus/HOV lane in the peak periods. Section 3.12 of this report discusses this analysis in more detail.

Recommendations for Enhanced Mobility on I-66 Inside the Beltway

To formulate the final set of project recommendations, the study team considered the technical analysis, the market research, the stakeholder interviews, PARC input and public comments received at the public meetings and via webpage, email, and phone line. Recommendations were organized into two categories:

- Core Recommendations that are considered top priority; and
- Package Recommendations that are derived specifically from the multimodal packages evaluated in this study.

Section 3.0 of this report provides the detailed assessment of the multimodal packages. Section 4.0 provides a more robust discussion of overall study recommendations.

Core Recommendations

The first tier of recommended improvements for the I-66 corridor inside the Beltway consists of the improvements in the corridor as included in the 2011 CLRP for 2040, including spot improvements along westbound I-66, increasing the HOV occupancy restriction on I-66 from HOV 2+ to HOV 3+, completing the Silver Line Metrorail extension to Loudoun County, and implementing the Active Traffic Management element of an ICM system.

The second tier of recommended improvements include the new transit services and TDM programs recommended by the 2009 DRPT I-66 Transit/TDM Study along with components of the WMATA enhancement plan deemed necessary to address Metrorail core capacity concerns in the I-66 corridor. The I-66 Multimodal Study did not evaluate the effectiveness of these improvements independently nor did it examine the timing and phasing strategy for them. It is assumed that the region will prepare a more rigorous implementation plan for these improvements as the travel conditions in the corridor warrant.

Package Recommendations

A hybrid or composite package of elements from several packages is recommended for consideration as the third tier and end-state set of multimodal improvements (joining the first and second tier articulated as core recommendations). Outlined below are the elements of the proposed hybrid package of improvements. The scope, timing, and phasing of these elements should be reassessed and/or refined in the future in response to changing demographics, travel patterns and conditions in the corridor, and/or the implementation of the core recommendations of this study. The package recommendations include:

- Completion of the elements of the bicycle and pedestrian network as detailed in Section 4.3, to enhance service as a viable alternative to motorized trip making in the corridor. Consideration should be given to the priority determination in Section 4.3 as funding becomes available.

- Full operability of an ICM system inside the Beltway as detailed in Section 4.5. These strategies maximize the use, operations, and safety of the multimodal network within the study corridor.
- Addition and enhancement to the suite of TDM programs in the corridor as detailed in Section 4.4. As funding becomes available for TDM, consideration should be given to the priority grouping established in this study for implementation.
- Implementation of the best performing transit recommendations from Multimodal Package 4. This involves examination of all the transit service improvements in Multimodal Package 4 to determine those with the highest ridership in the corridor.
- Implementation of HOT lanes on I-66, potentially during peak periods only, to: provide new travel options in the corridor; utilize available capacity on I-66; provide congestion relief on the arterials; and provide new transit services as an alternative to tolled travel.
- Addition of a third through lane on selected segment(s) of I-66, depending on the monitored traffic flow conditions and demand both on I-66 and the parallel arterials.
- Explore the full use of commonly used or proven design waivers/exceptions to enable remaining within the existing right-of-way for I-66.

Conclusions

While there is significant growth forecast for Northern Virginia between now and 2040, the multimodal transportation infrastructure, programs, and services defined in this report provide the means to accommodate the forecast growth and associated travel demand. The spectrum of recommendations – both core and package – covers a range of timeframes to 2040. The timing and phasing of implementation of the recommendations will require significant consideration of funding availability, progress against core recommendations, and the quality of operations and conditions on the existing key infrastructure assets.

The implementation of the recommendations will most likely require funding beyond existing and anticipated resources that are already committed to other state and local transportation priorities. Section 5.0 of this report provides a summary of a wide array of revenue options to fund the study recommendations. They include revenue sources associated with user fees, general taxes and specialized taxes or fees. Financing options are also considered that could include private equity investment in surface transportation through Public-Private Partnerships (P3), with financing packages that combine public and private debt, equity, and public funding.

I-66 Multimodal Study Inside the Beltway

1

Identifying solutions between I-495 and the Theodore Roosevelt Bridge

FACT SHEET 1

IN THIS FACT SHEET

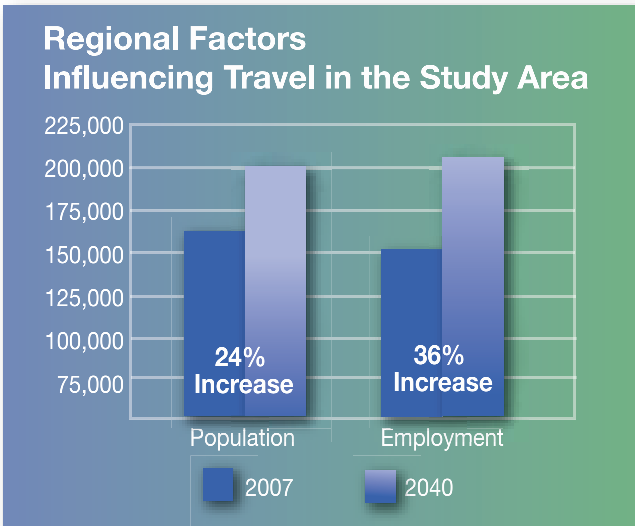
Moving Closer to Improving Travel in the I-66 Corridor

The I-66 Multimodal Study was initiated in July 2011 by the Virginia Department of Transportation (VDOT), in partnership with the Virginia Department of Rail and Public Transportation (DRPT). The study will identify and evaluate the transportation options for addressing the congestion and mobility needs of the I-66 corridor inside the Capital Beltway, between I-495 and the Theodore Roosevelt Bridge. It will consider a wide range of complementary and mutually supportive multimodal improvement options, such as public transportation, transportation demand management, high occupancy vehicle lanes, high occupancy toll lanes, congestion pricing, managed lanes, active traffic management, bicycle and pedestrian corridor access, and highway improvements.

The study builds on the results of the I-66 Transit/Transportation Demand Management Study, completed in 2009 for DRPT. The study is also being coordinated with the I-66 Tier 1 Environmental Impact Study (EIS) outside the Beltway, led by VDOT and DRPT. The I-66 Multimodal Study will focus primarily on assessing the performance of various alternatives in improving travel mobility in the corridor. The findings from this study will lead to a recommended set of improvements for the I-66 corridor inside the Beltway. A final report is anticipated in Summer 2012.

Factors Influencing Travel

There are a number of factors influencing travel, including growth in the region and significant transportation investments being made, including the extension of Metrorail (the Silver Line), and the expansion of HOT lanes on I-495. The study is designed to explore and define transportation solutions to address current and future transportation issues and needs in the I-66 corridor inside the Beltway.



Study Outcomes

The study will identify a number of solutions to alleviate the congestion and mobility issues in the I-66 corridor inside the Beltway. The principal outcomes of the study include:

> Review of existing plans and studies and analysis of travel, demographic, land use, and population data to identify key issues and needs in the I-66 corridor inside the Beltway

> Extensive public outreach, including market research, stakeholder interviews, and public meetings to help inform commuter priorities for transportation improvements

> Inventory of multimodal transportation options available to enhance mobility

> Analysis and evaluation of the transportation strategies, projects, policies, or programs to identify 8-10 options with the most potential for enhancing mobility in the I-66 corridor inside the Beltway

> Analysis of 4-5 multimodal options packages designed to address the mobility issues in the I-66 corridor inside the Beltway

> Development of multimodal recommendations to improve mobility in the I-66 corridor inside the Beltway

Next Steps

In order to present the preferred options for reducing highway and transit congestion, several key tasks will be conducted between now and Summer 2012. Key short-term steps include the following items.

Define Future Transportation Needs and Issues: Identify factors influencing travel within the study area, including population and employment growth, changes in land use and development, and changes in travel. Existing and planned infrastructure will also be inventoried and assessed to determine the specific long-term transportation needs and issues within the study corridor.

Inventory of Mobility Option Elements: Develop a list of possible mobility options to address the transportation needs and issues. Project types include improved transit facilities and/or services (e.g., priority bus, dedicated lane, new service), modifications to highway facilities and/or operating policies (e.g., high occupancy vehicle lanes, high occupancy toll lanes, arterial road widening), intelligent transportation systems (e.g., signal timing optimization and dynamic message signs), intermodal access (e.g., bus bays, bicycle parking, access to transit), ridesharing, and bicycle and pedestrian mobility enhancements (e.g., new trail connectors, on-road facilities, and trail widening).

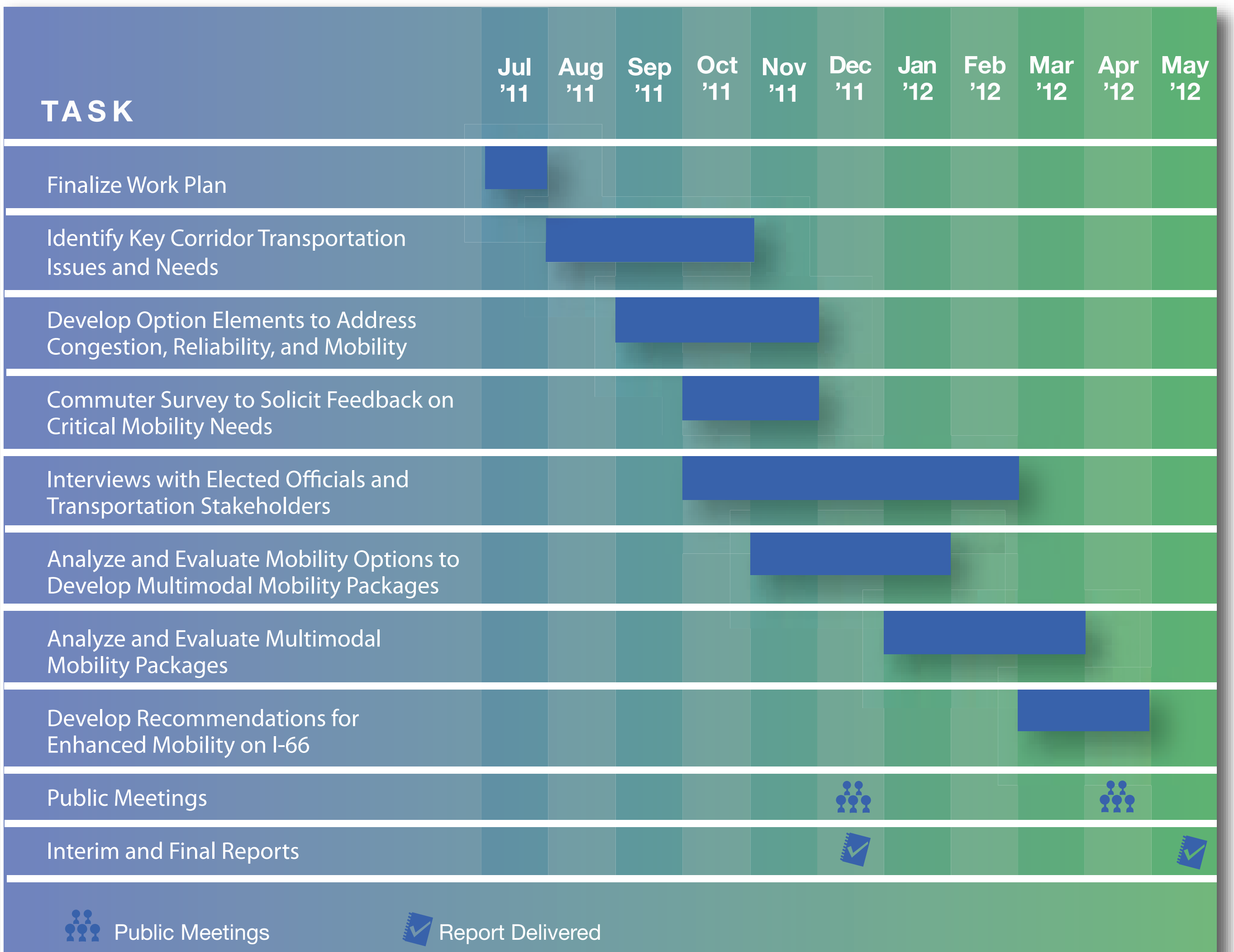
Organize the Set of Mobility Options: Based on the needs and issues assessment, the mobility option elements will be organized into a series of mobility options that will undergo a quantitative assessment to distill the mobility options into a set of packages and ultimately a set of recommendations.

Mobility Options Public Dialog: There will be several opportunities to review and comment on the mobility options, including two public meetings held at locations in Fairfax County and Arlington County in December 2011. The study team is also conducting market research to help capture the opinions of commuters. Finally, a series of individual interviews will be conducted to help inform the study team and agencies guiding the study.

Study Participants

To ensure that the study uses a broad lens to evaluate options, VDOT has formed a Participating Agency Representative Committee (PARC). The PARC meets with VDOT, DRPT, and the project consulting team to provide input on draft materials and advise the study. In addition, representatives have been asked to serve as a liaison with their respective agencies and elected officials and to help distribute study information to their constituents and interested citizens. The membership includes transportation representatives from: Arlington County, City of Alexandria, City of Fairfax, City of Falls Church, District of Columbia, Fairfax County, Loudoun County, Metropolitan Washington Council of Governments, Northern Virginia Transportation Commission, Potomac and Rappahannock Transportation Commission, Prince William County, Town of Vienna, Virginia Railway Express, and the Washington Metropolitan Area Transit Authority.

Schedule/Key Milestones



This study has an aggressive schedule, with all work to be completed by Summer 2012.

Public Participation Opportunities

Public input is critical to the success of this study. As noted, public meetings are being scheduled and numerous personal interviews are being held with elected officials and key stakeholders. Additionally, market research is being conducted to capture the opinions of commuters. The input received from the outreach efforts is being documented and will be used to help identify solutions for addressing the long-term mobility needs in the I-66 corridor inside the Beltway.

If you are interested in commenting by phone and/or email, please use the contact information noted in this fact sheet (see left column) or stay informed by visiting the study webpage at http://www.i66multimodalstudy.com/.

UPCOMING PUBLIC PARTICIPATION MEETINGS

Two public meetings will be held to capture valued input.

Fairfax County Meeting
December 6, 2011
6-8 pm
Mary Ellen Henderson Middle School
7130 Leesburg Pike
Falls Church, VA 22043

Arlington County Meeting
December 14, 2011
6-8 pm
Arlington County Government Offices
2100 Clarendon Boulevard
Arlington, VA 22201

Contact Us

Have an idea? Want to be sure to be notified of upcoming meetings and events? Please send us an email or leave us a message. Your input and suggestions are greatly appreciated and will be reviewed by the study team. As we reach study milestones, we will share timely updates on the project website.

Email
info@i66multimodalstudy.com

Call toll-free
855 STUDY66 (788-3966)

Visit
www.i66multimodalstudy.com

DRPT

VDOT Virginia Department of Transportation

I-66 Multimodal Study 2

Inside the Beltway

Identifying solutions between I-495 and the Theodore Roosevelt Bridge

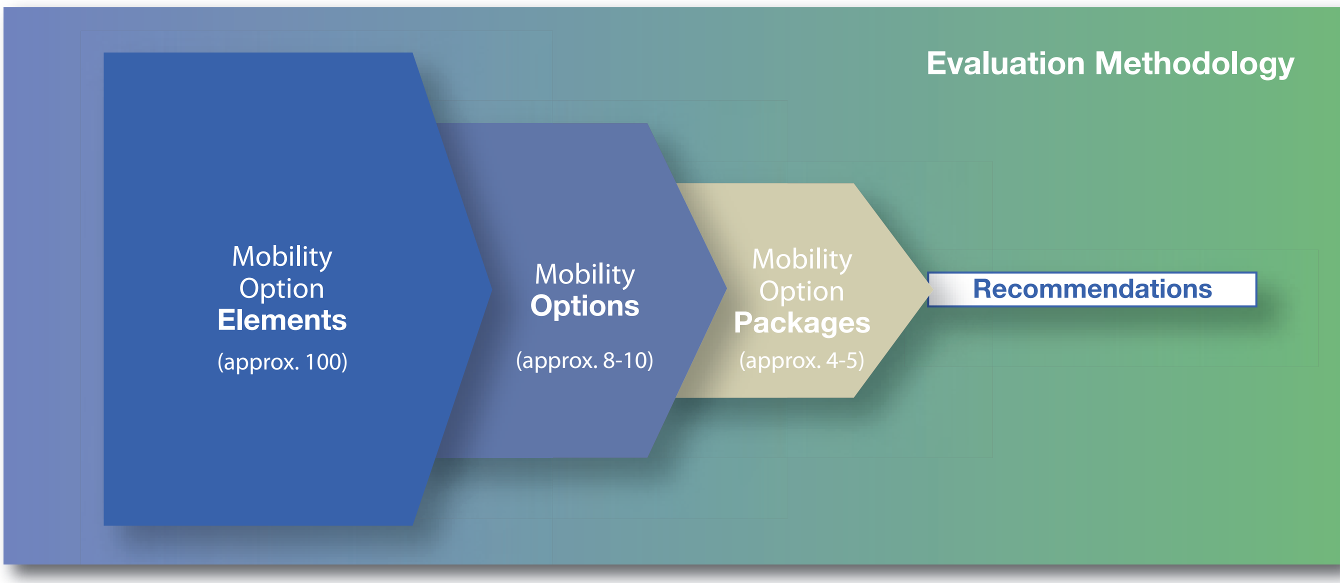
FACT SHEET 2

IN THIS FACT SHEET

Overview of I-66 Multimodal Study

The I-66 Multimodal Study is focused on developing a set of recommendations for multimodal mobility options which can help reduce congestion and improve mobility along the I-66 corridor inside the Beltway, between I-495 and the Theodore Roosevelt Bridge. The study employs a structured framework for arriving at a set of multimodal recommendations, including the process of screening a list of potential mobility option elements for the I-66 corridor down to a focused set of recommendations. As illustrated below, the evaluation methodology for the study provides a means to move from a starting point of numerous ideas – referred to as mobility option elements – down a path to recommendations, considering first a set of eight to ten mobility options. The best of these mobility options are combined into a set of four or five mobility option packages for evaluation before recommendations are developed.

> *...the study provides a means to move from a starting point of numerous ideas – referred to as mobility option elements – down a path to recommendations...*



Identification of Issues and Needs

The first step in the I-66 Multimodal Study is to systematically identify the key issues and needs in the corridor. The defined set of transportation issues and needs provides the foundation for the entire study since eventual mobility solutions will target these specific problems. The issues and needs were developed based on a number of inputs. A review of relevant studies and proposed projects revealed a list of existing and new planning ideas. Forecasts were done to identify the regional factors influencing travel demand in the study area, including growth patterns, employment and demographic data, and the existing and planned modal networks. A top level analysis of year 2040 travel patterns was also conducted to understand mobility in the corridor.

Collectively, the technical analyses and insight from commuters and stakeholders identified the primary issues and needs within the study area, which include:

> Westbound Roadway Congestion

> Eastbound Roadway Congestion (include interchange capacity constraints at the Dulles Toll Road)

> Capacity Issues at I-66/Arterial Interchanges

> Non-HOV Users during HOV Operation Hours

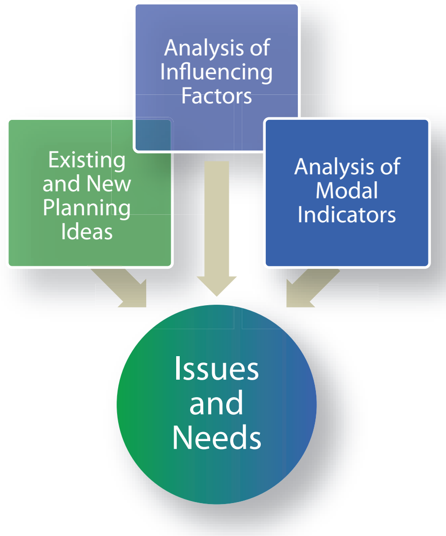
> Orange Line Metrorail Congestion

> Adverse Impact of Roadway Congestion on Bus Service

> Challenges to Intermodal Transfers (rail, bus, bike, car)

> Bottlenecks on W&OD and Custis Trails

> Limitations/Gaps in Bicycle and Pedestrian Accessibility and Connectivity



Mobility Option Elements

A comprehensive list of mobility option elements was assembled from existing plans and studies as well as through identification of gaps in the transportation system. The initial inventory includes over 100 highway, transit, bicycle/pedestrian, transportation demand management (TDM), and intelligent transportation systems (ITS) strategies, projects, programs, or policies that have the potential to address congestion and/or enhance mobility in the I-66 corridor. The list of mobility option elements was refined through discussions with Participating Agency Representatives Committee (PARC) members, staff from the Virginia Department of Transportation (VDOT) and Virginia Department of Rail and Transportation (DRPT), other stakeholders, and the consultant team.

Preliminary Mobility Options to Address Issues and Needs

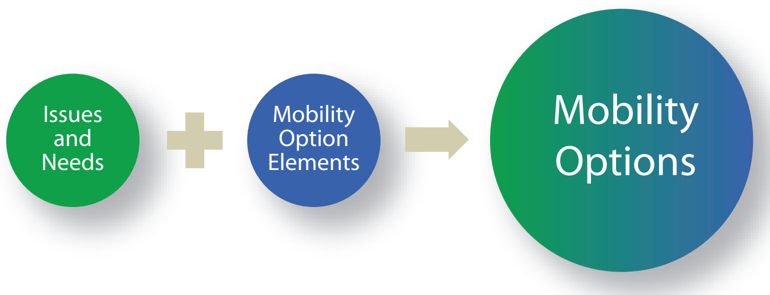
The next step in this process is to take the large list of mobility option elements and assemble a discrete set of mobility options for testing to address the identified issues and needs. Moving from mobility option elements to mobility options requires application of a synthesis process that:

> Focuses on the alignment of mobility option elements with the identified issues and needs,

> Ties mobility option elements to the study area and goal, and

> Addresses potential fatal implementation constraints associated with the mobility option elements.

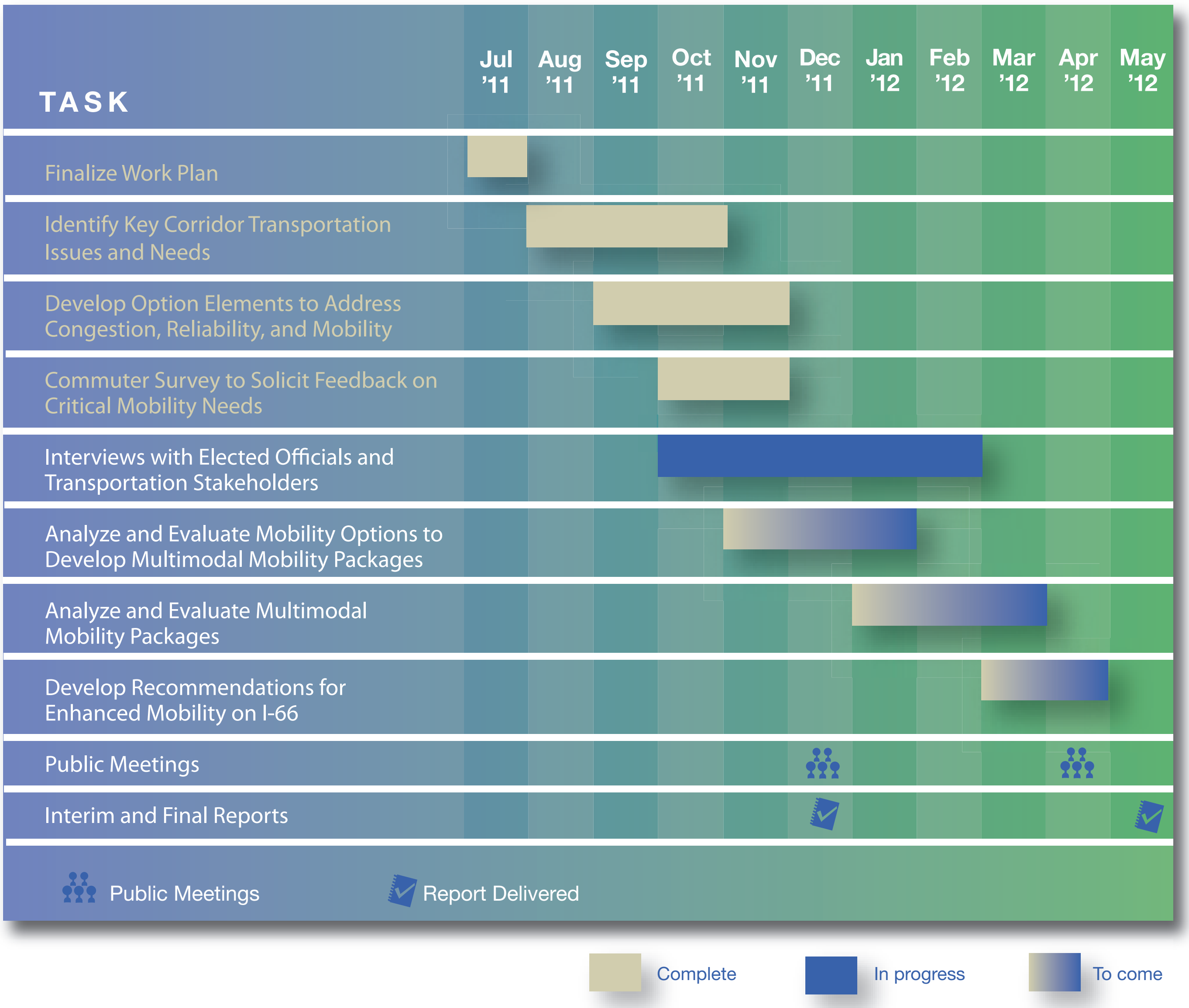
Eight to ten mobility options are currently being developed for testing using this process.



Next Steps

The next several months include several technical analysis activities associated with the Study. First, formulation of the eight to ten mobility options for testing will be completed. These options will then be assessed using quantitative measures from the travel demand forecasting model, including change in share of non-SOV (single occupancy vehicle) travel, change in person throughput, and change in congested vehicle miles traveled (VMT) in the study area. A qualitative assessment will also be performed. Next, four to five multimodal mobility option packages will be developed, informed by the mobility option testing. After these packages are assembled, additional technical analyses and evaluation to arrive at potential study recommendations will be undertaken, again employing the travel forecasting model. Once recommendations are drafted, another round of public meetings will be held to review them with the public in advance of the publication of a final report. It is anticipated that these meetings will be scheduled in April 2012.

Schedule/Key Milestones



This study has an aggressive schedule, with all work to be completed by Summer 2012.

PUBLIC PARTICIPATION MEETINGS

Public meetings will be held to capture valued input.

Fairfax County Meeting
December 6, 2011
6-8 pm
Mary Ellen Henderson Middle School
7130 Leesburg Pike
Falls Church, VA 22043

Arlington County Meeting
December 14, 2011
6-8 pm
Arlington County Government Offices
2100 Clarendon Boulevard
Arlington, VA 22201

The next round of Public Meetings will occur in April 2012.

Contact Us

Have an idea? Want to be sure to be notified of upcoming meetings and events? Please send us an email or leave us a message. Your input and suggestions are greatly appreciated and will be reviewed by the study team. As we reach study milestones, we will share timely updates on the project website.

Email
info@i66multimodalstudy.com

Call toll-free
855 STUDY66 (788-3966)

Visit
www.i66multimodalstudy.com

Public and Stakeholder Involvement

Two key public involvement activities are underway or completed. These include:

> **Market Research** – A market research effort was undertaken to explore transportation characteristics, perceptions, attitudes, and preferences of commuters in the I-66 corridor inside the Beltway. The survey reached commuters using single occupant vehicles, hybrid vehicles, carpools, local bus, express bus, Metrorail, VRE, and bicycle in the corridor. More than 3,500 respondents in total completed the survey. Preliminary results support looking at a variety of mobility options in the corridor. The market research will assist in identifying appropriate mobility options to advance towards testing.

> **Stakeholder Interviews** – To engage and inform elected officials and transportation stakeholders, a series of nearly sixty stakeholder interviews are being conducted. These interviews will enable the project team to obtain valuable input and insights into the corridor and its users. Information received is serving as additional input into the formulation of the mobility options for testing.

How to Stay Informed and Involved

There are several ways that you can stay informed and involved in the I-66 Multimodal Study. You can provide comments at the December public meetings. Alternatively, you can provide comments anytime via email: info@i66multimodalstudy.com or the project hotline: 855-STUDY66 (788-3966).

To view the study area map, Fact Sheet #1, and other pertinent information about the study, visit the study webpage at: www.i66multimodalstudy.com.

I-66 Multimodal Study Inside the Beltway 3

Identifying solutions between I-495 and the Theodore Roosevelt Bridge FACT SHEET 3

IN THIS FACT SHEET

About the Study

The I-66 Multimodal Study is focused on developing a set of recommendations for multimodal mobility packages which can help reduce congestion and improve mobility along the I-66 corridor inside the Beltway, between I-495 and the Theodore Roosevelt Bridge.

Fact Sheets

1 Study Overview and Outcomes

2 Issues and Needs and Study Process

From Issues and Needs to Options

The identified issues and needs (see Fact Sheet #2) in the I-66 study corridor, served as the basis for formulating eleven mobility options. The options represent potential elements that could be incorporated into solutions to address the specific capacity and congestion challenges commuters face on a daily basis. The identification and development of these options was initially informed by market research, stakeholder interviews, previous studies, the technical study team, and members of the Public Agency Representative Committee (PARC). The mobility options were presented to the public at the first round of public meetings in December and refined by the project management team based on public comments. The mobility options selected for the first level of assesment include:

A. HOV Restrictions
B1. I-66 Bus/HOV/HOT Lane System – Option 1
B2. I-66 Bus/HOV/HOT Lane System – Option 2
C1. I-66 Capacity Enhancement – Option 1
C2. I-66 Capacity Enhancement – Option 2
D. Integrated Corridor Management
E. Arterial Capacity Enhancement
F. Metrorail Level of Service and Capacity
G. Bus Transit Level of Service and Capacity
H. Transportation Demand Management
I. Bike/Pedestrian System Enhancements

Each mobility option was evaluated to see how it would:

> Increase the share of non-single occupancy vehicle (SOV) travel in the study area.

> Increase personal mobility, regardless of mode.

> Reduce congested Vehicle Miles of Travel (VMT).

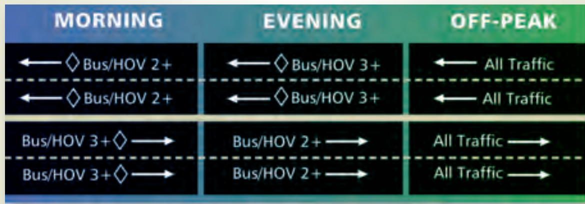
To move from options to packages, the study objectives attempt to balance the assessment measures by improving travel options and personal mobility, and minimizing vehicle miles of travel.

Mobility Options

The following descriptions of the mobility options provide suggested applications and key findings.

A. HOV Restrictions

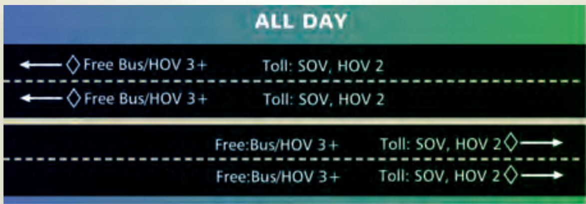
> I-66 lanes in both directions are designated Bus/HOV during peak periods
> No new lanes added
- :: In the peak direction, all lanes are Bus/HOV 3+ only during peak periods (no change from CLRP)
- :: In the reverse-peak direction, all lanes are Bus/HOV 2+ only during peak periods
- :: In off-peak periods all lanes are open to all traffic



Key Finding: Due to the HOV 2+ restriction, this option reduces travel on I-66 in the reverse-peak direction and shifts vehicle travel onto parallel roads or outside the study area.

B1. I-66 Bus/HOV/HOT Lane System – Option 1

> Converts I-66 into an electronically tolled Bus/HOV/high occupancy toll (HOT) roadway
- :: SOV and HOV 2 vehicles would be tolled
- :: Bus/HOV 3+ vehicles would not be tolled
- :: Applies to all lanes in both directions 24/7



Key Finding: This mobility option allows non-HOV 3 vehicles to use I-66 by paying a toll, making full use of the available capacity while maintaining a good level of service. This increases person throughput on I-66 in the peak direction and eases congestion on some of the surface arterials.

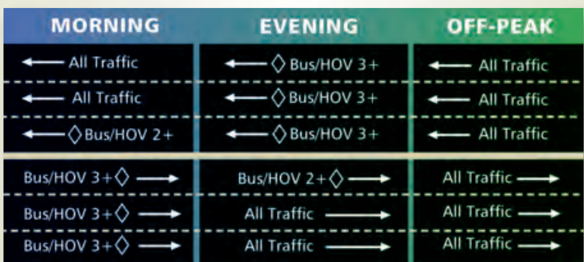
B2. I-66 Bus/HOV/HOT Lane System – Option 2

> Converts I-66 into an electronically tolled Bus/HOV/HOT roadway and adds a lane in each direction
- :: SOV and HOV 2 vehicles would be tolled
- :: Bus/HOV 3+ vehicles would not be tolled
- :: Applies to all lanes in both directions 24/7

Key Finding: This option is similar to Option B1 and, due to the added tolled capacity, allows more SOV's access to I-66. This shift helps ease congestion on the surface arterials but also attracts travelers who had previously been using transit.

C1. I-66 Capacity Enhancement – Option 1

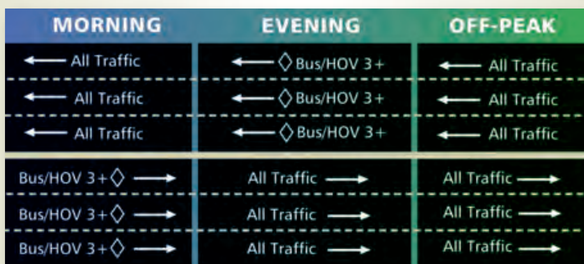
> An additional lane is added in both directions
- :: In the peak direction, all lanes are Bus/HOV 3+ only during peak hours
- :: In the reverse-peak direction, one lane is Bus/HOV 2+ during peak hours, and the rest are general purpose lanes
- :: In off-peak periods all lanes are open to all traffic



Key Finding: This option primarily eases congestion on I-66 in the reverse-peak direction, although the additional incremental capacity is restricted to HOV 2+. The HOV 3+ restriction on all lanes during peak periods limits use of new incremental capacity in the peak direction.

C2. I-66 Capacity Enhancement – Option 2

> An additional lane is added in both directions
- :: In the peak direction, all lanes are Bus/HOV 3+ during peak hours
- :: In the reverse-peak direction, all lanes are general purpose lanes during peak hours
- :: In off-peak periods all lanes are open to all traffic

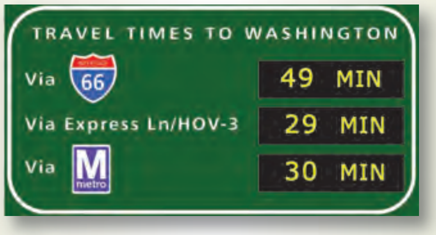


Key Finding: Because there are no restrictions in the reverse-peak direction with the added capacity, this option primarily eases congestion on I-66 in the reverse-peak direction. This new capacity shifts some traffic from surface arterials. As with Option C1, the HOV 3+ restriction in the peak direction limits use of the new capacity in that direction.

D. Integrated Corridor Management (ICM)

> Deploy ICM strategies throughout the corridor

- :: I-66 Active Traffic Management
- :: Multimodal Real Time Traveler Information
- :: Ramp Metering
- :: Dynamic Merge
- :: Transit Signal Priority



Key Finding: This option includes a range of technological improvements designed to improve traffic flow and operations on roadways throughout the corridor. Improvements will affect both automobiles and buses, making travel in the corridor easier at key locations, such as the I-66/Dulles Connector Road merge.

E. Arterial Capacity Enhancement

> Enhance U.S. 50

- :: Apply access management principles.
- :: Implement Bus-Only lane in each direction and improve bus service in the corridor.
- :: Bus lane was introduced by adding new shoulders.
- :: Shoulder is not open to general traffic during off-peak hours.

Key Finding: This option transforms U.S. 50 into a limited access expressway, which increases its capacity and increases vehicle traffic. The increased transit speeds and services from the bus-only lanes do not offset the effects of the capacity improvements for autos. In part, the transit service provided in the option does not fully serve the most-productive transit markets.

F. Metrorail Level of Service and Capacity Enhancement

> Provide operating flexibility for Metrorail and an alternative connection between the I 66/Dulles Access Road Corridors and South Arlington through an interline connection between the Orange Line and Blue Line.

Key Finding: This option changes the operating plan for Metrorail to provide direct service between the Ronald Reagan Washington National Airport, South Arlington, the Rosslyn-Ballston Corridor, and points west along the Silver Line via a new interline connection between Court House and Arlington Cemetery. This option provides additional service on the Orange/Silver Lines between Court House and East Falls Church and direct connections to new markets. Flexibility of Metrorail is enhanced, but ridership effects in the study area are modest.

G. Bus Transit Level of Service and Capacity

> Includes several planned enhancements to local, commuter, and regional bus services including bus route changes and additions.

> Includes new and enhanced Priority Bus services with 10-minute peak period frequency on I-66, US 29 and US 50.

Key Finding: This option increases bus service in the corridor and has the most positive impact on reducing the level of congestion in the study area. The increased transit service also attracts new transit riders and reduces the single occupancy vehicle mode share in the study area.

H. Transportation Demand Management (TDM)

> Enhanced TDM strategies are drawn from the I-66 Transit/TDM Study

- :: Enhanced Corridor Marketing
- :: Vanpool Driver Incentive
- :: I-66 Corridor Specific Startup Carpool Incentives
- :: Rideshare Program Operational Support
- :: Carsharing at Priority Bus Activity Nodes
- :: Enhanced Virginia Vanpool Insurance Pool
- :: Enhanced Telework! VA

Key Finding: A range of improved TDM strategies and programs including marketing and outreach, vanpool programs, and financial incentives will be able to attract some new commuters to alternative modes, decreasing the SOV mode share for work trips. The success of this option is dependent on the level of investment.

I. Bike/Pedestrian System Enhancements

> Add new connections (on- and off-road) to address gaps and improve connections

> Improve bicycle/pedestrian access to transit (bus and rail)

> Expand bicycle parking at transit stations

> Expand bikesharing program

Key Finding: This option includes many improvements to the pedestrian and bicycle systems designed to make non-motorized travel in the study area easier and more appealing. The improvements are especially focused on improving access to Metrorail stations, encouraging more transit use.

HOW TO STAY INFORMED AND INVOLVED

Stay informed by visiting **www.i66multimodalstudy.com** where you can learn more about the study and key milestones, find contact information, and view and download study documents, including the December 2011 public meeting presentation and presentation boards, market survey, comment form, map of the study area, Fact Sheets, and Interim Report.

If you are interested in commenting by phone and/or email, please contact us at **info@i66multimodalstudy.com** or **855 STUDY66 (788-3966)**

UPCOMING PUBLIC PARTICIPATION MEETINGS

Two public meetings will be held to capture valued input on the proposed recommendations.

Arlington County Meeting
April 24, 2012
6:30-8:30 pm
The Navy League Building,
Main Floor Board Room
2300 Wilson Boulevard
Arlington, VA 22201

Fairfax County Meeting
April 25, 2012
6:30-8:30 pm
Mary Ellen Henderson
Middle School
7130 Leesburg Pike
Falls Church, VA 22043

Next Steps

> Working with the PARC, the study team is currently sorting through the Mobility Option results to define up to 5 Multimodal Packages for detailed assessment. The Packages represent fully integrated options that combine transit, TDM, bicycle, pedestrian, technology and roadway improvements to address congestion and mobility in the I-66 study area.

> The various Multimodal Mobility Packages will be presented at the next round of public meetings. The PARC and the study team will develop a final set of recommendations based on the technical results and the public input received.

Public Participation

Eighty-five public comments have been received since the study's inception and over twenty-five stakeholders have been interviewed about their preferences for multimodal solutions in the I-66 study area. The comments and suggestions were used to inform the mobility options and will be carried forward to the multimodal packages.

Key public and stakeholder comments include:

> Congestion is a major issue in the I-66 corridor and should be addressed as soon as possible.

> Prior to considering capacity improvements to I-66, all multi-modal mobility solutions should be evaluated.

> Support for HOT lanes was mixed, with most respondents wanting more information before making a decision.

Suggested improvements include:

Metrorail: Increase Metro train frequency on the Orange Line during peak periods; address the issues of parking availability at Metrorail stations; and increase access to Metrorail stations with bus, bike, and pedestrian connections.

Bus: Improve and add bus services (express and local), especially during peak periods, to alleviate Metrorail congestion; and coordinate bus schedules and times so it is a reliable mode for commuters.

TDM: Provide incentives to businesses and employees to promote carpooling and alternative mode choices.

Bike/Pedestrian: Address the network gaps and improve connections to Metrorail stations and Metrobus stops; add bicycle facilities (e.g., stands, lockers, bikeshares) at Metrorail station; and make safety improvements (e.g., lighting, signage, buffers) to trails.

HOV: Implement HOV restrictions for reverse usage and increase the hours of use, but create additional incentives and opportunities for ridesharing; eliminate the hybrid exemption; and increase enforcement.

Widen I-66: Increase the number of lanes on I-66 that could be used by general traffic, Bus/HOV traffic or as HOT lanes.

Arterials: Improve critical intersections on U.S. 50; and add more public transit to the arterials, including additional buses and/or priority buses.

Technology: Improve technology to let drivers know about congestion and accidents.

DRPT
VDOT Virginia Department of Transportation

I-66 Multimodal Study Inside the Beltway 4

Identifying solutions between I-495 and the Theodore Roosevelt Bridge FACT SHEET 4

IN THIS FACT SHEET

About the Study

The I-66 Multimodal Study is focused on developing a set of recommendations for multimodal mobility packages which can help reduce congestion and improve mobility along the I-66 corridor inside the Beltway, between I-495 and the Theodore Roosevelt Bridge.

Fact Sheets

From Mobility Options to Multimodal Packages

Based on the analysis of the eleven Mobility Options, described in Fact Sheet 3, and input from the Participating Agency Representatives Committee (PARC) and stakeholders, four Multimodal Packages have been developed. Each package includes a variety of projects and programs to reduce congestion and improve mobility along the I-66 corridor inside the Beltway, between I-495 and the Theodore Roosevelt Bridge. These four packages are comprised of previously tested Mobility Options with some modifications and enhancements to better meet the needs of the corridor. All packages include integrated corridor management (ICM) solutions, transportation demand management (TDM) programs, and a range of pedestrian and bicycle improvements.

Key Components for Each Multimodal Package:

MULTIMODAL PACKAGE 1
Convert I-66 to a Bus/High Occupancy Vehicle (HOV)/High Occupancy Toll (HOT) Lane System

MULTIMODAL PACKAGE 2
Convert I-66 to a Bus/HOV/HOT Lane System and add a lane in each direction

MULTIMODAL PACKAGE 3
Add an HOV/Bus Lane to I-66 in each direction

MULTIMODAL PACKAGE 4
Enhanced Bus Service, including buses on shoulders along Route 50

Multimodal Packages

The following descriptions of the Multimodal Packages provide suggested applications and key findings. The findings for the packages are compared against the projected mobility and congestion outputs from the 2040 Baseline for this study.

Baseline Assumptions for 2040

The 2040 Baseline for the I-66 Multimodal Study is called the CLRP+ Baseline and is comprised of the 2011 Fiscally-Constrained Long-Range Plan (CLRP) plus the recommended bus services and Transportation Demand Management (TDM) measures from the 2009 I-66 Transit/TDM study. The CLRP is developed cooperatively by governmental bodies and agencies represented on the National Capital Region Transportation Planning Board and identifies all regionally significant transportation projects and programs that are planned and funded in the Washington metropolitan area between 2011 and 2040. Key assumptions included are:

> I-66 restricted to Bus/HOV 3+ in the peak direction
> I-66 westbound spot improvements #1, #2, #3
> Same I-66 HOV hours of operation as today
> Silver Line Phase I (to Wiehle Avenue) and Silver Line Phase II (to Dulles)
> New and enhanced Priority Bus services on I-66, U.S. 29, and U.S. 50
> TDM elements from the I-66 Transit/TDM Study
> Metrorail core capacity improvements, including 8-car trains

ICM, TDM, and Bicycle/Pedestrian Package Components

Integrated corridor management, transportation demand management, and bicycle/pedestrian solutions will be included in all four of the Multimodal Packages.

Integrated Corridor Management (ICM)

ICM brings together a variety of technology elements, providing drivers, transit users, carpoolers, and bicyclists, with information to be able to make informed transportation decisions in advance or in real time. When ICM elements are implemented, users can expect greater travel time reliability and more efficient use of corridor infrastructure. The I-66 Active Traffic Management (I-66 ATM) project is addressing several such improvements.

Specific elements of ICM considered in the I-66 Multimodal Study include:

> Enhanced Ramp Metering (I-66 ATM)
> Dynamic Merge (Junction Control) (I-66 ATM)
> Enhanced Dynamic Message Signs (I-66 ATM)
> Continuous Closed-Circuit Television Coverage (I-66 ATM)
> Speed Harmonization
> Advanced Parking Management System
> Multimodal Traveler Information
> Signal Priority for Transit Vehicles

Transportation Demand Management (TDM)

The following TDM measures, which are strategies and policies used to reduce travel demand, have been chosen for inclusion in the packages. These measures have proven effective for reducing single occupancy travel and person-miles of travel, and complement the corridor enhancements in each Multimodal Package.

Bicycle
> Bike Hubs/Storage at Priority Bus Activity Nodes
> Capital Bikeshare Marketing

Employer Outreach
> Enhanced Corridor Marketing
> Enhanced Telework! VA
> Northern Virginia Ongoing Financial Incentive
> Enhanced Employer Outreach

Technology
> Online/Mobile Traveler Information Apps

Transit
> Try Transit and/or Direct Transit Subsidy

Carpool
> I-66 Corridor Specific Startup Carpool Incentives
> Rideshare Program Operation Support
> Carsharing at Priority Bus Activity Nodes
> Dynamic Ridesharing

Vanpool
> Vanpool Driver Incentive
> Enhanced Virginia Vanpool Insurance Pool
> Capital Assistance for Vanpools
> Flexible Vanpool Network
> Van Priority Access

Bicycle/Pedestrian

Bicycle and pedestrian improvements are included to support active transportation by bicycling and walking, increasing the potential for shift from motorized modes. Recommendations are primarily sourced from existing plans from Arlington and Fairfax counties, as well as the City of Falls Church.

> On road bicycle facilities: bike lanes, shared lane markings, signed bike routes, and bike boulevards.
> Off road improvements: new or improved shared use paths, Metro station access improvements, and trail / road intersection safety improvements.
> Spot improvements: intersection crossing improvements.
> End of trip improvements: bike parking at county facilities, commercial areas, and Metrorail stations new Capital Bikeshare stations in Arlington and Falls Church.

Multimodal Package 1

> Converts I-66 into an electronically tolled Bus/HOV/high occupancy toll (HOT) roadway.
>
> :: SOV and HOV 2 vehicles would be tolled
>
> :: Bus/HOV 3+ vehicles would not be tolled
>
> :: Applies to all lanes in both directions 24/7

> Several planned enhancements to local, commuter, and regional bus services including route changes and additions. Many of the increases in bus service feed rail stations in the corridor.

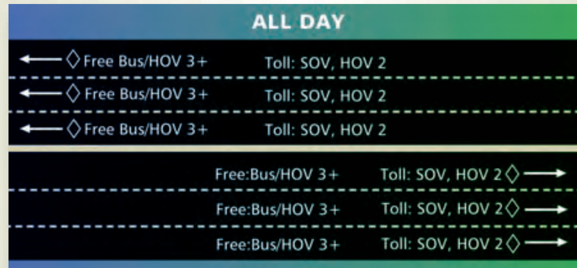
> New and enhanced Priority Bus services with 10-minute peak period frequency.
>
> :: I-66, U.S. 29, and U.S. 50

10-minute service frequency represents an enhancement over I-66 Transit/TDM Study service levels.

Key Finding: This package adds no additional physical lane capacity, maintaining the present configuration of I-66. It does apply a pricing strategy to permit SOV and HOV 2 users. Congested automobile usage decreases as a percentage of total automobile usage. However, in total there is a slight increase in automobile usage for both the morning and evening peak periods. Transit usage levels remain generally unchanged.

Multimodal Package 2

> Converts I-66 into an electronically tolled Bus/HOV/HOT roadway and adds a lane in each direction.
>
> :: SOV and HOV 2 vehicles would be tolled
>
> :: Bus/HOV 3+ vehicles would not be tolled
>
> :: Applies to all lanes in both directions 24/7



> Several planned enhancements to local, commuter, and regional bus services including route changes and additions. Many of the increases in bus service feed rail stations in the corridor.

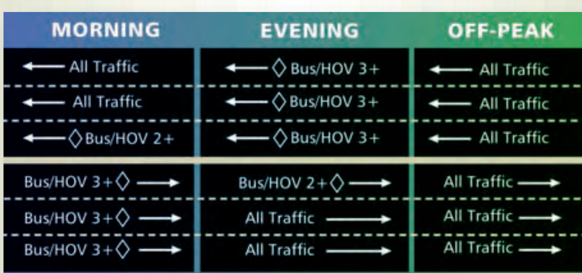
> New and enhanced Priority Bus services with 10-minute peak period frequency.
>
> :: I-66, U.S. 29, and U.S. 50

10-minute service frequency represents an enhancement over I-66 Transit/TDM Study service levels.

Key Finding: This package adds lane capacity and applies a pricing strategy as in Package 1. It results in the lowest proportion of congested automobile usage among the packages for the study area. However, the added lane capacity produces the highest automobile usage for the study area. The additional transit service helps maintain the mode share, with only a slight reduction in transit mode share for work trips with destinations in the study area.

Multimodal Package 3

> An additional lane is added in both directions.
>
> :: In the peak direction, all lanes are Bus/HOV 3+ only during peak hours.
>
> :: In the reverse-peak direction, one lane is Bus/HOV 2+ during peak hours, and the rest are general purpose lanes.
>
> :: In off-peak periods all lanes are open to all traffic.



> Several bus planned enhancements to local, commuter, and regional bus services including bus route changes and additions.

> Enhanced U.S. 50 bus service with new routes from Tysons and Fair Oaks continuing on U.S. 50 into the D.C. Core.

> New and enhanced Priority Bus services with 10-minute peak period frequency.
>
> :: I-66, U.S. 29, and U.S. 50

10-minute service frequency represents an enhancement over I-66 Transit/TDM Study service levels.

Key Finding: This package adds lane capacity and provides a Bus/HOV 2+ only lane in the reverse peak direction. There is a slight increase in HOV 2 usage but HOV 3+ usage does not increase. Multimodal mobility increases during the off-peak periods, when the added lane on I-66 is open to all traffic, not during the peak commuter periods due to the HOV 3+ requirement. This package improves travel times for HOV and transit.

Multimodal Package 4

> Increased transit service for all routes entering the study area.
>
> :: This included increased frequency on local, commuter, and regional bus services.
>
> :: Headway on individual routes that were not part of trunk line services were set at a minimum of 15 minutes in the peak and 30 minutes in the off-peak.
>
> :: Trunk line routes were set for a combined headway of 15 minutes in the peak and 30 minutes in the off-peak.

> Enhanced U.S. 50 bus service with new routes from Tysons and Fair Oaks continuing on U.S. 50 into the D.C. Core using an added bus-only shoulder lane on U.S. 50.

> New and enhanced Priority Bus services with 10-minute peak period frequency.
>
> :: I-66, U.S. 29, and U.S. 50

10-minute service frequency represents an enhancement over I-66 Transit/TDM Study service levels.

Key Finding: This package focused on enhancing transit service throughout the study area. It had the highest number of commuters using transit and the lowest number using single occupant automobiles. It produces slight decreases in overall vehicle travel (VMT) and congested VMT.

Sensitivity Tests

All four packages were evaluated to see how they would reduce congestion and improve mobility in the corridor. In two instances, package assumptions were modified to see how the performance of packages would change. This process is called a sensitivity analysis or test.

Test 1 - Modified Package 1: In the original Package 1, the lanes on I-66 are converted to HOT Lanes at all times (24/7). The sensitivity test keeps the HOT lanes in both directions during peak periods only.

Key Finding: This sensitivity test showed that tolling in only the peak periods also helped address the study goals. The congestion in the peak periods was reduced similar to Package 1. During off-peak periods usage remained similar to the year 2040 baseline and was higher than in Package 1.

Test 2 - Modified Package 3: In the original Package 3, a lane is added to I-66 in both directions. The sensitivity test changes the additional lane to a HOT lane, which would be tolled at all times (24/7) in both directions.

Key Finding: The sensitivity test showed the impacts of a new lane being tolled. The price for the toll had to be relatively high due to the high demand and limited supply. In the peak direction, more volume is present in the tolled lane than in the adjacent free Bus/HOV 3+ lanes. In general, this configuration offers more mobility benefits than the original Package 3.

HOW TO STAY INFORMED AND INVOLVED

Stay informed by visiting **www.i66multimodalstudy.com** where you can learn more about the study and key milestones, find contact information, and view and download study documents, including the public meeting presentation and presentation boards, market research, comment form, map of the study area, Fact Sheets, and Interim Report.

If you are interested in commenting by phone and/or email, please contact us at **info@i66multimodalstudy.com** or **855 STUDY66 (788-3966)**

Next Steps

Each Multimodal Package has meritorious aspects as well as unique issues. To fully evaluate the benefits and challenges of each one, a recommendations framework has been developed. The framework assesses package performance against the study goals and objectives. The recommendations framework will help synthesize the the various technical analyses and incorporate feedback from stakeholders and the public into a useful guide to potential future investment in the I-66 corridor to improve mobility and reduce congestion.

Schedule / Key Milestones

AGENDA ITEM #5

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: June 28, 2012

SUBJECT: DRPT's Distribution of Transit Assistance for FY 2013

In light of the events described below, NVTC staff is requesting guidance from its board as to next steps.

On May 15th DRPT Director Drake announced her decision to send state transit assistance directly to WMATA and NVTC's jurisdictions. NVTC, its jurisdictions and WMATA initially were given 10 days to agree in order to receive funding for FY 2013. After the attached May 18th letter was sent to Director Drake, the deadline was extended to June 4th and then to June 8th.

Director Drake attended NVTC's June 7th meeting to explain her objectives in issuing her order. At that meeting, NVTC authorized its Chairman to sign a joint letter to Transportation Secretary Connaughton and the CTB explaining why the commission objected to DRPT's order. That letter was sent on June 19th. On June 8th NVTC's five WMATA jurisdictions sent a combined letter to DRPT to meet the deadline and Director Drake responded in writing on June 12th. Beginning on June 12th, DRPT sent staff and hired auditors to NVTC to examine the commission's subsidy allocation process.

On June 20th, the CTB met and adopted the final SYIP including DRPT's revised policy and also passed a resolution delaying the receipt of transit assistance to NVTC and its jurisdictions until a final decision at the CTB meeting on July 18th. The resolution also identified tasks for CTB members to work with localities and DRPT to identify a way to move forward.

On June 25th NVTC Chairman Fisette met with Director Drake, CTB member Gary Garczynski and NVTC member Jim Dyke. According to Chairman Fisette, they had a productive discussion that resulted in agreement that the primary option for a compromise would be that, with official letters from NVTC's jurisdictions, all DRPT funds would continue to be directed to bank accounts controlled and accessed by NVTC so that the NVTC Subsidy Allocation Model (SAM) could continue to be applied.

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COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

June 22, 2012

VIA E-MAIL
Jay Fisette
NVTC Chairman

Sharon Bulova
Fairfax County

Nader Baroukh
City of Falls Church

Mary Hynes
Arlington County

Bill Euille
City of Alexandria

Robert Lederer
City of Fairfax

Ladies and Gentlemen:

Thank you for your comments on the white paper prepared by DRPT and for your response dated June 19, 2012 to outline your concerns.

The DRPT proposal is to provide state transit aid directly to WMATA and to the local transit providers in the five jurisdictions. This state transit aid has been programmed by the Commonwealth Transportation Board (CTB) into the SYIP adopted on June 20, 2012. As you know, the CTB also passed a resolution that delays the distribution of these funds to allow for an extra month of discussions to take place before the CTB addresses this issue in July. Board members Doug Koelemay and Gary Garczynski have graciously agreed to participate in meetings with Jim Dyke and I, as well as members of the various jurisdictions.

In addition to the meetings with you, DRPT staff has reached out to NVTC jurisdictional and WMATA staff to arrange for meetings to walk through the process and to hear the detailed concerns of you and your staff.

It is apparent from our conversations that following the implementation of the jurisdiction direct funding process, the jurisdictions would like to continue contracting with NVTC to administer the SAM formula and to perform certain administrative functions. DRPT is amenable to this approach in many aspects.

I look forward to discussing this with you in greater detail.

Sincerely,

Thelma Drake

Thelma Drake

cc:
The Honorable Robert F. McDonnell
The Honorable Sean Connaughton
CTB Board
NVTC Members
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
The Honorable Adam Ebbin
The Honorable Barbara Favola
The Honorable Mark Herring
The Honorable Janet Howell
The Honorable David Marsden
The Honorable Chap Petersen
The Honorable Toddy Puller
The Honorable Richard Saslaw
The Honorable David Albo
The Honorable Richard Anderson
The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Filler-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory

The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

June 20, 2012

Nancy C. Auth
Senior Assistant Attorney General
Office of the Attorney General
900 East Main Street
Richmond, Virginia 23219

Re: Direct Funding of Metro by DRPT

Dear Ms. Auth:

The below signed representatives of the city and county attorney offices of Alexandria, Arlington County, Fairfax County, and Falls Church are writing with regard to two issues that have arisen as a result of the Department of Rail and Public Transportation's (DRPT's) decision to begin disbursing mass transit funds for local operating and capital assistance directly to local governments and transit providers, particularly the Washington Metropolitan Transit Authority (WMATA), rather than through the Northern Virginia Transportation Commission (NVTC). The issues raised by DRPT's decision relate to whether DRPT must continue to apply NVTC's Subsidy Allocation Model (SAM) in its disbursement of grant funds, and whether DRPT can provide grant funding directly to WMATA. We understand that you are well familiar with this matter based on your work with DRPT, and wanted to provide our conclusions directly to you. As discussed further below, we believe that DRPT is required by law to apply the SAM, and that direct funding of WMATA by DRPT is contrary to the financing plan set forth in the WMATA Compact.

The first issue is whether language in the Commonwealth's FY 2013-2014 budget, which permits DRPT to make payments directly to WMATA, supersedes not only the language in § 58.1-638.A.5 of the Code of Virginia requiring NVTC to make such payments, but also obviates the further provisions of that subsection requiring application of the SAM to State grant funds. As described in the "white paper" distributed by DRPT on June 13, 2012, DRPT expresses uncertainty about whether the application of the SAM is mandatory, and suggests that the above budget language obviates entirely the provisions of § 58.1-683.A.5, not only as to who makes the payment to Metro but also whether the SAM must be applied. This is incorrect in our view.

§ 58.1-683.A.5 has two pertinent provisions, namely (1) that funds for Metro shall be paid by NVTC to WMATA, and (2) that the funds shall be a credit to the NVTC jurisdictions in the manner specified in the statute, including application of the hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998. As you know, this agreement refers to the agreement among the NVTC jurisdictions to apply the SAM to state grant funds. The language concerning the SAM was first incorporated in the Code of Virginia in 1999, and has been in use since that time.

The language DRPT relies upon in the above budget for its decision provides that, "Notwithstanding any other provision of law, funds allocated to Metro . . . may be disbursed by DRPT directly to Metro or to any other transportation entity that has an agreement to provide funding directly to Metro as deemed appropriate by the Department." This language gives DRPT the option to fund WMATA directly rather than through NVTC. In this respect, the budget language overrides the provisions of § 58.1-638.A.5 that require NVTC to make payments to WMATA. However, the budget contains no language regarding how the funds are disbursed, that is, the budget does not contravene the provisions of § 58.1-638.A.5 regarding application of the SAM. Well established rules of statutory construction require that conflicting provisions of law, in this case the budget language and the statute, must be harmonized and given effect to the extent possible. In this instance, it is certainly possible to effectuate both the budget language giving DRPT the option of making payments directly to WMATA, as well as the portion of § 58.1-638.A.5 not in conflict with the budget requiring application of the SAM to funds disbursed by DRPT to WMATA. It is our conclusion that this portion of the statute regarding the SAM remains in effect and DRPT is obligated to comply with it. This conclusion is reinforced by the language in the portion of the budget relied on by DRPT providing that the CTB shall allocate all monies in the Mass Transit Fund as provided in § 58.1-638.

The second issue is whether the budget language that permits DRPT to make payments directly to WMATA contravenes the language of the WMATA Compact which requires either NVTC or the local member jurisdictions of NVTC to make payments to WMATA.

Article VII, § 18 of the Compact provides that the Virginia share of WMATA costs will be paid to WMATA pursuant to a contract or agreement with NVTC or its component governments. There is no provision for DRPT making the payment. NVTC and each of the NVTC jurisdictions participating in Metro have entered into agreements with WMATA, as well as the State of Maryland and the District of Columbia, providing for payment of Metro's capital and operating costs as anticipated by the Compact. DRPT's decision to disburse funds directly to WMATA is inconsistent with the agreements among NVTC, the NVTC jurisdictions, and WMATA, and is inconsistent with the Compact's provisions for financing Metro's costs. To ensure that the expectations of all signatories to the Compact, as well as Congress, are met, and the interests of those jurisdictions who have taken on responsibility for payment of Metro's costs are protected, it is our view that DRPT's decision should be reconciled with the Compact before that decision is implemented.

Thank you in advance for your consideration of the foregoing in your work with DRPT.

(signatures to follow)

Sincerely,

James L. Banks, Jr. /SYSAM/
Alexandria City Attorney

Stephen A. MacIsaac
Arlington County Attorney

John E. Foster
Falls Church City Attorney

David P. Bobzien
Fairfax County Attorney

Cc: Jay Fisette
Sharon Bulova
Nader Baroukh
Mary Hynes
Bill Euille
Robert Lederer

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Sean T. Connaughton
Chairman

1401 East Broad Street - Policy Division - CTB Section - #1106
Richmond, Virginia 23219

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Agenda item 10-B

**RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD**

June 20, 2012

MOTION

**Made By: Mr. Koelemay Seconded By: Mr. Garczynski
Action: Motion Carried, Unanimously**

Title: Delay of Distribution of Fiscal Year 2013 -2018 Six Year Improvement Program Funds to the Northern Virginia Transit Providers

WHEREAS, Section 33.1-12(9)(b) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1 of each year a Six-Year Improvement Program (SYIP) of anticipated projects and programs and that the Program shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, Section 58.1-638(A)(4)(c) of the *Code of Virginia* requires the Board to allocate funds for mass transit in accordance with the statutory formula set forth therein; and,

WHEREAS, public transparency and establishing a clear pathway of the role of statewide revenues and how those revenues are applied by the Commonwealth and distributed to a grantee for a specific given project or service within each jurisdiction are fundamental in the distribution and expenditure of state funds for mass transit; and,

WHEREAS, the funding for mass transit appropriated by the General Assembly and programmed by the Commonwealth Transportation Board to support the Northern Virginia transit services provided by the Washington Metropolitan Area Transit Authority (WMATA), Fairfax Connector (County of Fairfax), ART (County of Arlington), DASH (City of Alexandria), CUE (City of Fairfax), and previously George (City of Falls Church) have historically been distributed in the SYIP to the Northern Virginia Transportation Commission (NVTC); and,

WHEREAS, in the spirit of public transparency and of establishing a clear pathway of the role of statewide revenues for mass transit, the Director of the Department of Rail and Public Transportation notified the Counties of Fairfax and Arlington, the Cities of Alexandria, Falls Church, and Fairfax and WMATA on May 15, 2012 that SYIP funds distributed as state transit assistance would be shifted from NVTC to be provided directly to each jurisdiction and to WMATA beginning in FY2013; and,

WHEREAS, several discussions and meetings with the NVTC jurisdictions have taken place since May 15, 2012; and,

WHEREAS, DRPT has requested that the local jurisdictions provide their concerns as to this funding change by June 19, 2012; and,

WHEREAS, DRPT is evaluating comments by the NVTC local jurisdictions and the NVTC local jurisdictions have indicated in conversations that additional time is necessary to continue discussions and deliberations; and,

WHEREAS, DRPT will report to the Board at its July 18, 2012 meeting and the Board will make final determination as to the best resolution of the issues being considered; and,

WHEREAS, in consideration of the timing of events, the Board has developed and taken action on a Final FY2013-2018 Six-Year Improvement Program on this day prior to this consideration of this action item; and,

WHEREAS, the Board adopted FY2013-2018 SYIP provides mass transit funds directly to WMATA and to the local jurisdictions providing for transit services and not to NVTC.

NOW THEREFORE, BE IT RESOLVED, that funds programmed in the FY2013-2018 Six Year Improvement Program to support the Northern Virginia transit services provided by WMATA, Fairfax Connector (County of Fairfax), ART (county of Arlington), DASH (City of Alexandria), CUE (City of Fairfax), and previously George (City of Falls Church) will be delayed in distribution by the Department of Rail and Public Transportation until after the July 18, 2012 Commonwealth Transportation Board meeting to allow for further discussions and deliberations on this matter and to determine through findings and recommendations as to whether to distribute SYIP funds directly to NVTC or distribute funds to the listed Northern Virginia transit providers.

####

June 19, 2012

The Honorable Sean Connaughton
Secretary of Transportation
Patrick Henry Building, Third Floor
1111 East Broad Street
Richmond, VA 23219

Dear Secretary Connaughton:

We are writing to explain to you and the Commonwealth Transportation Board (CTB) why the Northern Virginia Transportation Commission (NVTC) and its member jurisdictions strenuously object to the new process that the Department of Rail and Public Transportation (DRPT) has described for transmitting state transit financial assistance to WMATA and other Northern Virginia transit systems.

On May 15, 2012, DRPT Director Drake informed NVTC, its member jurisdictions, and the Washington Metropolitan Area Transit Authority (WMATA) that DRPT would no longer provide funding to WMATA and NVTC's jurisdictions through NVTC. Unless all of the entities agreed within ten days, transit funding allocated to our region by the Commonwealth Transportation Board (CTB) in the draft FY 2013 Six Year Improvement Program (SYIP) would be removed from the final SYIP to be presented to CTB on June 20, 2012. DRPT subsequently extended the deadline to June 8, 2012.

While NVTC and its member jurisdictions appreciate the importance of DRPT funding and value the role DRPT plays in delivering these services, we are concerned that DRPT's policy change could well undermine those services, require additional administrative expense, introduce other inefficiencies that would waste precious transit funding and potentially violate state law.

While taking into account these adverse consequences, we ask you to consider that Northern Virginia has by far the greatest transit ridership in the Commonwealth. We strongly believe that a collective focus on transit and continued collaboration is vital to the economic success in this region. Our concerns are outlined below.

1. Statutory Requirements Prohibit DRPT's Approach

Section 58.1-638.A.5 of the Virginia Code compels that DRPT's transit assistance for WMATA must be allocated in accordance with NVTC's Subsidy Allocation Model (SAM). Failure to do so would be a violation of state law. (Attachments explain the use of NVTC's SAM which shares state and regional transit financial resources to sustain the regional WMATA partnership).

2. Lack of Notice

NVTC has used its SAM in various forms since FY 1974 and no state representative to NVTC has ever voted against it. DRPT Director Drake voted for it as recently as June 2, 2011. This formula allows NVTC's jurisdictions to cushion the impact of abrupt changes in state aid and protects especially NVTC's smaller jurisdictions, as codified in state code Section 58.638.A.5.b. It is not reasonable to change NVTC's successful and long-standing process with only ten days notice after FY 2013 local budgets have been adopted and after NVTC had completed applications for the state aid documented in CTB's draft SYIP. NVTC's current formula is the result of significant regional negotiations and collaboration to develop effective transit operations that does not stop at jurisdictional boundaries. Unfortunately, this unexpected DRPT action occurred without any consultation, which would have quickly identified some serious concerns. The new policy will create local winners and losers with no time to identify other workable solutions to achieve DRPT's objectives. NVTC is not aware of any factor that necessitates this rush to action.

3. Failure to Understand WMATA's Role

While WMATA operates transit service, it is not the entity financially responsible for that service. NVTC's jurisdictions must pay WMATA's bills at the beginning of each quarter or lose access to that service. NVTC's WMATA-related collaborative application for state aid is submitted on behalf of NVTC's WMATA jurisdictions collectively and reflects the combined shares of the total WMATA subsidy eligible for DRPT funding. State aid now received through NVTC covers only a portion of each bill and each jurisdiction must assemble sufficient funds from a variety of sources (e.g. regional gas tax received by NVTC, other Trust Funds at NVTC, General Funds, General Obligation Bonds and credits at WMATA).

Since DRPT's capital assistance is provided on a reimbursement basis, if DRPT provides reimbursement directly to WMATA, WMATA will actually be paid twice for the same bill. Trying to track and correct this would be complicated, and less transparent than the current SAM. Similarly, DRPT's operating assistance is also not available for jurisdictions to use to pay WMATA's first quarterly billing each year.

4. Interference with General Assembly Delegation's Request

Elected officials and staff of Northern Virginia's transportation and planning agencies and its member jurisdictions are in the midst of an ambitious study to respond to a written request signed by every member of Northern Virginia's General Assembly delegation. The mandate is to identify efficiency improvements to four Northern Virginia planning and transportation agencies as well as consider any benefits of possible consolidation of two or more of those agencies. The delegation has asked for a response to this request by this fall, and the agencies and member jurisdictions are acting vigilantly on the study and response. Regardless of DRPT's intent, the result of its new policy makes the task of completing the study on time even more difficult by suddenly shifting NVTC's role significantly and it doesn't allow the task force sufficient time to access any unintended consequences that could negatively impact the potential recommendations.

5. Administrative Costs

DRPT's policy change creates financial burdens for NVTC and its jurisdictions, because NVTC currently prepares grant applications, submits invoices and assures compliance with DRPT's complex rules. If DRPT requires WMATA and NVTC's member jurisdictions to separately accomplish these activities, additional administrative burdens would be created with no recourse within already approved local FY 2013 budgets for staffing as well as time consuming council/supervisor budget amendment to authorize localities to receive and expend this revenue. This will be even more of a strain on smaller jurisdictions like the cities of Fairfax and Falls Church. This approach causes unnecessary redundancy in administrative functions and reduces transparency, it may also be contradictory to the McDonnell Administration's ongoing efforts to improve government efficiency. Additionally, this proposal could be considered an unfunded mandate as localities must increase staffing and training to offset the efficient expertise currently provided by NVTC, and such action is also contradictory to the McDonnell Administration's unfunded mandates taskforce.

Additionally localities have learned that this policy change only applies to the funding in the SYIP and not to grant funding. Therefore DRPT's new policy will result in the establishment of two administrative processing methodologies, and make tracking the transit funds for the Northern Virginia region even more complex.

NVTC's SAM also provides for shared funding of NVTC's administrative budget and of several other regional projects including electronic transit schedules and data collection resulting in an additional $6 million of federal funding for WMATA. Interference with these vital projects should have been considered and discussed, before DRPT took its recent action.

6. Consistency

At the NVTC meeting on June 7, 2012 Director Drake indicated that DRPT is simply ensuring that every transit system in the Commonwealth is treated equally. DRPT indicated that they send funds directly to all other jurisdictions. However, in the case of WMATA, they are in fact choosing to send funds to the operator instead of the jurisdictions who own the system and who pay for the service. Therefore, the budget language that DRPT is using to justify its funding policy change is in fact in direct opposition to their stated policy of ensuring that every transit system in the Commonwealth receives their funding in the exact same manner.

7. Better Ways to Directly Achieve DRPT Objectives

In discussions with DRPT Director Drake, transparency has been cited as the motivation for the sudden policy shift. NVTC takes great pride in its stellar record of fiscal management, as reflected in a long history of clean annual external audits and DRPT audits. Because NVTC and its jurisdictions value DRPT's funding, it would be more productive to collaborate on mutually beneficial ways to increase transparency, without changing a highly efficient process that has been very effective and regionally supported since 1974.

8. Conclusion

NVTC's WMATA jurisdictions have for decades utilized NVTC as their agent for grant purposes and their fiduciary for all grant funds received. This approach is embedded in the Virginia Code and has been consistently supported by DRPT Directors in the past. This approach is consistent with regional cooperation and has helped coordinate Northern Virginia's successful transit network. CTB should not alter its SYIP without a full understanding of the legal and other unintended consequences of DRPT's policy change. NVTC requests that all parties collaborate to develop a solution which will address DRPT's concerns regarding the transparency of transit funds provided to Northern Virginia.

As stated at the June 7, 2012 NVTC meeting, NVTC is prepared to enhance communication efforts to acknowledge any funding that DRPT does provide.

Furthermore, we respectfully request that you and the CTB continue the current process of distributing state funds for Northern Virginia's transit systems through NVTC. At the very least, the legal ramifications of changing NVTC's financial role should be fully understood before any action is taken to change the current process.

Sincerely,

Jay Fisette,
NVTC Chairman

Sharon Bulova,
Fairfax County

Nader Baroukh,
City of Falls Church

Mary Hynes,
Arlington County

Bill Euille,
City of Alexandria

Robert Lederer,
City of Fairfax

Attachments Included

cc: The Honorable Robert F. McDonnell, Governor of Virginia
Members, The Commonwealth Transportation Board
Ms. Thelma Drake, Director of Virginia Department of Rail and Public Transportation
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
The Honorable Adam Ebbin
The Honorable Barbara Favola
The Honorable Mark Herring
The Honorable Janet Howell
The Honorable David Marsden
The Honorable Chap Petersen
The Honorable Toddy Puller
The Honorable Richard Saslaw
The Honorable David Albo
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The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Filler-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory
The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

NVTC
Northern Virginia Transportation Commission

June 18, 2012

The Honorable Thelma Drake
Director
Virginia Department of Rail and Public Transportation
600 E. Main Street, Suite 2102
Richmond, VA 23219

Dear Director Drake:

On June 14, we received a copy of a “White Paper” via email from your office that was prepared by the Department of Rail and Public Transit (DRPT) and addressed issues and proposed changes to the process for funding transit in Northern Virginia. The cover note stated that it was for our review and that comments were invited and welcomed. We appreciate the invitation, though we must convey our dismay at the insufficient time afforded to the recipients to comprehensively respond.

The White Paper confirms to us that all the attempts to date by elected officials and transportation staff of the five affected localities and the Northern Virginia Transportation Commission (NVTC) to express our serious concerns are being dismissed prematurely. We do not understand how these concerns can be dismissed BEFORE DRPT has even presented an alternative process to meet your own stated objectives and the law.

It continues to be the unanimous and bi-partisan position of the City of Alexandria, City of Fairfax, City of Falls Church, Arlington County and Fairfax County that the current collaborative system of managing DRPT’s transit funds through NVTC is effective and efficient. We ask that you withdraw your proposal. Certainly no changes should be made until the localities agree that the alternative is workable, legal and efficient.

The comments below have been prepared quickly, and are not intended to be comprehensive. However, there are so many factual errors in the DRPT White Paper that we wanted to be sure to have some response on the record. The White Paper assertion appears in bold, followed by our response:

Most people involved with NVTC are unsure of the state aid level and purpose: Every year NVTC staff thoroughly reviews with its full board the draft and final SYIP and its allocations. NVTC's annual audited financial statements also show this aid. In March, 2012 DRPT staff requested and reviewed a thorough description by NVTC staff of how DRPT aid flows to WMATA and NVTC's jurisdictions. This was discussed with NVTC's board at its April meeting.

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DRPT treats all transit funding the same: DRPT has often asserted its own priorities for certain types of capital projects, often after grants have been submitted and with no advance warning in published grant application materials.

DRPT contracts only with the actual provider of service: DRPT proposes to contract with the City of Alexandria, not DASH. Also, DRPT is contracting with NVTC and PRTC, not VRE. Each of these recipients are owners, not operators.

As much time as possible was allowed for comments with a June 19th deadline: This is an artificial deadline since it would be reasonable to wait to implement a new policy until the adverse consequences are fully understood. Clearly, the more transparent and collaborative approach would have been for DRPT to discuss its concerns with NVTC, WMATA and the five affected localities at some point over the past year in order to find a mutually acceptable solution. To date, DRPT has not yet explained how any new process would be implemented.

If there is a compelling reason then the new policy can be reversed: Despite Northern Virginia's elected officials and transportation staff repeatedly conveying serious concerns -- both face-to-face and in writing -- DRPT dismisses all the reasons it is given even though the reasons are compelling to those who are citing them.

No valid reason has been given not to proceed with DRPT's new policy: DRPT refuses to give weight to the reasons, especially the legal uncertainties. Whether or not DRPT believes the Virginia Code governs NVTC's Subsidy Allocation Model (SAM), attorneys representing the Northern Virginia localities have warned NVTC and its jurisdictions about the consequences of violating the Code. DRPT's lack of concern does not obviate the need to understand the legal ramifications before proceeding.

NVTC provided a document showing how SAM could still be used: The document referenced was reviewed negatively by DRPT staff and DRPT has not provided any explanation of how its proposed policy could work in practice. This is an especially glaring omission with respect to payments made directly to WMATA.

During the time after May 15th DRPT first learned about NVTC's SAM: This is very disturbing to us. The SAM in some form has been used in Northern Virginia since 1974. Since about 1999, NVTC's SAM has continuously been in the Virginia Code governing the distribution of DRPT's funds. It is an embarrassing admission that DRPT was unaware of this longstanding formula process and its own statutory responsibilities. No DRPT Director has ever voted against the SAM at NVTC and you voted for it yourself in June 2011. As stated above, DRPT staff requested and reviewed a memo in March 2012 which describes SAM. Last week DRPT staff and paid consultants spent nearly three days in the NVTC offices learning about the SAM and how it works. How can DRPT be so confident that their proposed policy change will not have any negative unintended consequences if they did not know this important element of the Northern Virginia transit funding system?

Local staff now perform the bulk of the work for obtaining DRPT funds and NVTC serves as a mere middleman: NVTC staff carefully reviews all invoices and applications before submitting to DRPT to ensure accuracy and conformance with DRPT rules. NVTC occasionally provides help in correcting errors, including those of DRPT (this year NVTC staff identified a $1 million error by DRPT that would have given NVTC more funds than it earned). With respect to the WMATA application and invoices, WMATA is not currently equipped to apply to DRPT or process invoices. Currently WMATA merely sends bills to its jurisdictions which rely entirely on NVTC.

State aid could be received five days in advance of paying bills: WMATA bills are due on July 1 and DRPT funds are not available on June 25th prior to the start of the fiscal year unless they would somehow be carried over from the previous year. DRPT withholds its last operating payment for reconciliation until after the close of the fiscal year so it, too, is not available in advance to pay WMATA's quarterly bills.

All should agree DRPT's policy has no bearing on the efficiency and consolidation study underway: Regardless of DRPT's intent, those actually performing the study are seriously impacted because the DRPT action alters the base case in unknown ways making the analysis more complex and time consuming.

Thank you for your attention to our concerns.

Sincerely,

Jay Fisette
Chairman

Jeff McKay
Vice-Chairman

Paul Smedberg
Secretary-Treasurer

cc: The Honorable Robert F. McDonnell, Governor of Virginia
The Honorable, Sean Connaughton, Secretary of Transportation
Members, The Commonwealth Transportation Board

DRPT WHITE PAPER, June 14, 2012

DRPT
NVTC FUNDING PROCESS

ISSUE: The funding provided by the Commonwealth to subsidize the transit services provided by WMATA, Fairfax Connector (County of Fairfax), ART (county of Arlington), DASH (City of Alexandria), CUE (City of Fairfax), and previously George (City of Falls Church) have historically been remitted to the Northern Virginia Transportation Commission (NVTC). NVTC takes all of the state aid received and reallocates it using a locally agreed upon Subsidy Allocation Model (SAM). In FY 2011 just over $100M was provided as state aid through NVTC for transit in the WMATA Virginia service area - for the Metro system, and for local transit service in the Counties of Arlington and Fairfax, and the Cities of Fairfax, Falls Church, and Alexandria. In FY 2013 that amount increases to an allocated amount of $133.2M or roughly one-third of all transit funds allocated by the CTB. It has become increasingly clear that this process creates a lack of transparency with respect to state transit aid and leaves most people involved with NVTC unsure as to the state's level and purpose of funding.

The Commonwealth funds all transit service based on state code and a formula that treats all transit funding the same. Throughout the remainder of the state, the Department of Rail and Public Transportation (DRPT) contracts directly with the actual provider of transit services – not a financial agent such as NVTC. Under the current funding practice involving NVTC, it is not clear what legal recourse DRPT would have in the event that a transit service provider that was the CTB's intended recipient failed to perform under one of our agreements. The need for transparency and a clear pathway of the role of statewide tax payer dollars and how those funds are applied to a grantee for a specific given project or service within the region necessitates a change.

CHANGE IN PROCESS: On May 15th, DRPT informed the Washington Metropolitan Transit Authority (WMATA) and the local Virginia WMATA funding jurisdictions that effective July 1, 2012 DRPT would provide transit funding grants directly to them as the actual provider of transit services instead of to the Northern Virginia Transportation Commission (NVTC). Under DRPT's new process of granting funds directly to the actual provider of the transit service (the local governments or WMATA), the dollar amounts allocated to these transit services in the NOVA district remain the same. The difference is that the Commonwealth's investment in transit services within the NOVA region will be clearly delineated with clear contractual commitments for both DRPT and the transit provider in the transportation initiatives undertaken.

The recipients were advised that they would need to inform DRPT by May 25th if they were willing to accept the FY 2013 funding application that had been submitted for them by NVTC. DRPT was clear that acceptance of the application did not provide agreement that the jurisdiction was in favor of DRPT's decision to alter the funding process. The acceptance date was extended until June 8, 2012. All recipients have agreed to accept their application and their funds once allocated and programmed by the CTB.

Secretary Connaughton requested that we give the local jurisdictions as much time as possible to provide information to DRPT and the CTB, and we have agreed to listen to comments until to June 19th. Because of deadlines, the Six Year Improvement Program (SYIP) is being prepared showing allocations directly to WMATA and to each local jurisdiction for your approval at the June CTB action meeting. I have promised to the NVTC jurisdictions that if there is a compelling reason to not implement this funding shift this year that I would ask the CTB to name NVTC as the recipient in the July CTB action meeting.

I will add that to date no valid procedural reason has been provided to DRPT that would preclude this new process from working while at the same time allowing the current SAM and administrative processes at NVTC to continue as performed today. In fact NVTC staff has provided us with a document that shows how the SAM could still be processed using DRPT's new contracting and payment processing. The remainder of this document details the jurisdictions reported concerns to date.

CONCERNS OF JURISDICTIONS:

CONTINUING SAM WITH NEW FUNDING MODEL

- Since this announcement DRPT has had multiple phone calls, a meeting on May 31st in Tysons Corner with NVTC member jurisdictions, and the NVTC meeting on June 7th in Arlington. DRPT has requested that NVTC and the local governments identify any problems with this proposal. During this information gathering time, DRPT has learned that there is a different funding model in place for distribution of these funds by NVTC to the transit providers, called a Subsidy Allocation Model or "SAM". DRPT continues to work to determine the mechanics of grant and grant related funding flow through the SAM model. On June 12th DRPT's staff and financial consultants conducted a review and will produce a report of the NVTC SAM model. Under the new DRPT funding process, the local governments would be able to continue the SAM model if that is their desire. This could be accomplished through a virtual accounting exercise at NVTC with any required subsidy being handled through existing NVTC trust fund balances totaling almost $150 million or through the allocation of gas tax receipts.

CONCERN OF ADDITIONAL ADMINISTRATIVE COST

- Some local governments are concerned that the new process will add additional staff requirements and cost. The additional workload associated with the change in contracting and payment processing would be minimal – a matter of hours, not days. This is because the local jurisdictions already perform the bulk of the required administrative work to apply for funding and to obtain reimbursement from DRPT. NVTC is simply a middleman that transmits information provided to them to DRPT using the Departments internet system and standard forms. In fact, one could argue that the new process will actually cause a reduction in the time required for administrative processing with DRPT. Finally, DRPT is not prohibiting local governments from continuing to use NVTC to handle general accounting for the project billing and continue to pay NVTC's administrative expenses through their existing arrangements, although we question the efficiency of such a process.

CODE AUTHORITY (OVERRIDDEN BY APPROPRIATIONS LANGUAGE)

- The lawyer for NVTC has questioned whether the Code of Virginia requires that the SAM be run for the NVTC jurisdictions. Further it was stated that NVTC may no longer be able to run the SAM, and as such DRPT would be required to run the SAM or be in violation of requirements of the Code of Virginia. The following section of §58.1-638.A. was cited for this argument:

> 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:
>
> a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.
>
> b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

Based on our reading of this section, there is no direct citation of the SAM in this code section; in fact, the allocations models referenced imply those used by WMATA should be utilized. The SAM does not use WMATA’s allocation process, but rather a percentage share of the local jurisdictions transit budget as compared to the total for the five jurisdictions. Further, DRPT fully expects that we can run the SAM if this is a legal requirement and NVTC is no longer the option that the jurisdictions wish to work with on the allocation process.

APPROPRIATION ACT

Further, beginning in FY2011, DRPT began funding directly to WMATA as the Appropriation Act provided DRPT the authority to do so. The Code is silent as to the funding of the local jurisdictions’ transit service in relation to NVTC and allocations models. As the Appropriation Act carries precedence over the Code, DRPT clearly has the authority and the legislative approvals to fund in this manner. Below are the relevant excerpts from Item 441 of the 2012 Appropriation Act and Item 447 of Virginia Acts of Assembly – Chapter 2:

> C. Funds from a stable and reliable source, as required in Public Law 96-184, as amended, are to be provided to Metro from payments authorized and allocated in this program and pursuant to § 58.1-1720, Code of Virginia. Notwithstanding any other provision of law, funds allocated to Metro under this program may be disbursed by the Department of Rail and Public Transportation directly to Metro or to any other transportation entity that has an agreement to provide funding to Metro as deemed appropriate by the Department. In appointing the Virginia

members of the board of directors of the Washington Metropolitan Area Transit Authority (WMATA), the Northern Virginia Transportation Commission shall include the Secretary of Transportation or his designee as a principal member on the WMATA board of directors.

D. Funds appropriated to the Department of Rail and Public Transportation and allocated to the Northern Virginia Transportation Commission to be allocated to its member jurisdictions are held in trust by the commission for those jurisdictions until released by specific authorization from the governing bodies of the jurisdictions for the purpose for which funds were appropriated.

Section C. allows DRPT to contract and remit payment directly to WMATA. Section D. appears to require that NVTC use funds provided to it for the purpose that they were allocated. The redistribution of the funding under the SAM seems to be in direct contrast to this General Assembly requirement.

DRPT REIMBURSEMENT REQUIREMENTS

- Some budgeting concerns have been raised due to the timing of our request coming after local budgets have been adopted. This concern includes an assumption that DRPT's funding is only received on a reimbursement basis. In fact, all grantees have the contractual right to request their state funds 5 days prior to the required disbursement date. Therefore, this concern is allayed.

- This effort is to bring transparency, consistency, and efficiency of state funding for transit assistance. It is DRPT's assumption that local governments will continue to contract with NVTC to provide all of the services that NVTC provides today. It should be clearly stated by all that this effort has no bearing or impact resulting from or to the NOVA consolidation study underway.

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

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VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

June 12, 2012

<u>VIA E-MAIL</u>
Honorable Sharon S. Bulova
Fairfax County

Honorable Nader Baroukh
City of Falls Church

Honorable Mary H. Hynes
Arlington County

Honorable William Euille
City of Alexandria

Honorable Jeffrey C. Greenfield
City of Fairfax

Ladies and Gentlemen:

Thank you for your letter of June 8, 2012 regarding the new funding process that will be included in the Six Year Improvement Program for Washington Metropolitan Area Transit Authority (WMATA) state transit funding and for the state transit aid to your jurisdiction.

In meetings, and in other communications, I have stated that a jurisdiction may contract with NVTC to continue providing the transit accounting services they currently perform on behalf of a member jurisdiction. The only change the Department of Rail and Public Transportation (DRPT) is implementing is that funds will be provided directly to WMATA, and to each NVTC jurisdiction for transit services that it provides outside of WMATA, just like DRPT does for every other local transit grantee in the Commonwealth. The funding amounts paid by DRPT will be exactly what would have been provided to NVTC on behalf of each jurisdiction.

Based on our observations of other transit providers throughout the Commonwealth, I am confident that any additional administrative responsibilities will be minimal as NVTC jurisdictions currently provide all the necessary DRPT information to NVTC for invoice submission. Once DRPT transit funds are received by the jurisdiction, each jurisdiction could collectively run the SAM model through a virtual accounting exercise at NVTC. Any required subsidy could be handled through existing trust fund balances or the gas tax collections. Alternatively, each jurisdiction can transfer the same amount of funding they receive from DRPT to NVTC for the Commission to hold on behalf of the jurisdiction and run the SAM model. All DRPT funding agreement terms and conditions will apply to the NVTC jurisdictions who provide transit services and not NVTC.

As part of DRPT's deliberations regarding moving forward with this new process, I have directed staff to schedule meetings with the jurisdictions to work through the details of the new funding process.

Sincerely,

Thelma Drake

Thelma Drake

cc: The Honorable Robert McDonnell – via email
The Honorable Sean Connaughton – via email
F. Gary Garczinsky, At-Large Urban Board Member (CTB
J. Douglas Koelemay, Northern Virginia District Board Member (CTB)
The Honorable George L. Barker
The Honorable Richard H. Black
The Honorable Charles J. Colgan
The Honorable Adam P. Ebbin
The Honorable Barbara A. Favola
The Honorable Mark R. Herring
The Honorable Janet D. Howell
The Honorable David W. Marsden
The Honorable Chapman J. Petersen
The Honorable Linda T. "Toddy" Puller
The Honorable Richard L. Saslaw
The Honorable David Albo
The Honorable Richard Anderson
The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Filler-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory

The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

June 8, 2012

The Honorable Thelma Drake
Director
Virginia Department of Rail and Public Transportation
600 E. Main Street, Suite 2102
Richmond, VA 23219

Dear Director Drake:

The below signed Mayors and Chairs or their jurisdiction designees are collectively responding to your request for each jurisdiction to comply to the Department of Rail and Public Transportation's (DRPT's) directive that they accept as their own the Northern Virginia Transportation Commission's (NVTC's) applications for Metro and local transit funding submitted on our behalf. On May 15, 2012, DRPT informed the NVTC, its member jurisdictions, and the Washington Metropolitan Area Transit Authority (WMATA) that DRPT would no longer provide funding to NVTC on behalf of NVTC's members, but would provide funding directly to WMATA and each local transit provider. DRPT allowed ten (10) days for all entities to agree with this change, and informed us that failure to do so would result in the removal of Metro and local transit funding from the final recommended Six Year Improvement Program (SYIP) to be presented to the Commonwealth Transportation Board (CTB) on June 20, 2012. In response to our significant concerns, DRPT extended the deadline initially until June 4, 2012, and then to June 8, 2012.

In our meeting on May 31, 2012, you stated that you would begin to more fully examine the decades-old process used by us for Metro and local transit grants, the role of NVTC, and degree to which these procedures have been included in state statute. In particular, you agreed that you needed to understand the Subsidy Allocation Model (SAM) adopted by NVTC's member jurisdictions and how the SAM is a requirement of state law. You have asked that we provide comments to you by June 19, 2012, about DRPT's proposal so that, if necessary, you can rescind it at the July CTB meeting. In our judgment, this alone demonstrates the need to study DRPT's policy change in more detail. A change of such significance should not be introduced in such a short time, with no consultation by those most affected by it, and without fully understanding the implications of doing so.

2300 Wilson Blvd. Suite #620, Arlington, Virginia 22201

While we expect to detail our concerns more fully, we want to emphasize two points now. First, while the FY 2013 budget language appears to permit DRPT to make transit grant payments directly to WMATA notwithstanding statutory language requiring NVTC to do so, the language does not eliminate the requirement that the grant funds be allocated in accordance with the SAM. Failure to do so would be in violation of the law. This issue must be resolved before DRPT proceeds with its proposal.

Second, DRPT's directive to remove transit funding from the recommended SYIP unless the recipient accepts NVTC's applications as its own cannot be applied to WMATA. Your May 15 and June 1, 2012 letters to WMATA are inaccurate because NVTC's Metro related application is not made on behalf of WMATA. Rather, it was submitted on behalf of each of us collectively and reflects our combined shares of the total Metro subsidy eligible for grant funding. It is critical that DRPT recognize this fact so that the applications for Metro funding are not omitted from the recommended SYIP.

As we discussed at our meeting with you, we believe that DRPT's proposal should be delayed so that legal, financial, and administrative requirements can be considered and unintended consequences can be avoided. DRPT's stated goal of making plain the significant role Commonwealth funding plays in our Metro and local transit services can be achieved in less extreme ways. We recognize and appreciate the importance of this funding and value the role DRPT plays in delivering these services. However, we are concerned that DRPT's proposal could well undermine these services, require unnecessary additional administrative expense, introduce other inefficiencies that waste precious transit funding, and potentially violate the law. While we believe it best that DRPT defer its plan until the next SYIP, we ask that the proposal be deferred at least until the July CTB meeting when DRPT's desired modifications to the SYIP can be made if we are all satisfied that this can be done without adverse consequences.

Finally, in direct response to your directive regarding NVTC's grant applications, we acknowledge that NVTC's grant applications were submitted on our behalf for Metro and local transit funding, and accept them as our own. NVTC is our agent for grant purposes and our fiduciary for all grant funds received. As you agreed was permissible, we expect to continue to use NVTC for grant application purposes, for receipt of funds, for application of the SAM, and for payment purposes, and we expect DRPT to cooperate in this regard.

We believe that the foregoing is sufficient for your stated purposes and that the Metro and local grant funding applied for by NVTC will be included in the recommended SYIP. Please advise us at once if this is not the case.

Sincerely,

Lawrence Webb for Nader Baroukh

Sharon Bulova,
Fairfax County

Nader Baroukh,
City of Falls Church

Mary Hynes,
Arlington County

Bill Euille,
City of Alexandria

Jeff Greenfield,
City of Fairfax

cc: The Honorable Sean Connaughton
F. Gary Garczinsky, At-Large Urban Board Member (CTB)
J. Douglas Koelemay, Northern Virginia District Board Member (CTB)
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
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The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

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June 8, 2012

Ms. Thelma D. Drake
Director, DRPT
Commonwealth of Virginia
600 East Main Street, Suite 2102
Richmond, VA 23219-2416

Dear Ms. ~~Drake~~: Thelma

I am responding to your letter dated June 1, 2012 regarding proposed changes whereby the Department of Rail and Public Transportation (DRPT) grant funds would flow directly to Washington Metropolitan Area Transit Authority (WMATA) instead of through Northern Virginia Transportation Commission (NVTC).

You have requested our acceptance of the grant applications that were submitted by NVTC for WMATA funds, and as noted in your letter, such acceptance on our part does not constitute our concurrence in the proposed changes in the flow of funding. However, NVTC's Metro-related application is not made on behalf of Metro; rather, it is made on behalf of the five Northern Virginia jurisdictions and reflects the combined shares of the total Metro subsidy eligible for funding. It is my understanding that at last night's NVTC meeting, legal and other issues were discussed and a final decision will be made upon resolution of these issues. We will work with you, NVTC and the jurisdictions to implement the ultimate decision that is made on this matter. If we receive these funds directly, we will credit these funds to the Northern Virginia jurisdictions in a manner prescribed by NVTC and or the jurisdictions. Our staff will work with you and NVTC to facilitate these changes in a manner that assures uninterrupted funding.

We have to be mindful of our Compact which directs WMATA to deal with NVTC or its component governments in seeking commitments for financial participation. Nevertheless, we are happy to accommodate a change that works for all affected jurisdictions. There is, however a significant practical concern with the concept of treating WMATA as a grantee for purposes of operating subsidy and capital funding payments; we would prefer to receive these funds as direct subsidy payments similar to how we receive funds from Maryland and the District of Columbia as well as the PRIIA matching funds from Virginia.

If you have any questions, please let me know.

Sincerely,

Richard Sarles

Richard Sarles
General Manager and
Chief Executive Officer

cc: Catherine Hudgins, WMATA Board Member
Jim Dyke, WMATA Board Member
Mary Hynes, WMATA Board Member
William Euille, WMATA Board Member

COMMONWEALTH *of* VIRGINIA

Thelma D. Drake
Director

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VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

June 1, 2012

VIA E-MAIL

Dear Grantee:

At the request of Secretary Connaughton, I am writing to notify you that the Department of Rail and Public Transportation (DRPT) will allow for comments and concerns until 5:00 pm on June 19, 2012 regarding the shift of providing DRPT grant funds directly to WMATA and the local jurisdictions instead of through NVTC beginning July 1, 2012.

DRPT will submit the Six-Year Improvement Plan (SYIP) in the name of WMATA and the local jurisdictions for approval to the Commonwealth Transportation Board (CTB) in June. If it is determined that there are significant reasons for the current DRPT funding process with NVTC as the direct recipient of DRPT administered funds to continue, I will request that the CTB amend the SYIP to reflect that change at its July action meeting.

In order for DRPT to include you in the SYIP being presented to the CTB for approval, we need in writing your acceptance of the application that was submitted on your behalf by NVTC by **5:00 pm, June 8, 2012** (note that this is an extension from our previous request). **Please note that by agreeing to accept the application you are in no way indicating that you concur with our proposed change to the NVTC funding process.** If you elect not to accept the NVTC application, the funding that would have been allocated to your entity will be redistributed to all other transit properties in the Commonwealth according to Code specified distribution formulas.

I look forward to hearing your concerns about the new WMATA and jurisdiction direct funding process. Between now and June 19th, DRPT will conduct a documentation of the Subsidy Allocation Model (SAM) currently in use by NVTC to better understand the model and method of funding.

Sincerely,

Thelma Drake

Thelma Drake

The Smartest Distance Between Two Points
www.drpt.virginia.gov

DRPT/NVTC Funding Proposal Meeting

Dulles Corridor Metro Project Office
1593 Spring Hill Road, Suite 300
Vienna, VA

May 31, 2012
4:00 pm

Agenda

I. Introductions
   a. Elected officials
   b. Staff

II. Common Ground & Goals of the Region
   a. Transparency
   b. Efficiency & Effectiveness
   c. What are we trying to accomplish?

III. Background of Subsidy Allocation Model (SAM)
   a. History
   b. Statutory language
   c. How it works for the region
   d. DRPT & jurisdictional historical support of the process

IV. DRPT Funding Proposal
   a. Overview
   b. DRPT Objectives
   c. Specific regional concerns
   d. Implementation options

V. Open Discussion

Northern Virginia Transportation Commission

SUMMARY OF THE RESOLUTION #756 AGREEMENT FOR A NEW NVTC ALLOCATION FORMULA BEGINNING IN FY 2000

1. Change NVTC's formula by legislation (amend Virginia Code Section 58.1-638.A.5.) to mirror WMATA's allocation formulas by using the relative WMATA-allocated subsidies and relative shares of local transit subsidies. This will provide a simpler NVTC formula that is responsive to changing trends and reflects a sound policy basis. (See section 9 of the attached Resolution #756).

2. Continue the current practice of applying a five year rolling average to local transit capital expenses, in order to smooth yearly fluctuations. (See section 9).

3. Pay 95% of WMATA debt service using state aid taken off the top before allocation to the jurisdictions. Pay the remaining 5% using gas taxes taken off the top. Do not first allocate the debt service expenses to the jurisdictions. (See section 5).

4. Do not change NVTC's current practice of not allowing net local VRE subsidies to be included in the formula allocation process. (See section 12).

5. Do not change NVTC's current practice of using the formula allocation shares in effect in the year in which state transit bond proceeds are received to allocate those proceeds. However, for the $13.3 million in Metrorail construction bonds approved in the 1998 General Assembly, proceeds will be allocated based on individual jurisdictions' commitments toward financing these bonds.(See section 15).

6. Continue NVTC's current practice of requiring Falls Church to pay an additional 5% each year of its allocated Metrobus subsidy from a FY 2000 base of $275,625. The commission will continue to hold harmless Falls Church against any additional increase in net local burden due to its Metrobus subsidy using gas taxes taken off the top, after taking into account any incremental reductions in net burden due to new gas tax allocations and/or the new NVTC formula for state aid and/or any new revenue sources. (See section 8).

AWARD WINNER NVTC APTA 1996

4350 N. Fairfax Drive • Suite 720 • Arlington, VA 22203
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7. Continue NVTC's current practice of requiring the city of Fairfax to pay its entire Metrobus subsidy to the extent the city can do so using increased gas tax and state aid allocations resulting from NVTC's formula changes. If these revenues are not sufficient, the city would be held harmless using the mechanism defined in items 9 and 10 below.(See section 8 and 14).

8. Continue NVTC's current agreement to allocate in FY 2000 75% of gas taxes after payment of debt service to jurisdictions based on point of sale. Allocate in FY 2001 and beyond 100% of gas taxes remaining after payment of debt service to jurisdictions based on point of sale. (See section 7).

9. Use $1.3 million of new state aid from FY 1999 to help hold harmless jurisdictions against any increase in local net burden resulting from the new changes to NVTC's formula (percent of debt service paid with state aid; Metro-like, 100% subsidy approach). These funds will not be used to help hold harmless jurisdictions against any losses in gas tax revenues due to the point of sale allocation methods approved by the commission in February, 1998. (See section 14).

10. Assume conservatively additional growth of state aid by 1% in FY 2000, 2% in FY 2001 and 3% in FY 2002, and use up to this maximum of any such growth to help hold jurisdictions harmless against any increase in local net burden resulting only from the new changes to NVTC's formula (as in #9 above). State forecasts call for actual growth of the transit portion of the Transportation Trust Fund to be 5% in each of those years. Any actual growth above the amounts needed to hold jurisdictions harmless (subject to the 1%, 2%, and 3% maximums summing to 6% over the three years) would be allocated using NVTC's new formula. In FY 2003 and beyond, growth in state aid compared to FY 1999 can continue to be used to hold jurisdictions harmless, but the absolute amount of state aid used to do so can never exceed the amount actually used in FY 2002.

    In the event of insufficient funds for NVTC to compensate fully all jurisdictions, the city of Fairfax and Falls Church will be fully compensated first and remaining funds will be allocated proportionately between Alexandria and Arlington. If these funds are not sufficient to fully compensate Alexandria and Arlington, they will make up the difference themselves. (See section 14).

11. The term of this agreement is indefinite (it does not expire and will remain in effect until changed by vote of the commission). (See section 3).

12. In recognition of the severe constraints in transit program funding, the region will proactively cooperate to seek new and expanded sources of transit assistance. (See section 1).

13. Jurisdictions will use additional formula funds to support public transit. (See section 2).

14. Jurisdictions pledge their best efforts to accomplish the legislative changes necessary to implement this approach. (See section 1).

15. NVTC desires to use a formula that is fair, responsive to change, and has a sound policy basis. (See final whereas clause).

16. NVTC will use the best available data from adopted budgets for its formula allocation each year. (See section 10).

17. No other changes in the NVTC allocation formula described in Resolution #730 (February, 1998) are included.

Northern Virginia Transportation Commission

RESOLUTION #2171A

SUBJECT: Allocation of Northern Virginia Motor Fuel Sales Tax Revenue and State Aid for Mass Transit Beginning in Fiscal Year 2012.

WHEREAS: The Northern Virginia Transportation Commission is the recipient of revenues from NVTC's motor fuel sales tax, which is available for operating and capital expenses, including debt service, of the Washington Metropolitan Area Transit Authority;

WHEREAS: The Northern Virginia Transportation Commission is the recipient of state aid for mass transit which is appropriated to pay up to 95 percent of the transit administrative expenses incurred by NVTC and its member jurisdictions (including WMATA and VRE); up to 95 percent of non-federal capital outlays; up to 95 percent of costs for fuels, lubricants, tires and maintenance parts; and up to 95 percent of payments of WMATA revenue bond debt service;

WHEREAS: NVTC desires to allocate funds to its member jurisdictions, pay transit subsidy bills at the direction of member jurisdictions and hold funds in trust while making investments on behalf of the jurisdictions;

WHEREAS: NVTC desires to use an allocation formula that is fair, responsive to change and has a sound policy basis; and

WHEREAS: NVTC desires to update Resolution #1065 (February 3, 2005) to deduct deobligated project costs greater than $1 million from a jurisdiction's costs in the fiscal years after the project is deobligated by that jurisdiction. The purpose of NVTC's action is to restore to NVTC's other jurisdictions the amounts of revenue lost due to crediting the deobligating jurisdiction for project costs it did not actually incur.

NOW, THEREFORE BE IT RESOLVED for fiscal years 2012 and beyond:

1. In recognition of the severe constraints in transit program funding, the members of the commission agree to proactively support the development of new and expanded sources of funding to meet the needs of Northern Virginia.

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Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

2. NVTC's members pledge to continue to use any gains resulting from the approach defined herein to support public transit that will reduce congestion in this region and improve mobility and access opportunities.

3. The allocation formula and accompanying conditions specified below shall remain in effect during FY 2012 and beyond and be used by NVTC to allocate revenues received by NVTC on behalf of its member jurisdictions, with the exceptions noted in Sections 4 through 6 below.

4. Except as noted in Section 5, motor fuel tax revenues received by NVTC for Loudoun County are not subject to the following allocation provisions, but are subject to the trust obligations in Sections 17 and 18 below.

5. The maximum available funds from state aid are to be used (before being allocated to local jurisdictions) to pay up to 95 percent of the NVTC administrative costs; up to 95 percent of the Northern Virginia share of WMATA revenue bond debt service, before those debt service obligations are allocated to the jurisdictions; to pay the eligible costs agreed upon by the jurisdictions of assisting local bus systems in filing annual National Transit Database reports; and to pay the eligible costs agreed upon by the jurisdictions of updating electronic transit schedules. To the extent that additional funds are required for these purposes, motor fuel taxes (before being allocated to local jurisdictions) will be used. The executive director is hereby authorized to transmit the appropriate payments to WMATA or other parties on or before the dates upon which such payments are due. Loudoun County's percentage share of the cost of updating electronic transit schedules is the same as the county's percentage share of NVTC's annual administrative budget. The agreed upon amount for electronic schedules will be withheld each year from the county's motor fuel tax proceeds received by the commission.

6. If, at local option, federal Congestion Mitigation and Air Quality or Regional Surface Transportation Program or other federal or state program monies are provided to a local jurisdiction for a local project through NVTC using NVTC's state aid contract or some other mechanism, those proceeds will not be allocated by formula but instead will be provided directly to the local jurisdiction or held in trust for the jurisdiction. The local subsidies for such eligible transit projects would still be incorporated into NVTC's formula for purposes of determining the jurisdiction's share of NVTC total aid.

7. Remaining motor fuels taxes (net of any portion used for WMATA debt service) will be allocated based on the jurisdictions in which the tax was collected (point of sale), using annual data for the most recent available fiscal year.

8. To the extent motor fuel tax revenues, using the point of sale method defined in Section 7 above, that are provided to the cities of Fairfax and Falls Church exceed NVTC aid that would be provided using NVTC's previous formula (Resolution #689), and to the extent those cities also benefit from changes defined in Section 9 below compared to Resolution #730, those cities will apply the additional aid to their assigned Metrobus subsidies. Also, if new revenues become available to NVTC such that the NVTC aid to those cities exceeds the amounts that would have been available from previous sources, the cities will apply the increment to pay their assigned Metrobus subsidies. If for any year increased shares of motor fuel taxes and of any new revenues are anticipated not to be sufficient to cover their full assigned Metrobus subsidies, NVTC will continue to use gas tax taken off the top for Falls Church and the hold harmless mechanism defined in Section 14 below for the city of Fairfax. For FY 2000 Falls Church agreed to pay at least $275,625 of its Metrobus subsidy from existing revenues and to increase that minimum by five percent annually in each subsequent year. This section supersedes the obligations of NVTC to the city of Falls Church defined in Resolution #689 (January 2, 1997) and in Resolution #730 (February 5, 1998) and is identical to the obligations defined in Resolution #756 (November 5, 1998) and Resolution #971 (June 5, 2003).

9. The executive director shall allocate all remaining state aid to mass transit using the shares of WMATA and local transit subsidies estimated to be paid by NVTC's local governments in adopted budgets for each year, and shall hold the funds in trust while making investments on behalf of the jurisdictions, pending written instructions to make payments for eligible transit subsidies. However, only 20 percent of eligible local transit capital project costs will be included in this allocation through a five-year rolling average each year.

10. NVTC will use the best available data from adopted budgets for its formula allocation each year.

11. To be included as an eligible subsidy in NVTC's allocation formula, local transit operations (including transit services for mobility-impaired and other persons) must be available to the general public.

12. The only eligible subsidies in NVTC's formula for the Virginia Railway Express commuter rail program are those capital costs of parking lots not otherwise reimbursed from state or federal grants.

13. Subsidies for locally sponsored park-and-ride facilities located at Metrorail stations or served by transit vehicles are eligible for inclusion in NVTC's formula, but only at such time as funds for construction of the lots have been appropriated by the government. Any locally incurred capital costs of such a facility will be included in NVTC's formula at the rate of one-fifth of the total capital subsidies, or if debt financed, then actual annual debt service will be included.

14. To the extent possible, each NVTC jurisdiction will be held harmless against increases in net local burden due to the effects of applying the approach defined in Section 9 compared to the net local burden resulting from the hypothetical use of the formula defined in Resolution #730.

    $1.3 million of new state aid from FY 1999 was used to help hold harmless jurisdictions experiencing such increased net local burdens. Also, any growth in state aid in FY 2000 of up to one percent was used to hold harmless, up to two percent in FY 2001 and up to three percent in FY 2002, totaling six percent over those three years. Any growth in state aid above those amounts used to hold harmless was allocated using the method described above in Section 9. For FY 2003 and beyond, growth in state aid compared to FY 1999 was and can continue to be used to hold harmless these jurisdictions, but the absolute amount of state aid used to do so can never exceed the amount actually used in FY 2002.

    These funds will not be used to hold harmless jurisdictions against any increases in net local burden due to the point of sale allocation methods described in Section 7 above.

    If these funds prove to be too small to hold harmless all jurisdictions, the cities of Fairfax and Falls Church will first be fully compensated and the remaining funds applied proportionately among the remaining jurisdictions.

15. NVTC's policy for allocating state bond proceeds for WMATA received by NVTC on behalf of its member jurisdictions is to use the formula shares in effect in the fiscal year in which the funds are received, determined using the methods defined in Section 9 above.

16. A jurisdiction credited with local capital costs for a project that is deobligated with an unbilled balance of $1 million or greater will have its eligible costs reduced by the amount previously amortized. This will occur over the same number of years those amortized

costs were included in the formula. This adjustment will begin in the first year after the funding is deobligated, and none of the remaining amortized costs will be included in the formula. If the project is reinstated in the future after the adjustment is completed, the jurisdiction may again include costs for that project in the formula.

17. The funds allocated to the member jurisdictions shall be held in trust by NVTC (hereinafter "Trustee") for the benefit of the member jurisdictions. The Trustee may combine the funds allocated to each member jurisdiction for investment purposes. The Trustee shall keep records of the exact amount held by each member jurisdiction in the trust. The Trustee shall invest such funds prudently to earn the greatest return consistent with requirements of safety and liquidity.

    The Trustee will encourage bids for investment funds from financial institutions approved by the Virginia Treasury Board, or otherwise eligible under state statutes, and require adequate collateral which, in the case of bidders not approved by the Treasury Board, shall consist of U.S. Government or Agency securities of at least 100 percent of the value of trust funds, to be held for the trust by a third-party institution, with proper verification provided to the Trustee. To provide a greater investment return, and consistent with state statutes, the Trustee may seek bids for purchase or repurchase of Certificates of Deposit, U. S. Treasury Bills, Government National Mortgage Association debt, other Federal Agency securities, top grade commercial paper rated by Moody's and Standard and Poor's and bankers acceptances rated by Keith Bank Watch service.

    The Trustee will evaluate bids in terms of return and safety and, depending on market conditions, award the investment funds to the bidder(s) with the best prospects of a substantial and safe yield, recognizing that funds also may be kept on deposit at the Local Government Investment Pool or other money market accounts.

    Any funds, allocated to the member jurisdictions, which are held in trust by the Trustee for the benefit of the member jurisdictions shall be granted irrevocably for the benefit of the member jurisdictions. NVTC reserves no power, other than these powers granted to it in its position as Trustee of the trust, to invest, spend or otherwise use the funds held in trust. NVTC reserves the right to amend the allocation resolution which determines the funds which will be allocated to each member jurisdiction in the future. Funds held in the trust may only be disbursed by the Trustee when it receives a request in writing for payment from those funds by a member jurisdiction in whose name the funds are held. Member jurisdictions may only request disbursement from the trust for purposes which are in accordance with applicable federal and state regulations regarding such funds.

If at any time the size of any trust under this resolution is so small that, in the opinion of the Trustee, the trust is uneconomical to administer, the Trustee may terminate the trust and distribute the assets among the member jurisdictions. The Trustee shall distribute the remaining funds held on behalf of each member jurisdiction to that member jurisdiction.

18. The NVTC executive director is hereby instructed to implement these policies, and to obtain the written approval of the NVTC Secretary-Treasurer for any and all investments of the funds held in trust for the benefit of the member jurisdictions.

Adopted this 2nd day of June, 2011.

William Euille
Chairman

Jeffery McKay
Secretary-Treasurer

Northern Virginia Transportation Commission

NVTC SUBSIDY ALLOCATION MODEL (SAM)

The data inputs of the SAM formula include:

- The budgeted operating subsidies for WMATA by jurisdiction
- The budgeted capital subsidies for WMATA by jurisdiction
- The budgeted local operating deficit for each system
- The budgeted local capital system needs

Those inputs are totaled for each jurisdiction, with the local capital system needs amortized over a 5 year period. The total for each jurisdiction is compared to the total for NVTC to arrive at a percentage, which is applied to the total state operating and capital assistance reimbursements actually received during the fiscal year.

Gas tax revenue is allocated among the jurisdictions using the previous year's collections on a point of sale basis compared to the NVTC total. That percentage is used to allocate the gas tax received during the fiscal year among the jurisdictions.

95% of WMATA debt service is taken off the top of capital assistance reimbursements as it is received. 5% of the WMATA debt service is taken off the top of the motor fuels tax. These funds are required to be withheld and remitted directly to WMATA by NVTC.

Revenue is taken off the top of the state assistance and gas tax revenue before allocating among the jurisdictions for certain expenses. These include a portion of NVTC's G&A budget, as reflected in the annual approved budget, the NTD bus data collection, and electronic schedule program.

The SAM formula includes several hold harmless mechanisms as explained in the "summary of the resolution #756…" document.

Allocated revenue is held in trust for each jurisdiction for their restricted use for transit purposes. Disbursements from the trust are made by written request by the jurisdiction. These disbursements include payments to WMATA and the local systems for operating and capital needs.

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
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E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

NVTC Formula Allocation Chronology (FY 1975-2013)

FY 1975

- Received $1.5 million of federal Section 5 operating assistance funds allocated to jurisdictions in proportion to their WMATA bus operating subsidies (which were allocated by WMATA based on bus-miles) (Resolution #131). Other alternatives initially considered included combinations of bus-miles and population/population density. Allocated state capital funds (at least $3.5 million annually) in proportion to WMATA capital billings (e.g. Metro construction in proportion to the first interim capital contributions agreement).

FY 1978

- Received $4.0 million of federal Section 5 operating assistance funds allocated to jurisdictions in proportion to their combined Metrobus and Metrorail operating subsidies (Resolution #157).

FY 1979

- Endorsed allocation of fixed Metrobus costs to Virginia based on FY 1975 peak bus requirements, but continued to allocate those costs within Virginia in proportion to the jurisdictions' shares of variable bus costs. Directed staff to prepare "alternatives to the fixed cost allocation" (Resolution #163).

FY 1981

- Received $8.7 million of regional two percent motor fuels tax revenues eligible for WMATA debt service and operating subsidies, with proceeds taken "off-the-top" for debt service and—using FY 1982 gas tax proceeds—to cover past due Metrobus and Metrorail subsidies of the city of Fairfax. A portion of federal operating assistance is taken off-the-top to pay the FY 1982 Metrorail operating subsidy of the city of Fairfax. All remaining gas tax and federal operating funds are to be allocated to NVTC's jurisdictions in proportion to combined Metrobus and Metrorail operating subsidies (Resolution #182).

FY 1983

- Pay off-the-top using aid ($20.6 million) half of NVTC's administrative costs, WMATA debt service, Metrobus capital one-tenth amortizing adjustment. With federal operating assistance ($4.8 million) pay off-the-top to WMATA the city of Fairfax's Metrorail operating subsidy. Allocate all remaining federal operating assistance, regional fuel taxes, and a portion of state aid equal to half of Virginia's WMATA administrative costs to the five jurisdictions in proportion to shares of WMATA combined bus and rail <u>operating subsidies</u> and WMATA construction management costs. Allocate all remaining state aid to the five jurisdictions in proportion to shares of combined bus and rail <u>capital costs</u> of WMATA (Resolution #200). Other alternatives considered included shares of operating costs or subsidies and population density.

FY 1984

- Same as FY 1983 except after covering off-the-top payments, allocate all remaining federal operating assistance, motor fuel sales tax revenues and state aid in proportion to <u>the average of</u>: A) shares of combined bus and rail operating <u>subsidies</u>, construction management costs and bus and rail capital costs of WMATA and operating <u>subsidies</u> and 20 percent of capital outlays for local bus systems; and B) shares of combined bus and rail operating <u>costs</u>, construction management costs, bus and rail capital costs of WMATA and the operating <u>costs</u> and 20 percent of capital outlays for local bus systems (excluding city of Fairfax operating/capital costs and subsidies). The remaining 80 percent of local bus capital outlays would be included in subsequent years at a rate of 20 percent each year for four years (Resolution #205). This was a compromise reached after extensive debate and involved accepting two alternatives and dividing by two. A motion to reconsider and "spread it on the minutes" for the next meeting was made. At the next meeting, several votes eventually reconfirmed Resolution #205.

FY 1985-87

- Pay off-the-top with state aid half of NVTC administrative costs, WMATA debt service, Metrobus capital one-tenth amortizing adjustment and $100,000 as a contingency to defray unanticipated overruns in Metro costs of the city of Fairfax (the city had agreed to begin paying Metrorail and Metrobus operating subsidies). Allocate all remaining federal, state and regional funds in proportion to <u>three-quarters</u> A) combined WMATA bus and rail operating <u>subsidies</u>, construction management costs and bus and rail capital costs and the operating <u>subsidies</u> and 20 percent of capital outlays for local bus systems and <u>one-quarter</u> B) [Same as A) but substitute costs for subsidies] (Resolution #224). Again, lengthy and heated debate occurred, with proposed alternatives including distribution of gas tax based on point of sale and allocations based totally of relative subsidies. As part of the motion that was adopted, the commission agreed to seek a legislative change to base local shares of NVTC's administrative budget on shares of NVTC aid (versus shares of population). Also, Fairfax County agreed to withdraw its lawsuit against the city of Falls Church regarding shares of payment for a new county courthouse.

FY 1988

- Add costs of W-3 bus service in D.C. to off-the-top allocations. Commuter rail expenses excluded from the formula given other direct sources of state aid. Include park-and-ride lot costs serving Metrorail, either debt service or one-fifth of cost, after deducting project revenues. Provisions for possible advance funding of the Franconia/Springfield Metrorail station (Resolution #258).

FY 1989-91

- Delete provisions for $100,000 contingency for guaranteeing city of Fairfax's Metro subsidy agreements. Allow capital costs of VRE parking lots into the formula if not covered by state or federal grants. Broaden Metro park-and-ride lots allowed to include those served by "transit vehicles." Add hold harmless provisions capping maximum reduction in percentage share of NVTC aid in any one year at 10 percent for Alexandria, Arlington and Fairfax County and at 20 percent for the cities of Falls Church and Fairfax. Add extensive definition of NVTC's trust responsibilities and investment policy (for protection of assets due to pending start of VRE service) (Resolution #284).

FY 1995

- Allow NVTC to pass CMAQ or RSTP grants through to local recipients at their option without applying NVTC's allocation formula. Define formula for allocation of state bond proceeds received by NVTC to be NVTC's formula in effect in the year in which the funds are received (Resolution #587).

FY 1996

- Create a process to develop formula alternatives by December, 1995 that are in accordance with the commission's objectives and policies stated in its June, 1994 strategic bus process. Reserve $1.8 million of gas tax revenues to be allocated as part of consideration of alternative formulas.

FY 1997

- Use approximately $500,000 of the reserve fund each year for two years to pay the balance of the Metrobus subsidy of Falls Church to preserve service while the region works on a long-term solution.

FY 1999

- Begin allocating gas tax revenues according to point of sale, phased in over three years. Agree to work together to resolve additional issues pertaining to allocation of state aid and NVTC membership. Cities of Fairfax and Falls Church agree to pay full assigned Metrobus subsidies. Also agree to seek changes in the Virginia Code to base NVTC's formula on WMATA's formulas so that jurisdictions receive state aid from NVTC according to their relative WMATA and local transit subsidies. NVTC will pay debt service using 95 percent state aid. Jurisdictions will be held harmless up to a specified level using growth in state aid (Resolution #756).

FY 2000

- Following action by the 1999 General Assembly, implement Resolution #756.

FY 2001

- Point of sale gas tax fully implemented.

FY 2003

- Allow funds to be taken off the top of NVTC's revenues for assisting Northern Virginia transit systems in complying with federal reporting requirements for the National Transit Database (Resolution #971).

FY 2004

- Authorize NVTC's allocation formula to be applied to $27 million of state assistance for WMATA Railcars (Resolution #973).

FY 2005

- Authorize funds to be taken off the top of state aid to pay the expenses agreed upon by NVTC's jurisdictions for the commission's electronic schedule project, with Loudoun County's share to be withheld from its motor fuels tax (Resolution #1065).

FY 2010

- Clarify that if a jurisdiction discontinues a project for which it was credited in SAM so that expected state revenue is not received and that jurisdiction's share was higher than it otherwise would be, then the gain will be recaptured (Resolution #2171A).

FY 2013

- In response to DRPT's revised policy of no longer sending transit assistance for WMATA and NVTC's jurisdictions to NVTC, several changes in NVTC's allocation formula will be required (Resolution #___).

subdivision 4 b.

f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects. Prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate up to 20 percent of the funds in the Commonwealth Mass Transit Fund designated for capital purposes to transit operating assistance if operating funds for the next fiscal year are estimated to be less than the current fiscal year's allocation, to attempt to maintain transit operations at approximately the same level as the previous fiscal year.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of this Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who are domiciled in orphanages or

City of Fairfax

Mayor Robert F. Lederer

City Council

Daniel F. Drummond
Jeffrey C. Greenfield
David L. Meyer

Eleanor D. Schmidt
R. Scott Silverthorne
Steven C. Stombres

May 29, 2012

VIA FACSIMILE (804-371-6351) AND FIRST CLASS MAIL

The Honorable Robert F. McDonnell
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Re: DRPT Funding Changes

Dear Governor McDonnell:

I am writing on behalf of the City Council of the City of Fairfax to ask your immediate attention to an issue that is of urgent concern to our City.

As you know, NVTC is an entity that was created decades ago for the purpose of facilitating regional cooperation amongst the member jurisdictions in the area of distributing transit funds. NVTC has proven an invaluable venue for representatives of the jurisdictions to achieve consensus in decisions affecting the spending of millions of dollars of federal and commonwealth funding.

On May 15, 2012, the Director of the Department of Rail and Public Transportation (DRPT) sent communication to all of the NVTC member jurisdictions that fundamental changes would immediately be made in the method DRPT would use in transmitting funds to the jurisdictions. The Director stated that the jurisdictions either accept this sudden change or risk losing funding. The deadline for a response was initially 10 days from the receipt of her email; however, after a conference call with the DRPT director, the deadline was extended to June 4.

This change has the potential to do significant financial harm to the City.

Fairfax City Hall • 10455 Armstrong Street • Fairfax, Virginia 22030-3630
(703) 385-7850 • FAX (703) 385-7811 • TTY 711 • www.fairfaxva.gov

Specifically, my concerns are these:

1. The announced change by DRPT will have potential undetermined but substantial negative financial implications for the city. Virginia Code stipulates how the NVTC sharing formula is to work and this announced change may not be consistent with the Code. We project that the City of Fairfax could lose at least $200,000 per year if this change advances. As you know, City budgets for FY 2013 were adopted a mere three weeks ago. We cannot begin a new fiscal year with a projected deficit of $200,000.
2. DRPT has stated that this proposed action will have no administrative impact on the NVTC jurisdictions. We believe that the expertise and manpower currently offered by NVTC cannot be easily replaced by our city staff.

The City of Fairfax requests that this proposed change be delayed for a reasonable amount of time in order that the City may assess the implications and impact of these changes on the City's budget. We have a very workable system at NVTC; we don't want to see it potentially harmed without an effort to understand the impact on our city and our sister jurisdictions.

Sincerely,

Robert F. Lederer
Mayor

Cc: City Council
Robert Sisson, City Manager
David Hodgkins, Asst. City Manager
David Summers, Public Works Director
Alexis Verzosa, Transportation Director
Sean Connaughton, Secretary of Transportation
Rick Taube, Executive Director, NVTC
Thelma Drake, Director DRPT

Attachments

May 18, 2012

The Honorable Thelma Drake
Director
Virginia Department of Rail and Public Transportation
600 E. Main Street, Suite 2102
Richmond, VA 23219

Dear Director Drake:

Our respective agencies and jurisdictions have received your letters informing us of DRPT's decision to bypass NVTC and provide state aid funds directly to "actual providers of transit services." Per your letter, failure to agree within 10 days would result in losing the allocated transit assistance included in the FY 2013-18 Six-Year Improvement Program.

Each of us is fully aware of the important role DRPT plays in supporting public transit systems throughout the Commonwealth and especially here in Northern Virginia. We also understand your interest in greater public transparency of the role DRPT plays in funding our transit systems.

We wish you had consulted us prior to this notification initiating a major change to the longstanding method of distributing transit funds for transit in Northern Virginia. Our process for using NVTC's services in applying for, receiving, allocating and holding in trust our state transit assistance has served us well for many good reasons.

We would appreciate the opportunity to discuss those reasons with you and to carefully consider your new proposal.

Among the reasons for our request are:

1. The Northern Virginia General Assembly Delegation has asked NVTC and other transportation and planning agencies to report on efficiency and consolidation measures. We are working intensively now to meet a tight deadline and the significant change in NVTC's role resulting from DRPT's unilateral action preempts our efforts to respond to our General Assembly Delegation.

2300 Wilson Blvd., Suite #620, Arlington, VA 22201

2. Our FY 2013 budgets have all been recently adopted and without allocating our state aid through the NVTC sharing formula that is in the Virginia Code, DRPT is creating winners and losers. For example, some jurisdictions could lose hundreds of thousands of dollars as a result of this change.

3. In order to apply for DRPT aid and process DRPT invoices, each of NVTC's jurisdictions will need to acquire staff and expertise. This will be especially burdensome for determining WMATA's allocations, since WMATA bills each NVTC jurisdiction separately and those jurisdictions must pay those bills with a combination of local funds and regional gas tax received by NVTC, in addition to state aid. DRPT's approach adds complications and risks confusion without an adequate transition period.

We respectfully request that you postpone implementation of your new approach and ask that you engage in a constructive dialogue with us that would lead to a mutually beneficial outcome that ensures that DRPT's substantial contributions to our success are fully recognized, while also ensuring the most efficient and effective distribution mechanism for these transit funds.

Sincerely,

Jay Fisette,
NVTC Chairman

Sharon Bulova,
Fairfax County

David Snyder,
City of Falls Church

Mary Hynes,
Arlington County

Bill Euille,
City of Alexandria

Jeff Greenfield,
City of Fairfax

Enc.

cc: The Honorable Robert McDonnell
The Honorable Sean Connaughton
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
The Honorable Adam Ebbin
The Honorable Barbara Favola
The Honorable Mark Herring

The Honorable Janet Howell
The Honorable David Marsden
The Honorable Chap Petersen
The Honorable Toddy Puller
The Honorable Richard Saslaw
The Honorable David Albo
The Honorable Richard Anderson
The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Fisher-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory
The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

RECEIVED
MAY 17 2012

COMMONWEALTH *of* VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Rick Taube
NVTC
2300 Wilson Blvd., Suite #620
Arlington, Virginia 22201

Dear Mr. Taube:

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

Each local provider/jurisdiction for which the Northern Virginia Transportation Commission (NVTC) applied for funding on behalf of is being asked to confirm to DRPT in writing their acceptance of the application made by NVTC, with the exception of the Virginia Railway Express (VRE). VRE will continue to be funded through NVTC as the joint owner of that entity and designated pass-through recipient of those funds.

Since funding will be provided directly to the local providers/jurisdictions, we must receive this affirmation by May 25, 2012, in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June. Funding allocations for FY 2012 and prior and executed project agreements between DRPT and NVTC are not affected.

If you have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Scott Kalkwarf
Steve Pittard
Kevin Page

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

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FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Dennis Leach
Arlington County
2100 Clarendon Blvd., Suite 900
Arlington, Virginia 22201

Dear Mr. Leach,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that Arlington County accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to Arlington County, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Chris Hamilton
Steve Pittard
Kevin Page

COMMONWEALTH *of* VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
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May 15, 2012

Mr. Tom Biesiadny
Fairfax County
4050 Legato Road, Suite 400
Fairfax, Virginia 22033

Dear Mr. Biesiadny,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that Fairfax County accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to Fairfax County, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Steve Pittard
Kevin Page

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

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VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Shiva Pant
WMATA
600 Fifth Street, NW
Suite 6E-12
Washington D.C. 20001

Dear Mr. Pant,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that WMATA accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to WMATA, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Carol O'Keeffe
Regina Sullivan
Steve Pittard
Kevin Page

MEMORANDUM

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Scott Kalkwarf

DATE: March 29, 2012

SUBJECT: Explanation of NVTC's Role in the State Aid Process for WMATA Operations, Capital Expenses and Debt Service

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It has come to our attention that there may be some misunderstanding of how state financial assistance is used to help pay for WMATA's operations and capital expenses, including debt service. DRPT covers a significant share of WMATA's eligible operating costs by providing regular monthly payments to NVTC, which are allocated and held in trust for NVTC's jurisdictions to use at their discretion to pay their quarterly WMATA bills. DRPT also pays a significant share of WMATA's eligible capital quarterly bills on a reimbursal basis. These reimbursals are also allocated by NVTC and held in trust for its jurisdictions.

The following is an explanation of the process using FY 2012 as an example:

Operations

1. By February 1, 2011 NVTC submitted an electronic application to DRPT containing the NVTC jurisdictions' share of WMATA's FY 2012 preliminary operating budget. The maximum state operating assistance was computed as 95 percent of fuels, tires, maintenance and administrative costs (excluding certain expenses such as operator payroll), up to 95 percent of the deficit. This maximum eligibility amount equaled $136 million for FY 2012.

2. As part of the application process, the NVTC jurisdictions' share of WMATA's FY 2010 actual operating expenses (all expenses including operator payroll, etc.) was provided to DRPT. WMATA's share of FY 2010 statewide transit operating expenses was determined (51 percent). This percentage was applied to available state operating assistance for FY 2012 and the resulting amount was the preliminary operating assistance for WMATA ($62 million). Actual assistance was the lesser of the preliminary or the maximum eligibility amount (in this case $62 million).

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3. After approval by CTB, execution by NVTC of DRPT's Master Agreement and a Project Agreement containing a payment schedule, DRPT provided regular monthly payments to NVTC of operating assistance for WMATA, usually commencing in July and ending in the next May. The final payment will be withheld by DRPT until WMATA's final eligibility form is filed by NVTC. The form will show NVTC jurisdictions' share of the actual WMATA operating expenses for FY 2012. After receipt of that form from NVTC, DRPT will make the final payment to ensure that state funds paid to NVTC for this purpose do not exceed the maximum eligibility based on WMATA's actual bills.

4. Upon receipt of each monthly payment from DRPT for WMATA operating expenses, NVTC allocates the funds among its five WMATA jurisdictions using the approved subsidy allocation model. Allocated funds are then deposited into the local trust funds at NVTC for each jurisdiction.

5. NVTC maintains two distinct types of trust funds for its jurisdictions. One type contains state aid, consisting of the regular payments for WMATA and local transit system operating costs plus state reimbursals for WMATA and local transit system capital projects. The other contains the proceeds of the 2.1 percent motor fuels tax, which for NVTC's five WMATA jurisdictions is restricted to payment of WMATA bills.

6. When a jurisdiction receives its quarterly bill from WMATA, it chooses from which sources to pay the bill, including its NVTC state aid trust account, NVTC motor fuels tax trust account, or other local sources. Because WMATA billings exceed state aid, it is not possible for jurisdictions to pay only with their NVTC state aid trust accounts. For example, WMATA operating subsidies paid by the NVTC jurisdictions totaled $130 million in FY 2011. NVTC jurisdictions used $98 million in trust funds and $32 million in local funds. State operating assistance for WMATA recognized by the NVTC trust fund during FY 2011 totaled $51 million.

Capital

1. NVTC submitted an electronic application to DRPT by February 1, 2011 containing the NVTC jurisdictions' share of WMATA's preliminary FY 2012 capital program. The maximum state share is 95 percent. For FY 2012 this amount was $54 million, but available state formula assistance only allowed $31 million to be included in the grant (55 percent of eligible costs).

2. Upon approval by CTB, execution by NVTC of DRPT's Master Agreement and of a Project Agreement, NVTC is submitting requests each quarter during FY 2012 to DRPT showing the WMATA bills and evidence that the jurisdictions have paid the bills.

3. Upon receipt of each reimbursement from DRPT, NVTC allocates the funds among its five WMATA jurisdictions and holds the funds in trust.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
ASSISTANCE FOR CAPITAL AND OPERATING ASSISTANCE APPLIED FOR THROUGH NVTC
FY 2012 Final Six-Year Program and FY 2013 Final Six-Year Program

	FY 2012		FY 2013		Increase (Decrease)	
	Final	Effective State %	Final	Effective State %	Actual	Effective State %
NVTC						
Capital Assistance						
WMATA						
MTTF (54% / 55%)	$ 26.2		$ 26.7		$ 0.5	
MTCF (54% / 55%)	2.7		1.5		(1.2)	
MTCF (80% / 80%)	2.3		4.3		2.0	
Total	31.2	55.3%	32.5	57.4%	1.3	2.1%
Local						
MTCF (39%)	-		1.8		1.8	
MTCF (50% / 55%)	19.9		17.5		(2.4)	
Total	19.9	50.0%	19.2	53.0%	(0.6)	3.0%
Total Capital	51.0	53.1%	51.7	55.7%	0.7	2.6%
Operating Assistance						
WMATA (and NVTC in FY 2012)	62.2	43.0%	71.8	43.5%	9.6	0.5%
Local	14.0	37.6%	17.0	45.9%	3.0	8.3%
	76.1	41.9%	88.8	44.0%	12.7	2.1%
Total NVTC Assistance	**127.2**	**45.8%**	**140.5**	**47.6%**	**13.4**	**1.9%**
VRE						
Capital Assistance						
MTTF (54% / 55%)	5.6		8.8		3.2	
MTCF (54% / 55%)	0.4		0.3		(0.0)	
MTCF (49%)	-		1.4		1.4	
MTCF (80% / 80%)	9.9		-		(9.9)	
Total	15.9	68.0%	10.6	49.9%	(5.3)	-18.1%
Operating Assistance	6.9	47.9%	9.3	63.2%	2.4	15.3%
Total VRE Assistance	**22.9**	60.3%	**19.9**	55.3%	**(3.0)**	**-5.0%**

Notes:

Table excludes $50M PRIIA match provided directly to WMATA, and $50M Dulles funding provided to MWAA.

MTTF - Mass Transit Trust Fund. Funds are allocated by statute to the FTM/Admin Program (73.5%), the Capital Pı Projects Program (1.5%). The statutory target percentage for the Capital Program is 95% of non-federal costs, wh the FTM/Admin (operating) Program is 95% of certain operating expenses. The actual capital and operating perc state-wide capital needs and actual operating expenditures, and the funds available in the subprogram.

MTCF - Mass Transit Capital Fund. Select capital programs funded at 80%, and generally 55% for other categories. funded replacement rolling stock, and 55% rate for other capital assets.

COMPARISON OF STATE FINANCIAL ASSISTANCE THROUGH DRPT
PROGRAM ALLOCATIONS
FY 2012 FINAL AND FY 2013 FINAL
(in millions)

	STATEWIDE				NOVA**			
			Increase(Decrease)		FY12		FY13	
	FY12	FY13	$	%	$	NOVA %	$	NOVA %
Available for State-wide Transit Allocations:								
Operating (FTM/Admin) Subprogram of MTTF, plus Recordation Tax	$ 121.5	$ 141.9	$ 20.4		$ 89.1	73.3%	$ 105.4	74.3%
Capital Assistance Subprogram of MTTF	32.5	34.4	1.9		32.5	99.9%	34.1	99.0%
Mass Transit Capital Fund (Bond Funds)	56.5	44.9	(11.6)		41.6	73.6%	36.9	82.2%
Special Projects Subprogram of MTTF (Note A)	0.9	1.4	0.6		0.1	9.9%	1.1	73.6%
State MTF Paratransit Capital	0.5	0.5	(0.1)		-	0.0%	-	0.0%
Transportation Efficiency Improvement Fund (Note A)	3.8	4.5	0.7		1.7	44.9%	2.9	64.0%
Total Available for State-wide Transit Allocation	**215.7**	**227.6**	**11.9**	**5.5%**	**164.9**	**76.5%**	**180.3**	**79.2%**
Other State Transit Financial Assistance								
Transportation Capital Bonds / Federal Match (PRIIA)	50.0	50.0	-		50.0	100.0%	50.0	100.0%
Dulles Extension (MWAA) (Note B)	-	50.0	50.0		-	0.0%	50.0	100.0%
State Match to FTA 5303/5304 Programs	0.3	-	(0.3)					
Senior Transportation Grants	0.1	0.1	(0.0)					
Total State Transit Assistance	266.2	327.7	61.5	**23.1%**	**$ 214.9**	**80.8%**	**$ 280.3**	**85.5%**
Other State Financial Assistance (excluding carryovers)								
Virginia Rail Enhancement Fund (Note C)	44.7	32.7	(12.1)					
Virginia Shortline Railway Preservation Fund (Note D)	4.5	9.4	4.9					
Intercity Passenger Rail Operating Program (Note E)	3.1	35.5	32.4					
Total Other State Financial Assistance	**52.4**	**77.6**	**25.3**	**48.3%**				
Total State Financial Assistance Available Through DRPT	**$ 318.5**	**$ 405.3**	**$ 86.8**	**71.4%**				

Notes

A. May include non-transit projects.

B. Balance of the $150M state pledge funded through VDOT.

C. Table reflects current year anticipated funding. Actual amount available and programmed in FY13 includes an additional $22.4M carryover from previous fiscal years, less $6.9M transferred to IPROC, with $15.2M unobligated. Total REF funding programmed for FY13 equals $33.2M and includes the following projects:

I-81/Rt 29 Passenger Rail	$ 1.7
I-95/I-64 Corridor, National Gateway	7.4
Port of Virginia, Hampton Roads	0.9
I-81 Crescent Corridor	5.5
Route 460 Corridor	7.1
I-95 Corridor, NVTC/VRE 3rd Track Spotsylvania Extension	8.7
I-95 Corridor, MAS 90	1.7
Lynchburg & Roanoke Passenger Service Study	0.2
	$ 33.2

D. Table reflects current year anticipated funding. Actual amount available and programmed in FY13 includes an additional $0.1M carryover from previous fiscal years. Total RPF funding programmed for FY13 equals $9.5M for projects located in Culpeper, Richmond Saunton, Lynchburg, and Hampton Roads districts.

E. For FY13, funded through $6.9M transfer from REF. FY13 estimated costs total $0.3M, with $35.5M available, and includes the following operating costs

Lynchburg Train Subsidy	$ (1.9)
Richmond Train Subsidy	2.4
Norfolk Train Subsidy	(0.3)
Roanoke - Lynchburg Bus Bridge	0.2
	$ 0.3

**NOVA includes NVTC, WMATA (direct PRIIA match funding) PRTC, VRE and MWAA

COMPARISON OF STATE FINANCIAL ASSISTANCE THROUGH DRPT
PROGRAM ALLOCATIONS
FY 2012 FINAL AND FY 2013 FINAL
(In millions)

	STATEWIDE				NVTC**			
			Increase(Decrease)		FY12		FY13	
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Available for State-wide Transit Allocations:								
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Capital Assistance Subprogram of MTTF	32.5	34.4	1.9		26.5	81.3%	27.0	78.4%
Mass Transit Capital Fund (Bond Funds)	56.5	44.9	(11.6)		30.8	54.6%	26.3	58.6%
Special Projects Subprogram of MTTF (Note A)	0.9	1.4	0.6		-	0.0%	0.5	33.5%
State MTF Paratransit Capital	0.5	0.5	(0.1)		-	0.0%	-	0.0%
Transportation Efficiency Improvement Fund (Note A)	3.8	4.5	0.7		1.5	40.3%	1.9	41.4%
Total Available for State-wide Transit Allocation	**215.7**	**227.6**	**11.9**	**5.5%**	**136.4**	**63.2%**	**146.1**	**64.2%**
Other State Transit Financial Assistance								
Transportation Capital Bonds / Federal Match (PRIIA)	50.0	50.0	-		-	0.0%	-	0.0%
Dulles Extension (MWAA) (Note B)	-	50.0	50.0		-	0.0%	-	0.0%
State Match to FTA 5303/5304 Programs	0.3	-	(0.3)		-	0.0%	-	0.0%
Senior Transportation Grants	0.1	0.1	(0.0)		-	0.0%	-	0.0%
Total State Transit Assistance	266.2	327.7	61.5	**23.1%**	**$ 136.4**	**51.2%**	**$ 146.1**	**44.6%**
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Lynchburg & Roanoke Passenger Service Study	0.2
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Richmond Train Subsidy	2.4
Norfolk Train Subsidy	(0.3)
Roanoke - Lynchburg Bus Bridge	0.2
	$ 0.3

**NVTC includes all NVTC jurisdictions.

Virginia Department of Rail and Public Transportation

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DRPT SYIP Update
FY 2013 – FY 2018

Steve Pittard
Chief Financial Officer
June 20, 2012

Three Year Comparison of Six Year Program

$ in millions

	FY 11 - 16	FY 12 - 17	FY 13 - 18
Public Transit	$1,889	$2,006	$2,059
Rail	226	320	268
Dulles Metrorail	28	7	50
Total	$2,143	$2,333	$2,377

Three Year Comparison of SYIP Allocations - Narrative

- Significant one-time revenues for 2013
  - 2011 General fund surplus ($9.9 M to transit; $28.7 M to rail)
  - Premiums on 2011 and 2012 bond issuances ($25.4 M for transit; $5.5 M for rail)
  - Recordation tax revenue increased 11%
  - Mass Transit Trust fund revenues increased 2.5%
  - Prior year balances of $14.3 M for transit

- Transit increased by $53 M over the six year period due to the above revenue inflows

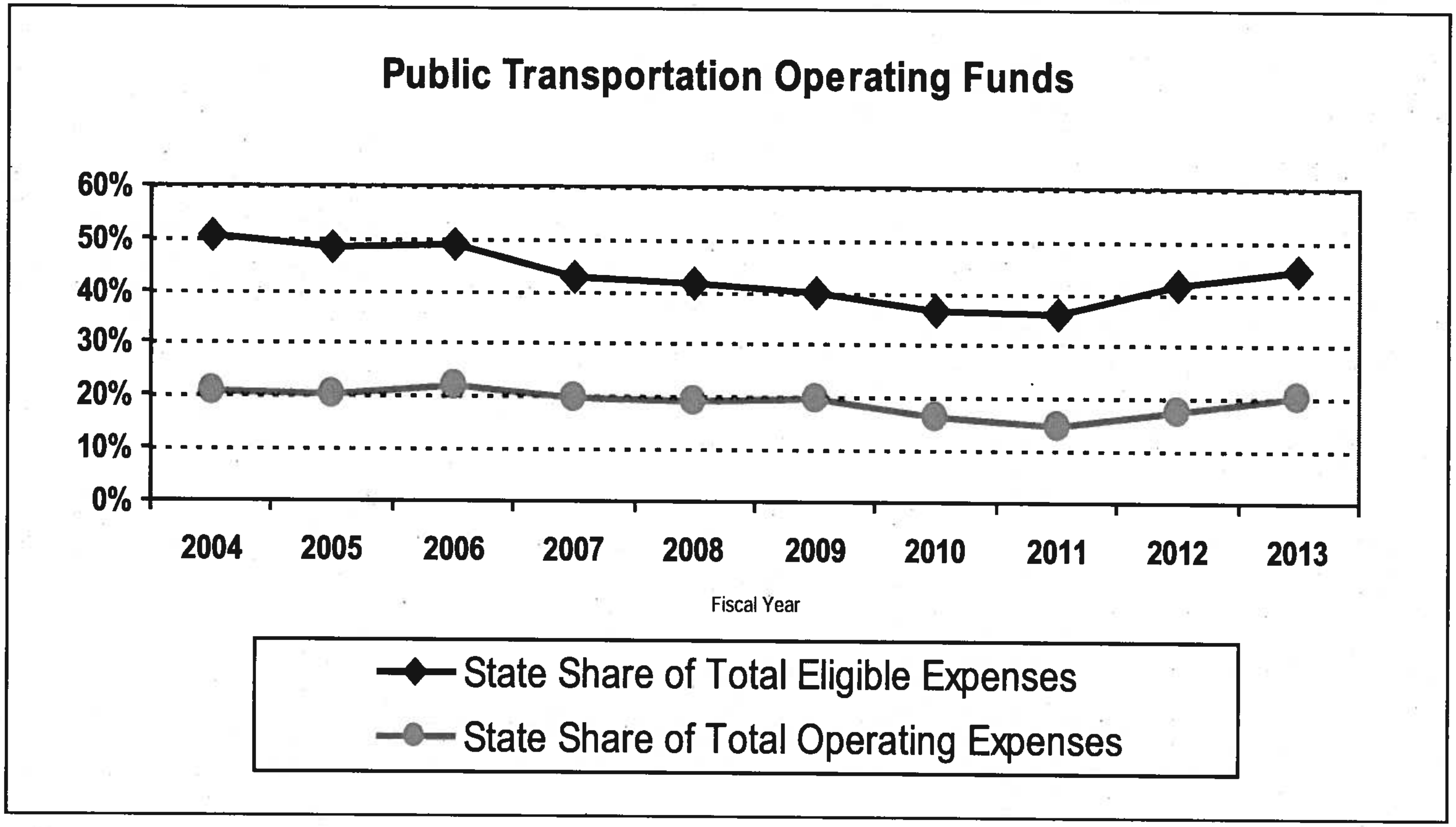
Three Year Comparison of SYIP Allocations – Narrative (cont.)

- Allocation to Dulles Metrorail project to assist in toll rate containment
  - $50 M of transit capital bonds provided by DRPT; VDOT providing $100 M

- Rail decreased by $52 M
  - Norfolk Passenger service prior year allocation of $114 M
  - Offset by new $51 M allocation to Crescent Corridor Initiative and additional $9 M allocation to VRE – Spotsylvania extension project (third track and crossovers).

Public Transportation Operations Funding

44% of Eligible Costs; 20% of FY 2011 Total Costs



Recommended SYIP FY 2013 – FY 2018 Transit Allocation Assumptions

- Operating funding increased by $20.4 M from FY 2012 amount
  - General Funds of $9.9 million
  - Deobligated state transit funds and excess revenues of $6.5 M
  - Increase in TTF revenues
- Estimated 2.3% allocation for project development, administration and compliance activities from the Mass Transit Trust fund

Recommended SYIP FY 2013 – FY 2018 Transit Allocation Assumptions (cont.)

- Capital program focused on maintenance as the first priority
  - Replacement rolling stock - 80% state share of non-federal costs
  - Insufficient federal funds to fund at 80% federal share; 70% federal share provided for projects funded using transit bonds. **Equates to a 94% state controlled funding project versus 96% in previous years.**
  - Recipients that do not accept federal dollars received a 55% match on replacement rolling stock.
  - All other recommended capital projects received MTTF rate of 55%

Recommended SYIP FY 2013 – FY 2018 Rail Allocation Assumptions/Highlights

- Intercity Passenger Rail Operating and Capital Fund
  - Unfunded balance of $162 million over the six year period; starts in 2015
  - Includes Lynchburg and Richmond/Norfolk, and PRIIA Section 209 Trains
    - Total of six regional trains under PRIIA
    - No dedicated source of funding; one-time funding received this year
      - General fund surplus and Rail Enhancement fund transfer
- Key capital project allocations
  - Virginia Railway Express service extension to Spotsylvania
  - Phase 2 of Norfolk Southern's Crescent Corridor Initiative (I-81)
- Estimated 2.3% allocation for project development, administration and compliance activities from the Rail Enhancement and Rail Preservation funds

Significant Changes to the Draft SYIP

- Significant additional revenues received
  - Actions of the General Assembly and Governor
  - Premiums on bond issuances
  - Revised Transportation Trust fund revenues
- Operating percentage - 37.9% to 44.1%
- Capital percentage - 50% to 55%
- Allocations to NVTC changed to reflect the actual transit service provider as recipient; no change in allocation amounts.
- Error corrections
  - WMATA capital budget funding calculation
  - VRE track lease expense included in operating calculation
- Continued revamping the document layout

AGENDA ITEM #6

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Mariela Garcia-Colberg

DATE: June 28, 2012

SUBJECT: Authorization to Issue a Request for Proposals for a Transit Alternatives Analysis in the Route 7 Corridor (Alexandria to Tysons Corner)

The commission is asked to authorize staff to issue a Request for Proposals for consultants to perform an alternatives analysis in the Route 7 corridor. The RFP would be issued in July. At NVTC's October 4, 2012 meeting, a contract award should be recommended.

NVTC has agreed to obtain the $350,000 federal grant money and manage the project for this alternatives analysis of high-capacity transit. Non-federal matching funds of $87,500 are required and DRPT has accepted NVTC's request to provide half of that amount. NVTC jurisdictions (Alexandria, Arlington, Fairfax County and Falls Church) have agreed to share equally in providing any required non-federal match up to $10,937.50 each.

NVTC staff has discussed the scope of work, schedule and budget with the Federal Transit Administration (FTA). A meeting of the advisory committee has occurred in early June to review these items and another meeting is set on July 11th to finalize the Request for Proposals for consulting assistance for Phase I of the study. A list of advisory committee members is attached for your information.

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Preliminary Technical Advisory Committee

Suggestions are as follows, with each jurisdiction and agency responsible for selecting a principal member and alternate:

		Principal	Alternate(s)
Jurisdictions:			
	Alexandria	Jim Maslanka	Pierre Holloman
	Arlington	Steve del Guidice	Lynn Rivers; Tamara Galliani
	Fairfax County	Randy White	Tom Burke
	Falls Church	Cindy Mester	Wendy Block Sanford
Agencies:			
	NVTC	Rick Taube	Mariela Garcia-Colberg
	WMATA	John Dittmeier	Ramona Burns
	MWCOG	Eric Randall	
	DRPT	Amy Inman	
	VDOT	Valerie Pardo	
	FTA	Melissa Barlow	

AGENDA ITEM #7

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: June 28, 2012

SUBJECT: NVTC Communication Plan

Recommended Action

NVTC staff has been required to devote extensive efforts to cooperate with the ongoing study of efficiency and consolidation of the region's planning and transportation agencies. In addition, responding to DRPT's unexpected change in its allocation procedures for state aid has consumed most available staff hours since May 15th. Accordingly, progress on the communications plan has been delayed.

The commission is asked to authorize staff to temporarily suspend work on this project and return to the commission with a revised schedule as soon as possible, most likely in September, 2012.

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AGENDA ITEM #8

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Mariela Garcia-Colberg

DATE: June 28, 2012

SUBJECT: Virginia Vanpool Incentive Program

By adopting Resolution #2193 NVTC is being asked to approve a Memorandum of Understanding (MOU)) with the Potomac and Rappahannock Transportation Commission (PRTC) and the George Washington Regional Commission (GWRC), the sponsors with NVTC of the new vanpool program. NVTC is also asked to authorize seeking a bridge loan in FY 2014, if needed, to the Vanpool Incentive Program of up to $1.1 million to complete required funding and qualify for $3.4 million in state and federal aid awarded by the Commonwealth Transportation Board (CTB). The recommended source of the FY 2014 loan is state aid received by NVTC and/or NVTC jurisdiction trust funds. For FY 2013, PRTC would lend funds to the program from its undesignated, unrestricted assets. It would also lend funds in FY 2014, if needed. The loans would be repaid off the top of net Vanpool Program earnings, which are expected to be at least $4 million annually within not more than three years following the initiation of the program

Background

With the cooperation of local jurisdictions, DRPT and VDOT, the Northern Virginia Transportation Commission, Potomac and Rappahannock Transportation Commission and George Washington Regional Commission have developed a Vanpool Incentive Program based on a detailed consulting study.

This program will encourage greater vanpool use and will also obtain data to be filed with the Federal Transit Administration's National Transit Database. This will result in increased formula allocations of federal transit assistance for this region that otherwise would go to the rest of the U.S. Vanpoolers will be induced to participate by $200 monthly stipends per van to compensate the owner/operator for the time and effort necessary to collect and report the data.

The program anticipates net earnings of about $4 million annually within three years. The approximate shares of expenses and earnings will be: WMATA (50%), PRTC (25%) and GWRC (25%), which reflects the estimated shares of vanpool miles driven in each of the sponsoring jurisdictions. Because the net earnings are dependent on receipt of Section 5307 transit formula funds that are generated with a lag of about two and a half years, bridge funding is needed to cover start-up expenses.

Based on a detailed business plan and budget provided by the vanpool program's consultants, PRTC applied to the Virginia Department of Rail and Public Transportation (DRPT) for that bridge funding. The Commonwealth Transportation Board (CTB) recognized $4,831,275 of program expenses and included all but $1,468,987 in state and federal assistance in its preliminary FY 2013 Six Year Improvement Program (SYIP). An additional $167,725 in capital expenses for software, furniture and a lift-equipped van was not included. Thus, $1,636,712 in additional funds is needed.

A detailed Memorandum of Understanding (MOU) was prepared by PRTC's legal counsel that specifies how the program will be administered as well as listing the rights and responsibilities of each of the three sponsors. This MOU is attached.

With formal approval by the three sponsors, program start-up work could begin early in FY 2013, with vanpool participation beginning in the second half of that fiscal year. PRTC would administer the program.

<u>Funding Needs</u>

The Vanpool Program budget identified funding needs of $5,059,000. CTB has programmed all but $1,636,712. However, for the CTB's funds to be retained, DRPT is requiring that the sponsors must certify by August 1, 2012 that the source of the remaining $1.6 million is identified. Further, as the funding is currently configured, at least $364,247 must be purely local funds.

All three program sponsors appealed to CTB for additional funding but none was granted for FY 2013. CTB has another opportunity to add funding in FY 2014, so the $1.6 million bridge funding balance may ultimately be smaller.

On a cash flow basis, $167,725 of bridge funding for capital-related items is unaccounted for in FY 2013, while the balance of the bridge funding -- $1,468,987-- is not needed until FY 2014. This is because the rate of expenditure is expected to be modest as the program begins to sign up vanpools beginning in the second half of FY 2013. Of the $167,725 balance for FY 2013, only $72,000 is required in additional funds and the remainder could be covered from budget reductions.

There are several possible sources of the bridge funding shortfall:

1. Additional state and federal grants from the CTB for FY 2014.

2. Reprogrammed regional CMAQ/RSTP funds from slowly developing projects

with funds to be restored to those projects from future Vanpool Program earnings.

3. Loans from incoming state aid taken off the top and/or jurisdictional trust funds held in trust by NVTC and from PRTC's undesignated, unrestricted net assets.

Given DRPT's August 1, 2012 deadline for certifying the bridge funding shortfall has been filled, the most practical approach is to obtain agreement from NVTC jurisdictions to loan the funds from incoming DRPT funds off the top of NVTC's Subsidy Allocation Model (SAM) and/or jurisdiction trust accounts at NVTC and for PRTC to use its undesignated, unrestricted net assets. This is because FY 2014 budgets have not been set and the impact of a loan of $1.6 million spread across NVTC's jurisdictions and PRTC would be modest. Only $72,000 is needed to be loaned for FY 2013 and PRTC will be asked to provide that amount. A possible complication is that repayment of the loan will be in the form of federal transit capital grants requiring a 20% non-federal match, which would require side payments to some jurisdictions unable to use such federal grants.

Recommendation

Because time is of the essence to certify to the CTB that $1.6 million in local funding for the Vanpool Program is available ($72,000 in FY 2013 and the rest in FY 2014) in the event that CTB itself is unable to provide such funds, NVTC staff recommends that: NVTC and PRTC jurisdictions should be asked to lend funds to the program from incoming state aid taken off the top and/or trust funds held by NVTC and from PRTC's undesignated and unrestricted net assets, subject to the pay-back arrangements embedded in the MOU. These arrangements have been negotiated by the staffs of the three commissions.

The most likely approach is to use PRTC's undesignated and unrestricted funds for the $72,000 currently needed in FY 2013 and for NVTC's jurisdictions plus PRTC's funds to be used to cover any remaining balance for FY 2014, such that the NVTC and PRTC shares of the overall loan amount to two thirds and one third, respectively.

Given the years of careful study, the detailed business plan and project budget and the advice of nationally known experts that are guiding this effort, NVTC staff is confident that the risks of using either jurisdiction trust funds for this loan are minimal and the potential rewards of a successful program are substantial. The bridge loan amount could be much less than $1.6 million if CTB provides more funding for FY 2014. Even if the full loan amount is needed, it is leveraging at least $3.4 million in federal and state aid that otherwise would be lost along with the opportunity to earn at least $4 million annually for vital regional transportation investments.

RESOLUTION #2193

SUBJECT: Execution of a Virginia Vanpool Incentive Program Memorandum of Understanding, Authorization of a Bridge Loan for FY 2014 and Approval of Implementation of the Project.

WHEREAS: The Northern Virginia Transportation Commission (NVTC), Potomac and Rappahannock Transportation Commission (PRTC) and George Washington Regional Commission (GWRC) are jointly sponsoring the Virginia Vanpool Incentive Program (VIP);

WHEREAS: The purpose of VIP is to promote increased vanpooling, provide assistance through marketing, rate publication, ride-matching, and payment of $200 per vanpool for assembling and submitting data necessary to qualify for federal Section 5307 funding from the Federal Transit Administration's (FTA) National Transit Database (NTD) program;

WHEREAS: A detailed consulting study has produced a business plan, schedule and budget for VIP, which will be administered by PRTC on behalf of the three program sponsors;

WHEREAS: That consulting study estimates annual net earnings of about $4 million approximately two and a half years after the start of the program, which will be shared among the program sponsors in proportion to vanpool miles operated in their respective territories, with NVTC's share going directly to WMATA;

WHEREAS: Given the gap between the start of the program and the receipt of federal funds, bridge funding is required, with CTB approving $3.4 million for the FY 2013-18 Six-Year Improvement Program, leaving a current balance of $1.6 million to be identified;

WHEREAS: Of the required bridge funding balance of $1.6 million all but $72,000 is not needed until FY 2014 but DRPT has asked for assurances that the entire balance is accounted for by August 1, 2012;

WHEREAS: PRTC is being asked to lend $72,000 for FY 2013 from undesignated, unrestricted assets and both NVTC and PRTC are being asked to lend any remaining balance up to $1.6 million for FY 2014, with two-thirds of the balance to be lent by NVTC and one-third by PRTC;

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WHEREAS: PRTC's legal counsel has prepared a Memorandum of Understanding (MOU) setting forth the rights and responsibilities of the program sponsors, including terms for repaying any loans to the program; and

WHEREAS: NVTC, PRTC and GWRC are being asked to approve the implementation of the VIP program for FY 2013, with start-up work to commence early in that year and vanpool participation to start in the second half of that year.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the Executive Director of PRTC on NVTC's behalf to begin implementation of the Vanpool Incentive Program in FY 2013 according to the procedures, budget and schedule provided by consultants in the final project business plan.

BE IT FURTHER RESOLVED that NVTC authorizes its Executive Director to execute the Vanpool Incentive Program's Memorandum of Understanding that has been prepared by legal counsel;

BE IT FURTHER RESOLVED that NVTC authorizes its Executive Director to obtain approval from its five WMATA jurisdictions to lend sufficient funds from incoming state aid taken off the top of NVTC's Subsidy Allocation Model and/or trust fund balances held at NVTC or other sources to cover NVTC's share of any balance between available revenues and budgeted program costs prior to receipt of anticipated federal Section 5307 revenues approximately two and a half years after the program implementation.

BE IT FURTHER RESOLVED NVTC authorizes PRTC's Executive Director to report to DRPT by August 1, 2012 that sufficient funds are pledged by NVTC to cover its share of any bridge funding balance required.

Approved this 5th day of July, 2012.

____
Jay Fisette
Chairman

____
Paul C. Smedberg
Secretary-Treasurer

MEMORANDUM OF UNDERSTANDING
ESTABLISHING THE NORTHERN VIRGINIA VANPOOL INCENTIVE PROGRAM

A. PARTIES.

This Memorandum of Understanding is entered into by and among the Potomac and Rappahannock Transportation Commission ("PRTC"), the Northern Virginia Transportation Commission ("NVTC"), and the George Washington Regional Commission ("GWRC"), hereinafter collectively referred to as "the Program Sponsors."

B. PURPOSE.

The purpose of this Memorandum of Understanding is to establish the Northern Virginia Vanpool Incentive Program ("Program") to bring together the current private providers of vanpool service and the public sector's ride-matching and demand management expertise and marketing to encourage new growth in the vanpool market in Northern Virginia. The Program is to be operated and funded in accordance with the provisions of this Memorandum of Understanding, and the Program is intended to:

1. Promote increased vanpooling in the Northern Virginia area; and

2. Provide governmental assistance to the ongoing private vanpool effort in order that the ongoing private effort will qualify as a publicly sponsored program as defined by the Federal Transit Administration ("FTA"). This governmental assistance will include:

   a. Marketing to induce increased interest in vanpooling;
   b. Compiling prevailing vanpool rates so prospective vanpoolers are well-informed about their options;
   c. Ride-matching services to facilitate placement of vanpoolers into established vanpools; and
   d. Payment of two hundred dollars ($200.00) per month to each participating vanpool owner/operator as consideration for its assistance in assembling and submitting statistical data for the purpose of securing funding for the Program.

3. Increase FTA formula earnings for the three Program Sponsors.

C. COMMITMENTS OF THE PROGRAM SPONSORS:

By their execution of this Memorandum of Understanding, each of the Program Sponsors generally accepts the attached business plan (see Exhibit A, specifically Scenario 2A) which details how the Program is to be structured and administered. Each of the Program Sponsors agrees to provide support, both financial and otherwise, to the Program as set forth in the provisions of this Memorandum of Understanding.

D. PROGRAM MANAGEMENT.

1. Program Sponsors.

The consent of the Program Sponsors shall be required for amendments to this MOU, appropriations to the project, approval of the final budget, and appointments to the Program Advisory Board ("PAB"), which is described in section R below.

2. PRTC Board and Executive Director.

PRTC shall administer the Program, and the Executive Director of PRTC will hire and supervise two full-time staff, in accordance with PRTC's duly adopted personnel policies, for Program management / administration purposes. PRTC may also procure marketing and other services from outside vendors, as set forth in the attached business plan, using competitive processes in accordance with PRTC's duly adopted purchasing policies. The PRTC Board is hereby authorized to make all decisions, on behalf of the Program Sponsors, necessary to administer the Program and consistent with the business plan, the final budget adopted by the Program Sponsors and following recommendations of the PAB.

3. Program funding.

The Program will eventually be largely self-funded from the FTA formula earnings, generating more formula earnings than the program cost, though Program Sponsors acknowledge that the FTA formula earnings require a 20% non-federal match. During the period following commencement of Program operations and before the Program Sponsors expect FTA formula earnings to be available bridge funding to underwrite the Program's expenses for that initial period is necessary. As much as $5.06 million of bridge funding is required for the estimated 2.5 year pre-FTA-earning period. This amount has been secured by a combination of grant funding and loaned funding as follows:

a. $0.2 million of matched CMAQ funds from the Northern Virginia Transportation Authority ("NVTA");
b. $0.1 million of matched CMAQ funds from the GWRC / Fredericksburg Metropolitan Planning Organization ("FAMPO");
c. $3.07 million of matched federal and state funds from the Commonwealth as approved by the Commonwealth Transportation Board ("CTB") based on a recommendation by VDRPT; and
d. As much as $1.64 million anticipated to be loaned by NVTC and PRTC prior to the start of FY 2014 that will be repaid out of eventual program earnings, as described in Section D.5.

The Program Sponsors expect the 20% match required by the FTA for program-related expenses and program expenses that don't qualify for FTA funding (if any) to be funded by the member governments of the Program Sponsors allocated among them during the budget process as provided herein. Allocations will be calculated as part of the budget development process in two steps:

a. Divide the required local match between NVTC, GWRC, and PRTC using the most recent net revenue allocation shares (see Section F below); and
b. Divide GWRC's local match among its member governments based on the vanpool vehicle miles traversing each jurisdiction as a percentage of the total vanpool vehicle miles traversing the GWRC jurisdictions collectively or using an alternate allocation methodology of GWRC's own design.
c. Divide PRTC's local match in the same fashion confined to Prince William County, Manassas, and Manassas Park.
d. Divide NVTC's share of local match among its five Washington Metropolitan Area Transit Authority ("WMATA") jurisdictions using the most recent shares of NVTC's subsidy allocation model ("SAM") and -- if and when Loudoun County begins to pay for WMATA services -- include that County in the SAM allocation.

4. <u>Calculation and allocation of net revenues.</u>

The region's gross FTA formula earnings resulting from all of the region's NTD data -- including bus, rail, and (prospectively) the Program data – are published annually by the FTA in an apportionment notice appearing in the Federal Register. The gross FTA formula earnings each year are a byproduct of the urbanized area population and service and ridership-related statistics from all the transportation providers in the area that reported NTD data, and the gross earnings are subdivided annually by PRTC in cooperation with WMATA and the Maryland Transit Administration (MTA) such that WMATA retains all the population-related earnings and WMATA, the MTA, and PRTC retain specified shares of the service and ridership-related earnings based on established allocation rules and factors FTA also publishes in the same Federal Register notice. The end product of this first step is an allocation of the gross FTA formula earnings between WMATA, the MTA, and PRTC. Allocation rules for bus and rail-related earnings are unaffected by the advent of the Program, while the allocation of the Program earnings shall be computed as follows:

a. The gross Program earnings are calculated first, derived from the FTA apportionment notice and the Program-related NTD statistics;
b. A portion of the gross Program earnings is designated for PRTC off the top equal to the Program expense for the fiscal year beginning the following July, calculated as described in Section E;
c. The net Program earnings (i.e., the gross Program earnings less the Program expense) are allocated between WMATA and PRTC whereby: WMATA's share equals the proportion of the vanpool vehicle miles traversing the NVTC jurisdictions plus the same portion of "system vanpool miles" (those operated outside of any of the districts of the project sponsors) as a percentage of the total Program vanpool mileage; and PRTC's share is the rest; and
d. The PRTC share of the net Program earnings is further subdivided between PRTC and GWRC whereby the GWRC share is equal to the proportion of vanpool mileage traversing the GWRC jurisdictions as a percentage of the vanpool mileage traversing the GWRC jurisdictions plus Prince William

County, Manassas, and Manassas Park, and the PRTC share is the remainder., Thus PRTC ends up with FTA formula funds equal to the Program expense plus its share of the net Program earnings.

e. In no event will WMATA's share of FTA formula earnings from other than Program earnings be reduced if Program expenses exceed Program earnings.
f. This allocation of Program earnings will be altered if loans from one or more Program Sponsors are outstanding (see D5 below).

5. Advance Funding Option.

Notwithstanding other cost and revenue sharing arrangements described herein, one or more of the three sponsoring agencies may offer to advance funds to match state and federal grants. If these advanced funds are accepted in writing by all of the sponsoring agencies, then subject to state and/or federal covenants, if any, the repayment of such funds will have first call on future net earnings of the project. Repayments will be taken off the top of future Section 5307 allocations less administrative expenses prior to allocation of any remaining net earnings in any subsequent fiscal year.

If there are insufficient net earnings in the year immediately following the advancement of such funds, then the repayment obligation will carry over to each succeeding year until the advanced funds have been repaid. No interest shall accrue regardless of how long it takes to repay the advanced funds.

If after a period of five years from the end of the fiscal year in which the funds are advanced, there remains an unpaid balance, the Program Sponsor providing the funding may call for a repayment of the advanced funds by the end of the following fiscal year. If there are insufficient net earnings to cover the repayment obligation, then the unpaid obligation remaining at the end of the succeeding fiscal year will be borne by the three sponsoring agencies from their own resources in the same proportion as they shared vanpool project administrative expenses and revenues in the year in which the funds were advanced.

If the agency that advanced the funds wishes to withdraw from the project before the repayment obligation is met, it must give at least one fiscal year notice of its request to be repaid by the remaining sponsoring agencies, again using the shares in effect in the year the funds were advanced.

If the project is discontinued before the obligation is repaid, all three sponsoring agencies are required to make repayment using the shares in effect in the year the funds were advanced.

If one or more sponsoring agencies withdraw from the project before the obligation is repaid, the withdrawing agencies must maintain their commitment to repay their shares of the obligation.

The Program Sponsors acknowledge that all funding commitments under this Memorandum of Understanding are contingent upon annual appropriation.

An initial loan amounting to as much as $1.64 million is anticipated, as described in D.3 (“the initial loan”). NVTC and PRTC are envisioned as the lenders of this initial loan, in shares amounting to two-thirds and one-third, respectively. PRTC’s share of the loan is payable from PRTC unrestricted net assets (its “fund balance”), amounting to $72,000 in FY 2013 and the balance of PRTC’s one third share before the start of FY 2014, while NVTC’s share of the loan is payable from funding sources its member governments designate, in its entirety before the start of FY 2014. Repayment of the initial loan shall be in accordance with the arrangements described in the preceding portion of this sub-section.

E. PROGRAM BUDGETING.

The Program Sponsors expect expenses to be incurred beginning in July 2012. Vanpools are anticipated to commence participation in the Program in January 2013 (hereinafter referred to as “Start Date”). Thus the first year Program budget (i.e., FY 2013) encompasses six months before the Start Date and the first six months of Program participation. The partial year FY 2013 budget and full year FY 2014 and FY 2015 budgets are defined in the business plan, and have been funded by the bridge funding referenced in Paragraph I.D.3, above., Execution of this MOU by the Program Sponsors constitutes their authorization to PRTC, as Program administrator, to incur costs for FY 2013 (spending authorization in FY 2014 and FY 2015 will be sought prior to the start of each fiscal year, in accordance with the provisions set forth below).

Beginning with the FY 2016 (the first year Section FTA formula earnings are expected to be available) budget preparation, each year’s proposed budget shall be developed as follows:

1. End of September -- Program staff at PRTC completes work on a proposed budget for review by the PAB.

2. End of October-- PAB reviews and comments on the proposed budget. Program staff at PRTC finalizes proposed budget for PRTC Board’s consideration, accompanied by the PAB’s review comments.

3. November – PRTC Board authorizes transmittal of the budget to GWRC and NVTC for approval.

4. No later than January -- GWRC and NVTC provide their approvals in a manner best-suited to each commission’s practices.

5. February -- PRTC applies for state assistance for the proposed Program budget.

6. Spring -- Program Sponsors appropriate their respective shares of the local match and public hearing(s) are held by PRTC to invite public review and comment on the proposed budget and proposed federal grant application for PRTC and GWRC encompassing the use of prior year net earnings and the next fiscal year’s program expense.

DRAFT

7. June – PRTC Board approves final Program budget (as do NVTC and GWRC if there are any changes from the January version) for the fiscal year beginning in July.

The Program budgeting process as described above is a parallel activity with the annual NTD data submission process, the federal grant application process, and the annual audit process as described in the next three sections.

F. NTD DATA SUBMISSION PROCESS.

NTD statistics shall be compiled throughout the course of the year by Program staff, assisted by the participating vanpool owners / operators as described in the vanpool owner / operator participation agreement ("Participation Agreement"; attached). The data shall be validated, audited and transmitted by Program staff to the FTA by October 31st for the fiscal year ending the previous June 30th.

G. FEDERAL GRANT APPLICATION PROCESS.

The process is as follows:

1. Late October -- FTA publishes an apportionment notice. The apportionment notice is based on NTD statistics for the year ending in June of the previous year. For example, the FTA apportionment notice issued in October of 2014 is based on NTD statistics for the year ending in June of 2013.

2. November through February – WMATA, PRTC, and the MTA reconcile their respective calculations of the formula funding each is due, forging a consensus on this and sending a split letter to the FTA signifying local agreement about the regional sub-allocation. PRTC's share in the split letter related to vanpool earnings is the sum of:

   a. The anticipated Program expense for the year beginning the following July;
   b. PRTC's proportionate share of the net earnings for the year ending the previous June; and
   c. GWRC's proportionate share of the net earnings for the year ending the previous June

   PRTC's share in the split letter includes the GWRC share because GWRC is not a signatory to the split letter and thus PRTC has to serve as GWRC's agent for this purpose. GWRC is solely responsible for deciding what qualifying projects its share of the net earnings will be used for, and PRTC will ultimately serve as the applicant for those federal funds as well as PRTC's own share of net earnings, subject to the provisions in Section L. NVTC is not a party to the split letter because it is providing its entire share of net program earnings directly to WMATA.

3. February – WMATA, PRTC, and the MTA account for their respective shares in their respective budgets and grant applications. PRTC confers with GWRC to confirm projects GWRC intends to fund with its net earnings, and GWRC's intended sources of

required local match, so the GWRC projects can be incorporated in the PRTC federal grant application and state grant application as appropriate. PRTC is also responsible for securing its own required local match, which is envisioned to be a combination of state and local funds. WMATA applies for its share of the net earnings as it sees fit and is responsible for the non-federal match.

H. ANNUAL AUDIT PROCESS.

The process is as follows:

1. Summer – Program-related financial data assembled for year-end auditing;

2. Fall – PRTC's external auditor conducts audit of Program-related expenses with audit fees billed to this Program; and

3. Winter – External auditor's report presented to PRTC, NVTC, and GWRC Boards and then released to the public.

I. REVENUE SHORTFALL.

In the event of a revenue shortfall to the Program, the subsidy required to compensate for the shortfall experienced in a fiscal year shall be borne by the three sponsoring organizations (PRTC, NVTC, and GWRC) in the same proportions as their respective shares of the net revenue from the most recently completed and reported fiscal year. Program staff shall promptly inform NVTC and GWRC of conditions that could give rise to a revenue shortfall, so the three sponsors can confer about whether to respond with a supplemental appropriation to cover the anticipated shortfall and permit the continuation of the Program; Program changes to contain costs and curb the anticipated shortfall; and/or Program termination.

J. RISK MANAGEMENT.

PRTC will obtain appropriate insurance to cover all reasonably foreseeable Program risks, and will include the costs of such insurance in each annual Program budget.

K. PRTC RIGHT TO TERMINATE ANY VANPOOL PARTICIPATION AGREEMENT AT PRTC'S DISCRETION.

Every Participation Agreement shall clearly state that PRTC has the discretion to terminate the Participation Agreement at any time.

L. FINANCIAL OBLIGATIONS OF THE PROGRAM SPONSORS.

The Program Sponsors bear financial responsibility for the following costs:

1. Revenue shortfalls. As stated above in Section I, the subsidy required to compensate for a revenue shortfall in a particular fiscal year shall be borne by the Program Sponsors in

the same proportions as their respective shares of the net revenue from the most recently completed and reported fiscal year. PRTC shall endeavor to notify NVTC and GWRC as soon as possible that a revenue shortfall is arising, and shall convene the Program Sponsors to discuss remedial actions that, once defined, have to be ratified by the Program Sponsors' governing boards.

2. <u>The local match required for Section 5307 funding used for program expenses and the entire portion of any program expenses that do not qualify for Section 5307 funding.</u> The Program Sponsors are responsible for their respective shares of these expenses. Shares are determined using their respective proportions of net revenue from the most recently completed and reported fiscal year. PRTC management shall inform NVTC and GWRC of this local match requirement as part of the proposed budget prepared each September, and said funds shall be appropriated no later than the following June. Failure to appropriate also necessitates notice by no later than January (preceding the fiscal year for which the funds referenced here are being sought) so the Program Sponsors can confer about prospective responses.

3. <u>The local match for projects funded by Section 5307 net earnings.</u> PRTC and GWRC are also responsible for their required matching expenses. PRTC shall not apply for federal formula funds on behalf of itself or GWRC until the local matching funds have been confirmed. NVTC's net earnings shall accrue to WMATA, and WMATA shall bear responsibility for arranging the necessary match for these funds and applying for these funds thereafter.

The Program Sponsors acknowledge that all commitments under this Memorandum of Understanding are contingent upon annual appropriation of sufficient revenues by all participating governments sufficient to support the Program.

M. PROCUREMENT AUTHORITY FOR THE PROGRAM.

PRTC management shall procure goods and services as required for the Program in accordance with PRTC's Board-adopted purchasing policy. All such purchases shall be made only after the funds required for the purchase become part of an approved budget.

N. TITLE TO ASSETS.

Program assets (lift-equipped vans, etc.) will be jointly owned by the Program Sponsors in proportion to shares of net earnings in the year each asset was acquired, recognizing any obligations resulting from the use of any state or federal aid to acquire those assets. Consequently, any disposition of those assets requires the approval of the Boards of each of the Program Sponsors.

O. PROGRAM SPONSOR WITHDRAWAL FROM THE PROGRAM.

Each Program Sponsor shall have the discretion to withdraw unilaterally from the Program, provided the other Program Sponsors are given ample prior notice. Ample prior notice means that withdrawals shall be permissible once annually, during the budget preparation process. A notice to withdraw shall be made to all other Program Sponsors no later than October 1st, with said notice to be applicable for the fiscal year beginning the following July. A Program Sponsor electing to withdraw shall bear full responsibility for its share of expenses for the fiscal year in which the withdrawal notice is sent, and for its share of any unpaid expenses that have already been incurred. The withdrawing Program Sponsor must obtain the approval of the other Program Sponsors in order to receive a share of the current value of any assets, since selling those assets may harm the Program.

P. INVOICING AND PAYMENT OF PROGRAM COSTS.

Several types of Program costs will require invoicing and payment as described below:

1. Vanpool owner / operator remuneration. As described in the Participation Agreement, PRTC will be obligated to remit payments of $200 per month per van to the owner(s) / operator(s), after the owner / operator complies with the data assembly and transmittal obligations the owner / operator has. No invoicing for these payments is required – they will simply be made no later than 30 days following affirmation that the data assembly and transmittal obligations for said month by the owner / operator have been fulfilled.

2. Payment for program-related goods delivered and services rendered by contractors. PRTC shall be invoiced for all such goods and services, and payments shall be made within the contractually specified time frames in accordance with contract terms.

3. Local match for federally participating program costs and for program costs that do not qualify for federal participation. Program Sponsors will be invoiced for all such costs in accordance with the approved budget and attendant allocations. Payments are due within 30 days of the receipt of the invoice.

Q. GRANT MANAGEMENT PRACTICES PERTAINING TO NET REVENUES PRTC APPLIES FOR ON BEHALF OF GWRC AND ITS MEMBER GOVERNMENTS AS A RESULT OF THE PROGRAM.

As noted in Section G, each year PRTC anticipates serving as the applicant for net revenues due to GWRC as well as PRTC. Entities for which PRTC serves as an applicant thereby become a sub-recipient and, as such, must comply with all the FTA statutory and regulatory requirements. The following steps are necessary for PRTC to serve as the applicant:

1. Execution of a Sub-Recipient Agreement. PRTC and the sub-recipient must enter into a sub-recipient agreement memorializing both the project(s) that are the subject of the grant application and the sub-recipient's affirmation that it shall be bound by all the FTA Master Agreement requirements. A copy of an illustrative sub-recipient agreement is attached. Among other things, the sub-recipient agreement clarifies that the federal grant funds are payable on a reimbursable basis, and only for 80% of the cost incurred since there is a 20% match requirement (see [2]).

2. Affirmation that the sub-recipient shall furnish the necessary matching funds. Section 5307 funds require a 20% local match, which the sub-recipient must furnish. Nothing in this sub-section shall prevent a sub-recipient from seeking state assistance for a portion of the local match.

R. PROGRAM ADVISORY BOARD (PAB).

A Program Advisory Board (PAB) shall be established to provide advice on Program products, administrative rules, budgets, and revenue calculations to the Program Sponsors, the PRTC Board, and Program staff. The PAB's views will accompany PRTC management's recommendations on all matters requiring PRTC Board approval (e.g., the budget; contract awards above the threshold delegated to the Executive Director; etc.) and the approval of the Boards of all three Program Sponsors. While the annual budget will be a primary focus, the PAB will also play a role in the review of program products, administrative rules, and revenue calculations, such that all of these products are vetted with the PAB before they are issued. The PAB is as an advisory group, so no formal vote-taking, parliamentary procedures, or formal bylaws are necessary to guide the group's deliberations. The views of PAB members, be they singly held or otherwise, are important for the Program Sponsors' governing boards to know, and thus the PAB's views will be routinely communicated as part of staff reports accompanying proposed actions.

Each of the Program Sponsors shall appoint no more than four representatives to the PAB, and the appointees shall serve for as long as the Program Sponsors decide at their own discretion. The model for PAB is the Jurisdictional and Agency Coordinating Committee of the Northern Virginia Transportation Authority. Representatives are welcomed from all agencies and jurisdictions participating in the Program. PAB will decide whether to invite additional representatives of vanpool operators and customers.

S. PROGRAM EMPLOYEES.

Those hired by PRTC for the purpose of administering the Program shall be employees of PRTC, entitled to all the rights and privileges as all other PRTC employees. Said employees shall also be bound by PRTC's adopted personnel policy, and PRTC management shall have supervisory responsibility for the conduct and performance of these employees. Costs associated with the Program employees (e.g., salary, fringe) constitute a Program expense that shall be payable from adopted Program budgets.

T. INDEMNIFICATION. No indemnities are granted by virtue of this MOU.

U. EFFECTIVE DATE AND TERM.

This agreement shall be effective following its execution by authorization of all Program Sponsors and shall remain in force indefinitely unless terminated sooner as provided for in Section O of this MOU.

V. CHANGES AND AMENDMENTS.

Upon the mutual consent of the Program sponsors, this MOU may be amended.

W. SEVERABILITY.

In the event that any of the provisions of this MOU are determined to be in violation of any statute or rule of law to which this MOU is subject, then such provision(s) shall be deemed to be inoperative to the extent that the provision(s) is contrary to the requirements of the law, and shall be deemed to be modified to conform with such statute or rule of law, or stricken entirely from this MOU.

Invalidity or modification of one or more provisions of this MOU shall not affect any of the other provisions of this MOU.

X. AUTHORIZED SIGNATURES.

The undersigned individuals have been duly authorized to commit their respective organizations and member jurisdictions to the terms of this MOU.

In witness whereof, the duly authorized representatives of the parties hereto have executed this MOU on the dates and year hereafter written:

NORTHERN VIRGINIA VIRGINIA TRANSPORTATION COMMISSION	POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION	GEORGE WASHINGTON REGIONAL COMMISSION
Chairman	Chairman	Chairman
____________________ Signature	____________________ Signature	____________________ Signature
____________________ Date	____________________ Date	____________________ Date

Northern Virginia Transportation Commission

AGENDA ITEM #9

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Mariela Garcia-Colberg

DATE: June 28, 2012

SUBJECT: Federal Grants for an Alternatives Analysis/Environmental Assessment in the Van Dorn/Beauregard Corridor

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As a service to its jurisdictions, NVTC staff applies for and manages federal grants and funds when requested. Alexandria has asked NVTC to apply for a $1 million grant (including non-federal match) to fund an alternatives analysis transit study in the Van Dorn-Beauregard corridor. In October, 2011, Alexandria was notified that it had received a grant award of $800,000 from the Federal Transit Administration (FTA) to fund an alternatives analysis of high capacity transit options. This amount will be matched by $200,000 of local funds. This study is intended to be a prelude to future FTA capital funding of a project in the corridor. The city has reached an understanding that FTA will allow this effort to be a joint Alternatives Analysis and Environmental Assessment. The money from this grant will be used to analyze in detail various alternatives to determine which one will become the city's Locally Preferred Option.

The environmental assessment part will be funded with RSTP and CMAQ funds. Alexandria has asked DRPT to flex the funds to FTA. NVTC has been asked to apply for a FTA grant which will be funded by these flexed funds. This grant application will be made at a later date and will be in the amount of $1,414,937.

The attached Resolution #2194 authorizes NVTC staff to apply for both grants and to manage the funds. It includes the standard protective language included each time the commission takes such action. The commission is asked to approve Resolution #2194.

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Northern Virginia Transportation Commission

RESOLUTION #2194

SUBJECT: Authorization to Apply for Federal Alternatives and Environmental Analysis Grants for the Alexandria Van-Dorn-Beauregard Corridor.

WHEREAS: The Northern Virginia Transportation Commission is eligible to apply for, receive and manage federal transit grants and funds;

WHEREAS: NVTC, as a service to its member jurisdictions, can also apply for, receive and manage federal transit grants and funds on behalf of those members;

WHEREAS: The Federal Transit Administration (FTA) requires grant recipients to comply with all grant requirements, including a certification from the Department of Labor regarding labor protection (Section 13(c)); and

WHEREAS: Staff of Alexandria has asked NVTC to apply for federal transit funds on their behalf and indicated that Alexandria is willing to protect NVTC against any and all 13(c) labor protection claims and related expenses using state transit assistance funds held in trust by NVTC.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes its executive director to apply to FTA for transit funding and complete all required certifications on behalf of Alexandria for $1,000,000 (including non-federal match) to do an Alternatives Analysis Study and for $1,414,937 (including non-federal match) to do an Environmental Assessment of the Van Dorn-Beauregard Corridor, and to manage the grant funds when received.

BE IT FURTHER RESOLVED that NVTC authorizes its staff to amend the commission's 2012 approved work program to include these grant applications and grant management tasks.

BE IT FURTHER RESOLVED that NVTC authorizes its executive director as trustee of state transit assistance received by Alexandria at NVTC, to use funds from Alexandria's accounts at NVTC and/or from future receipts of such funds, to pay any and all expenses arising from 13(c) labor protection claims and related costs (including legal fees) associated with these federal grants, after first informing Alexandria and providing appropriate documentation of the expenses.

BE IT FURTHER RESOLVED that NVTC requires its executive director to obtain from Alexandria a signed standard sub-recipient agreement before execution of these FTA grants.

Approved this 5th day of July, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

Northern Virginia Transportation Commission

AGENDA ITEM #10

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: June 28, 2012

SUBJECT: Northern Virginia Transportation and Planning Agency Efficiency and Consolidation Study.

Work is continuing on the study requested by Northern Virginia's General Assembly delegation. Another steering committee meeting is set for June 28, 2012.

Staff will share materials and commissioners should discuss reactions to and expectations for the study.

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AGENDA ITEM #11

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: June 28, 2012

SUBJECT: WMATA Items.

A. WMATA Board Members' Report.

NVTC's WMATA Board members will have the opportunity to bring relevant matters to the attention of the commission.

B. Vital Signs/WMATA Dashboard.

Each month staff will provide copies of WMATA's Dashboard performance report and every quarter staff will include a summary of WMATA's Vital Signs report.

C. Status of Rail to Dulles Phase 2.

The Loudoun County Board of Supervisors is expected to decide on July 3rd whether or not to opt out of Phase 2.

Attached is a response from WMATA staff to NVTC's request for clarification of procedures if Loudoun County chooses to participate.

Because NVTC's resolution (attached) on the subject contained provisions for the use of its Subsidy Allocation Model, depending on the outcome of DRPT's new policies, those provisions may need to be reexamined.

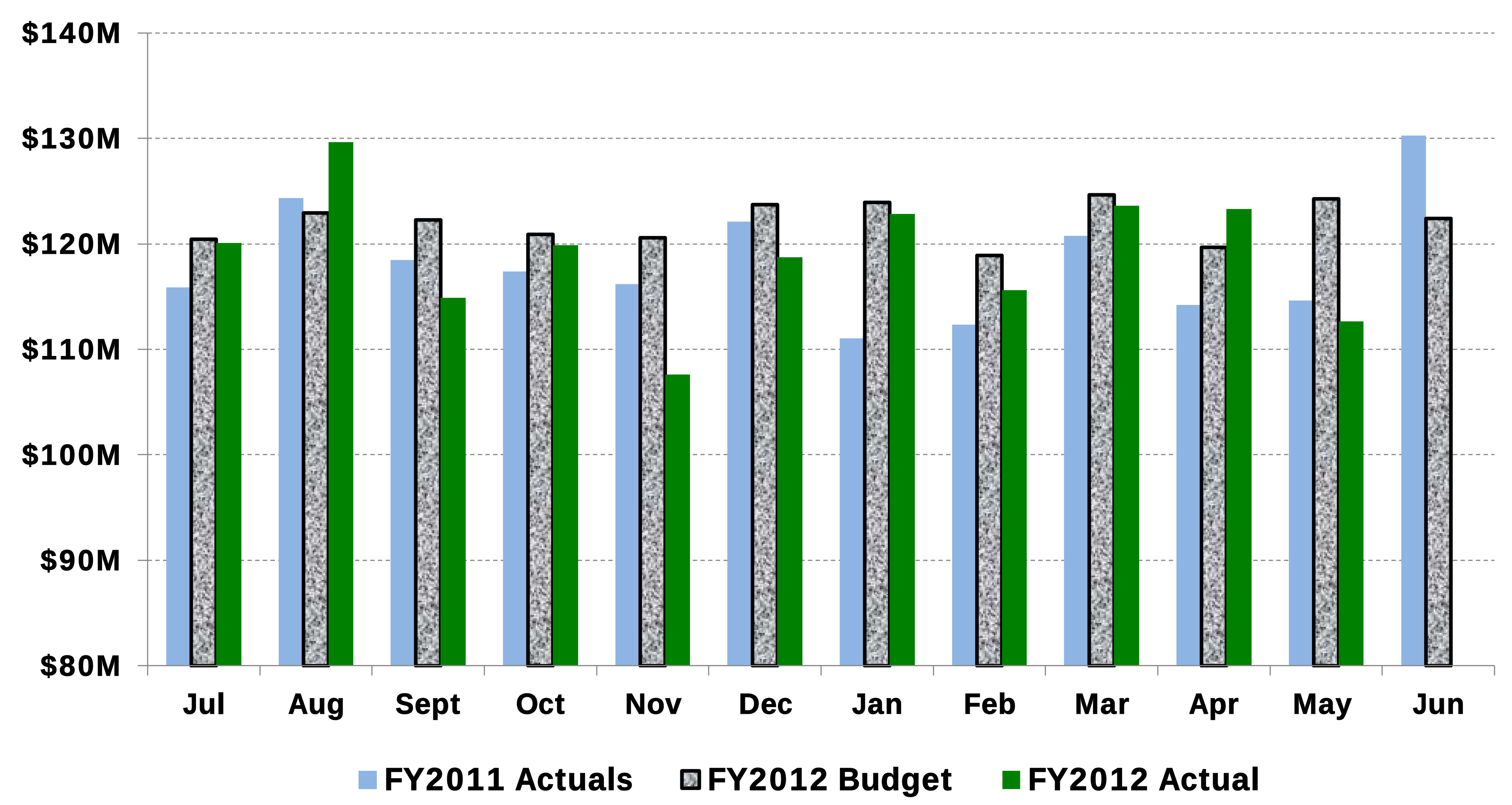
Operating Budget Report

May FY2012

Operating Budget ($ in Millions)

MTD	May-FY2011 Actual	May - FY2012 Actual	May - FY2012 Budget	Variance FY12 $	Variance FY12 Percent
Revenue	$ 68,140	$ 70,480	$ 71,505	$ (1,025)	-1%
Expense	$ 114,607	$ 112,671	$ 124,263	$ 11,593	9%
Subsidy	$ 46,467	$ 42,191	$ 52,758	$ 10,567	20%
Cost Recovery	59%	63%	58%		
YTD					
Revenue	$ 729,672	$ 733,145	$ 740,000	$ (6,855)	-1%
Expense	$ 1,287,169	$ 1,308,740	$ 1,342,201	$ 33,461	2%
Subsidy	$ 557,497	$ 575,595	$ 602,201	$ 26,606	4%
Cost Recovery	57%	56%	55%		

Operating Expenditures ($ in Millions)



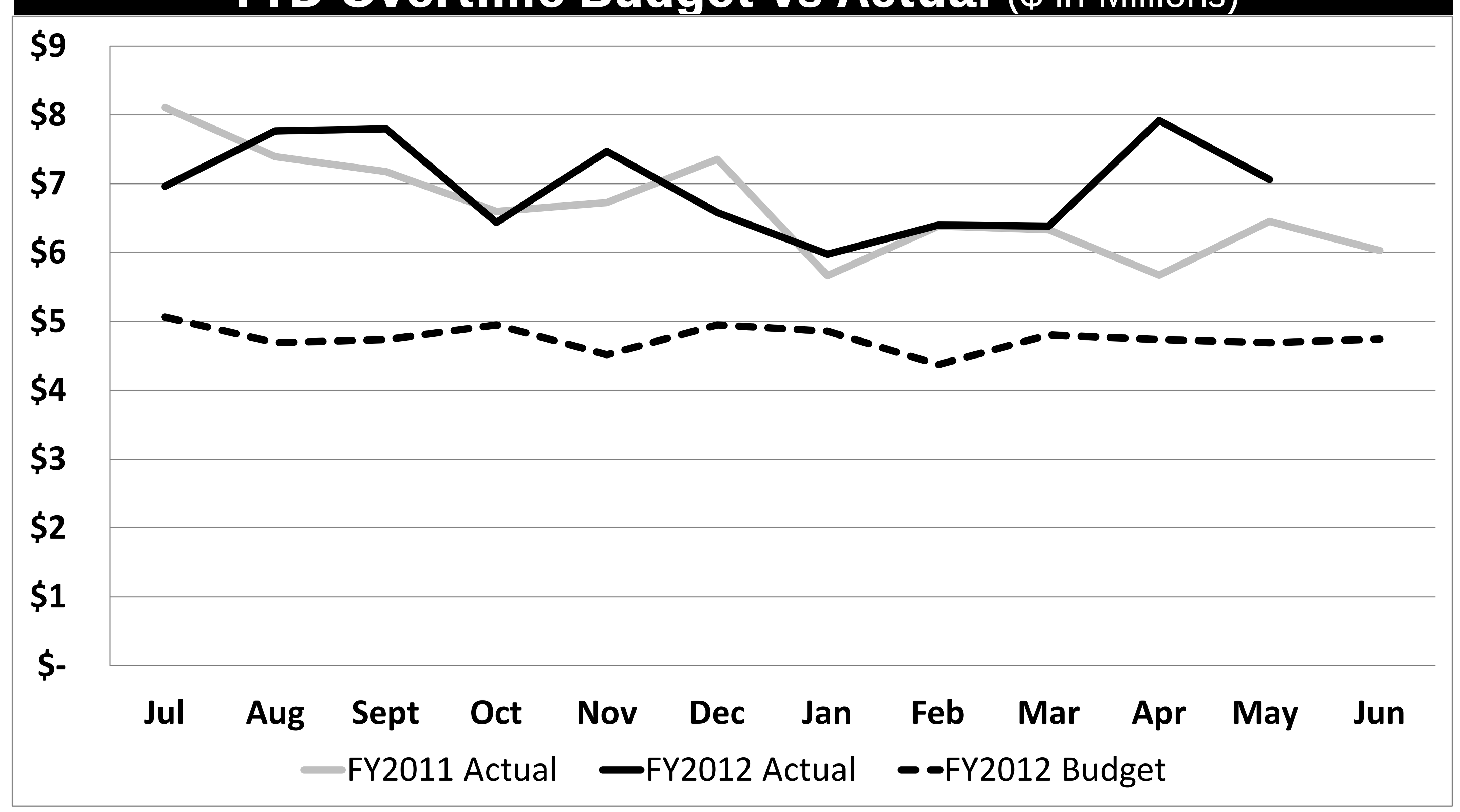
Operating Program Highlights

As of May YTD, Metro is **favorable to budget** by $26.6M, or 4%.

Year-to-date expenditures - $33.5 M or 2.5% favorable to budget.

- Salary & wages below budget by $17.3 M due to vacancies. $3.1 M of paid leave was moved from operating to capital in the month of May to accurately distribute year-to-date paid leave
- Overtime is ($24.4 M) over budget due to vacancies, leave coverage, and extensive rail work in Transit Infrastructure and Engineering Services (TIES), RAIL and BUS
- Fringe benefits is $8.0 M under budget due to lower than projected pension costs for most of Metro's pension plans ($4.8M) as well as lower than anticipated health and welfare costs for Local 689 ($5.3M). These favorable variances were partially offset by unfavorable health care costs for non-rep and Local 2 participants under the Cigna Health Plan (-$2.1M). $8.2 M of fringe costs were moved from operating to capital in the month of May to accurately distribute year-to-date FICA and allocated fringes
- Materials and Supply expenses ($19.8 M) are unfavorable due to unanticipated expenses for bus parts, car maintenance and elevator/escalator.
- Service expenses of $22.1 M were favorable due to $8.4M savings in paratransit expenses, under utilization of the RCSC/RSMA Treasury contract, various JOC contracts

YTD Overtime Budget vs Actual ($ in Miliions)



Operating Budget Reprogramming Status

Year-to-date: $300,000 was reprogrammed from the Treasury Office to Counsel for the purpose of funding outside legal fees for Treasury and $1.15M from Access to PLJD for costs related to the installation of parking lot credit card readers. Other reprogramming is intra-departmental.

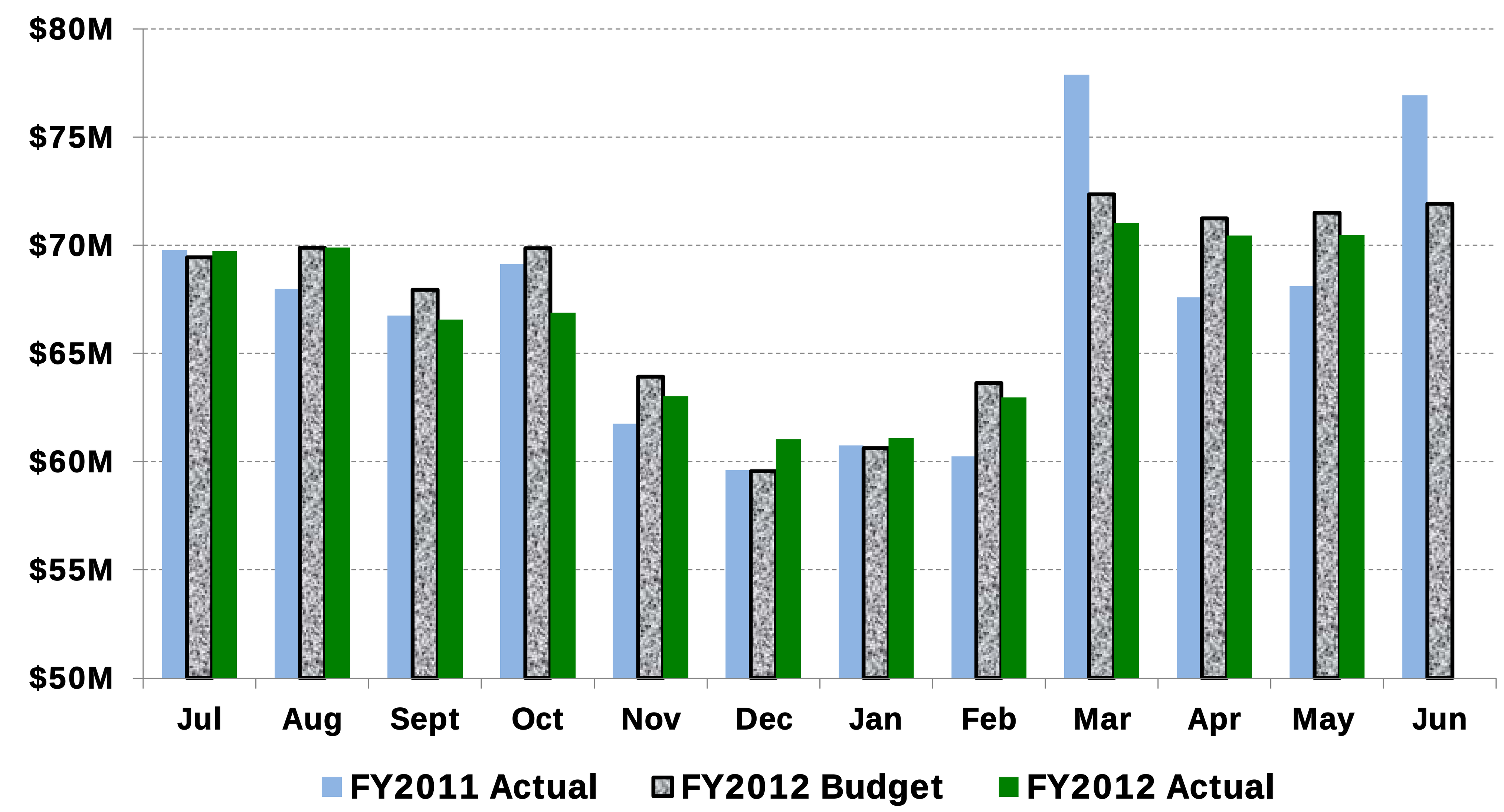
Revenue and Ridership Report

May FY2012

Ridership (trips in thousands)

MTD	May- FY2011 Actual	May - FY2012 Actual	May - FY2012 Budget	Variance Prior Year	Variance Budget
Metrorail	18,441	19,054	19,199	3%	-1%
Metrobus	11,009	11,446	11,310	4%	1%
MetroAccess	182	183	208	0%	-12%
System Total	29,632	30,683	30,717	4%	0%
YTD					
Metrorail	197,074	198,775	200,662	1%	-1%
Metrobus	113,961	121,302	113,461	6%	7%
MetroAccess	2,157	1,911	2,252	-11%	-15%
System Total	313,192	321,988	316,374	3%	2%

Revenue



Revenue and Ridership Highlights

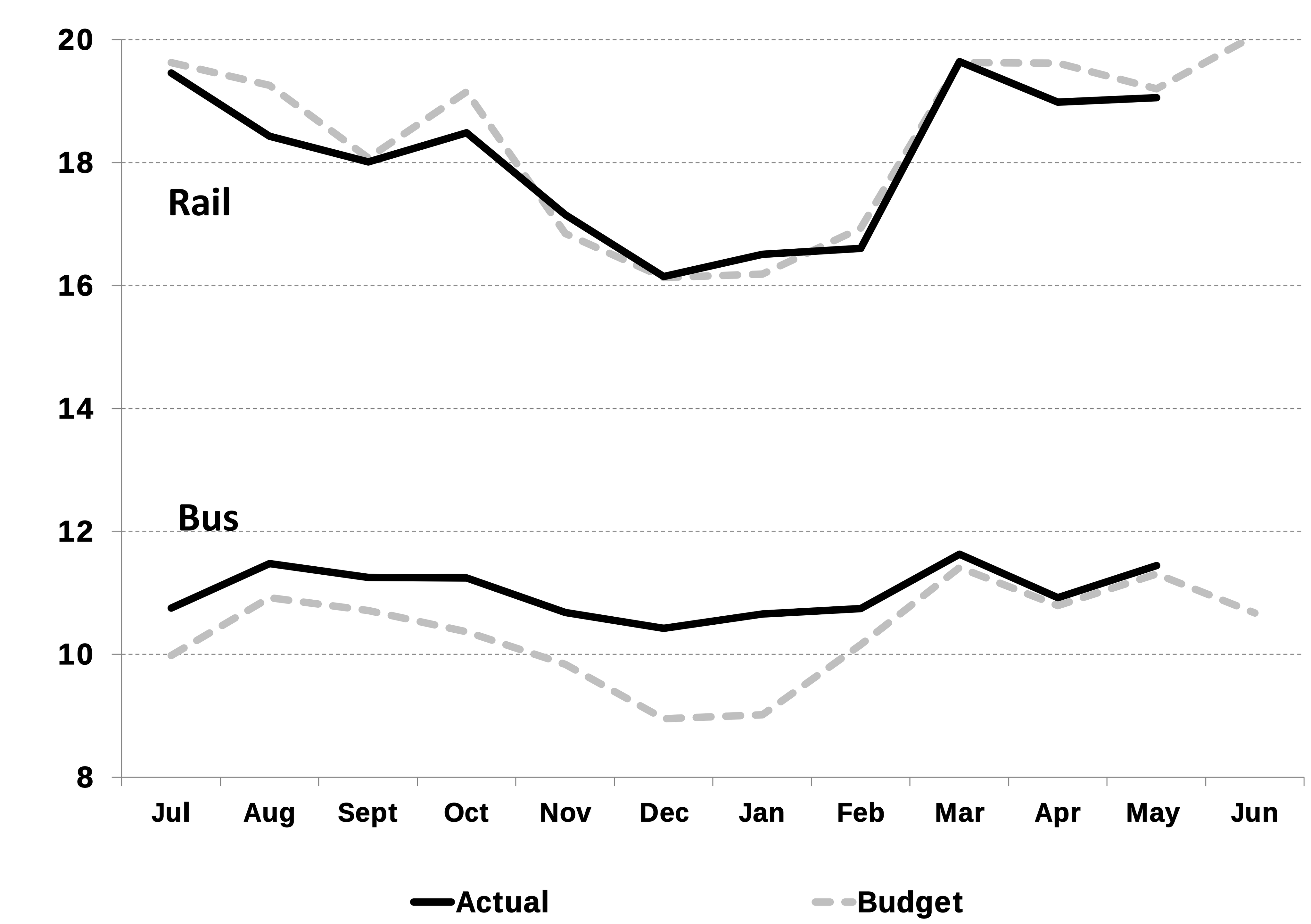
<u>Year-to-date Revenue</u>

- Total revenue is ($7 M) below budget, -1%; Passenger fares plus parking is ($3 M) and non-transit revenue is ($4 M) below budget
- **Rail passenger fares** are ($10 M) below budget YTD, average fare YTD is $2.61
- **Bus passenger revenue** YTD is $8 M favorable to budget, and average fare is $1.01 which is equal to budget
- **MetroAccess** is $1.5 M above budget, average fare YTD is $3.76
- While **Parking revenue** YTD is ($2 M) below budget, the average fee is $3.74, compared to a budget of $3.71
- **Other revenue** is ($4 M) below budget, mainly due to advertising revenue that will be received at the end of the fiscal year.

<u>Year-to-date Ridership</u>

- **Rail ridership** YTD is 1% above prior year, though 1% below projection. May ridership was 3.3% above prior year, with the largest growth occurring during Saturday and Sunday
- **Bus ridership** YTD is 6% above prior year, and 7.8 M or 7% above budget, ridership is on target to return to the ridership levels of FY2008 and FY2009
- **Access ridership** YTD is 245,800 or 11.4% below prior year. Demand management initiatives and fare changes implemented February FY11 resulted in decreased ridership during the 4th quarter of FY11; May of FY12 was only 94 passenger trips greater than the prior year, reflecting the stabilization in trips after the initial decrease.

Monthly Ridership for Rail and Bus (in Millions)



Capital Program Report

May FY2012

Sources of Funds ($ in Millions)

	Expenditure-Based Year to Date Sources of Funds				
	Budget	Forecast	Awarded	Received	To be Rec.
FY2011 CIP	$855	$754	$692	$551	$304
FY2012 CIP	$1,042	$917	$733	$606	$311

	Obligation-Based to Date Sources of Funds			
	Budget	Awarded	Received	To be Rec.
Safety & Security	$57	$57	$0	$57
ARRA	56	56	39	17
Reimbursable	100	100	79	21
Total	$213	$213	$118	$95

Uses of Funds ($ in Millions)

	Expenditure-Based Year to Date Uses of Funds					
	Budget	Forecast	Obligated	Expended	% Obl.	% Exp.
FY2011 CIP	$855	$754	$742	$477	98%	63%
FY2012 CIP	$1,042	$917	$824	$601	90%	66%

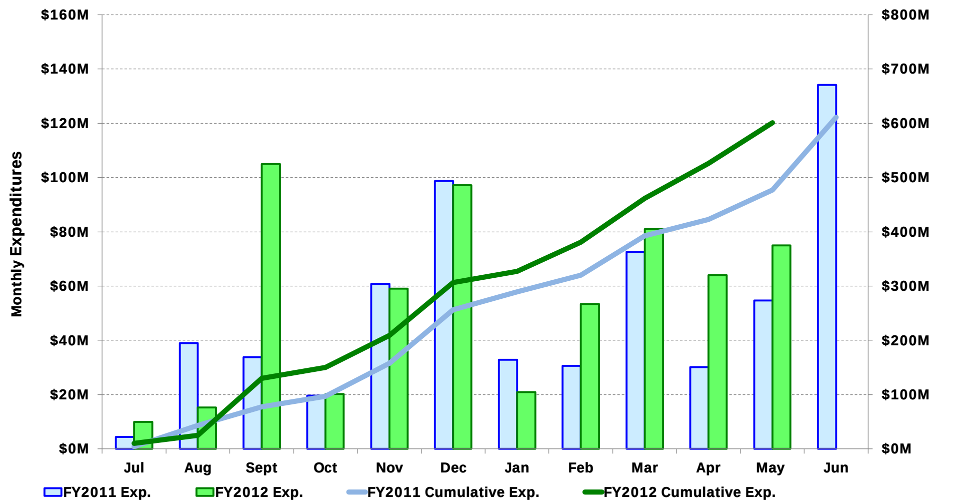
	Obligation-Based to Date Uses of Funds				
	Budget	Obligated	Expended	% Obl.	% Exp.
Safety & Security	$57	$25	$9	44%	16%
ARRA	56	55	40	99%	71%
Reimbursable	100	85	80	85%	80%
Total	$213	$165	$129	77%	60%

Capital Program Highlights

As of May 31, 2012:

- The Capital Improvement Program (CIP) has expended $601 million in FY2012. This is 26% or $124 million more than the same period in FY2011
- Received 100 of the 100 planned buses for FY2012 and placed 95 in service
- Received and placed in service all 15 of the 15 additional buses
- Received 51 of the 51 planned 30-foot Bus Rapid Transit (BRT) buses and placed nine in service
- Received 221 of the 221 planned paratransit vehicles for FY2012 and placed 198 in service
- Continued platform paving and leveling on the Red Line between Dupont Circle and Silver Spring stations;
- Purchased and installed in-ground lifts at various Metrobus facilities
- Continued installation of Redundant Comprehensive Radio Communication System
- Purchased and installed cameras at three bus garages
- Completed track rehabilitation work year-to-date which includes the following: welded 1,179 open joints; repaired 2,557 leaks; replaced 20,114 cross ties, 24,955 fasteners, 11.6 miles of running rail, and 33 turnouts
- Made the milestone payment for development costs on the 1000 Series Rail Car Replacement
- Purchased 89 Tivoli licenses for the backup of data for disaster recovery and
- Continued West Falls Church Rail Yard conversion to Metronet data network and voice communication system.

CIP Expenditures ($ in Millions)



Capital Budget Reprogramming Status ($ in millions)

There was no reprogramming done in May.

HR Vacancy Report

May FY2012

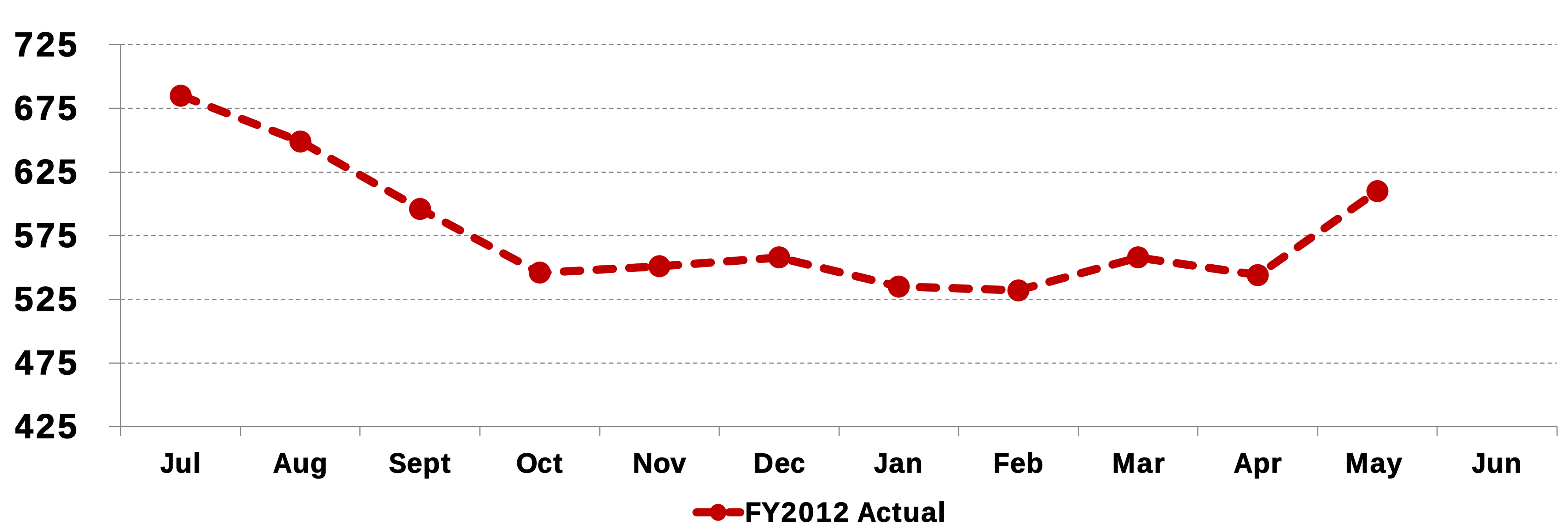
Operating Vacancies

	Budget Approved Positions	Total Number Vacant	Vacancy Rate	Discussion
Total Operating Positions	10,250	610	6%	
Departments with a large number of vacancies:				
TIES	3,120	154	5%	
Bus Services	3,807	123	3%	
Rail Transportation	1,499	96	6%	
Information Technology	251	34	14%	
Metro Police Department	635	20	3%	

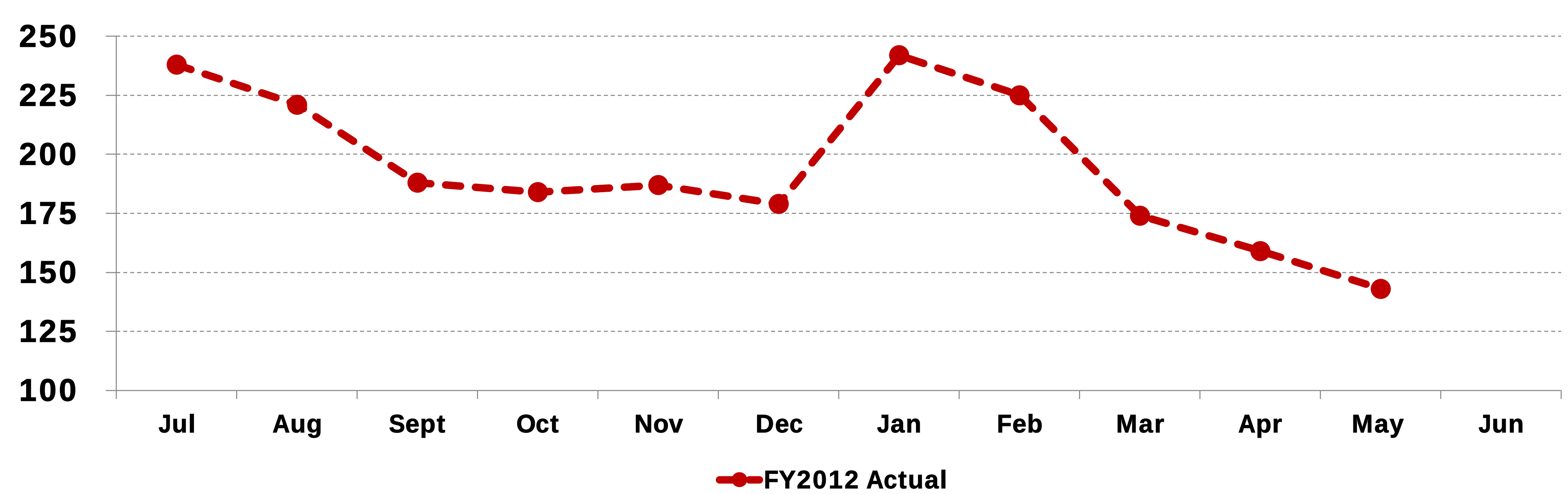
Capital Vacancies

	Budget Approved Positions			
Total Capital Positions	1,201	143	12%	
Departments with a large number of vacancies:				
TIES	949	101	11%	Vacancy rate continues to drop as a result of targeted recruitment efforts.
Chief Financial Office	382	11	3%	
Information Technology	74	17	23%	IT reorganization, salary ranges too low creating difficulties in recruitment

Operating Vacancy Trend



Capital Vacancy Trend



C.

Metro comments on provisions of NVTC resolution#2178 regarding

Loudoun County

BE IT FURTHER RESOLVED that the members of NVTC agree to exercise their best efforts to seek WMATA Board approval of the following terms by which Loudoun County would begin to contract with WMATA and pay WMATA for transit services:

1). Loudoun County should be a full participant in WMATA's Metrorail operating subsidy allocation formula, when service becomes operational to Route 772 in the County;

Metro Comment: Loudoun County will be a full participant in the Metrorail Operating Subsidy as per Board adopted budgets and allocation formulas

2). Loudoun County should not be a participant in WMATA's bus operating subsidy allocation formula until/unless the County contracts with WMATA for Metrobus service, and such service becomes operational;

Metro comment: If Loudoun does not receive any Metrobus service, the County will not have to pay for Metrobus Operating costs.

3). Loudoun County should not be a participant in WMATA's paratransit operating funding allocations until/unless WMATA provides such federally required ADA paratransit services directly or under contract to Loudoun County;

Metro comment: As per the Americans for Disabilities Act (ADA), Metro is required to provide MetroAccess service. If Loudoun residents who meet the eligibility requirements and live within the ADA required service area of ¾ mile radius from a Metrorail Station ask for MetroAccess service, Metro has to provide them transportation and Loudoun will be billed accordingly. To the extent that Loudoun County provides parallel or equivalent service that is more convenient for Loudoun residents, that may minimize the use of MetroAccess service.

4). Loudoun County should be a full participant with all privileges and rights accorded to other NVTC jurisdictions in negotiations for WMATA's next multi-year capital funding agreement covering FY2016 and beyond. Subsequent to the time that Loudoun County contracts with WMATA for services and such services become operational in the County, Loudoun County should be a full funding participant in the Metrorail-only components of that capital funding agreement. Loudoun County would not pay for the ADA Paratransit components of WMATA's capital funding agreement until/unless WMATA provides such federally required services directly or under contract to the County;

Metro comment: Loudoun County will become a full participant in negotiations and discussions regarding the multi-year Capital Funding Agreement (CFA). If Loudoun County does not receive any Metrobus service, the County will not have to pay for Metrobus Operating costs. However, capital funding decisions would be made as part of the negotiations for a new CFA when the current CFA expires in 2016. The new CFA will be subject to approval by the jurisdictions and the Metro Board. Since Metro is required by federal law to provide/have available MetroAccess service, Loudoun County will have to participate in MetroAccess related capital costs.

5). NVTC members will continue to encourage WMATA to discuss equitable methods to integrate a jurisdiction contracting for Metrorail-only services into WMATA's current funding formulas and practices (since those formulas and practices currently assume all jurisdictions contract for and receive the full-range of WMATA transit services).

Metro comment: No comment; has been addressed in comments 1 through 4 above

Northern Virginia Transportation Commission

Agenda Item #3

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: February 23, 2012

SUBJECT: Support for Loudoun County for Phase 2 of the Dulles Rail Project

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Loudoun County staff and staff from NVTC and its other jurisdictions have worked over several months to craft an agreement stating the terms that Loudoun County will receive from NVTC when Metrorail service reaches the County. Also, consistent with the terms of the Memorandum of Understanding between Loudoun County and NVTC when the County joined NVTC in 1990, NVTC will be asked to assist the County as it goes to the WMATA Board to define the terms by which the County will begin to pay for WMATA service if the County decides to proceed with the project.

A copy of the resolution reflecting the staff recommendations that was passed by the Loudoun County Board of Supervisors is attached for discussion. The Loudoun County Board has formally forwarded a request to NVTC to approve the resolution. That resolution is attached as #2187.

If NVTC approves the resolution, NVTC's WMATA Board members would be asked to work with Loudoun County and regional staff to accomplish the terms of the resolution through agreement with the WMATA Board. The terms of this resolution have been discussed with WMATA staff but it will be a decision of the WMATA Board whether to accept the proposed terms.

Several items providing more background are attached, including the 1990 MOU.

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Northern Virginia Transportation Commission

NVTC RESOLUTION #2187

SUBJECT: NVTC Agreement on Loudoun County's Participation in the Washington Metropolitan Area Transit Authority with the Extension of Metrorail into Loudoun County.

WHEREAS: The WMATA Compact requires recipients of Metro transit service to be included in the Transit Zone which requires membership in NVTC;

WHEREAS: When Loudoun County joined NVTC in 1990 both parties signed an agreement regarding the terms and conditions of its entry into NVTC and the WMATA Transit Zone;

WHEREAS: As part of that 1990 agreement, Loudoun County agreed to inform NVTC prior to its application to use or contract with WMATA for transit service or facilities so that NVTC may consider a unified proposal to the WMATA Board regarding the appropriate terms and conditions under which Loudoun County would use or contract WMATA transit service or facilities;

WHEREAS: The 1990 agreement between NVTC and Loudoun County recognizes that in accordance with WMATA's July 6, 1989 Resolution enlarging the NVTC geographical area that Loudoun County will not owe any duty or responsibility to WMATA at that time or until it applies for permission to use or contract with WMATA for transit services or facilities;

WHEREAS: NVTC staff has facilitated discussion among staff of its jurisdictions in which Loudoun County staff has proposed several conditions for which it seeks the support of other NVTC jurisdictions;

WHEREAS: Discussions have also occurred with WMATA staff regarding the terms by which Loudoun County would begin to receive Metrorail and possibly other WMATA transit services;

WHEREAS: By resolution Loudoun County has not participated in the NVTC subsidy allocation model (SAM) through which jurisdictions contracting with WMATA for transit services or facilities share state transit aid and gas tax revenues;

WHEREAS: Staff examined together projections of future transit expenditures and subsidies and the resulting allocations of state aid through NVTC's SAM to Loudoun County and NVTC's other jurisdictions, compared to the scenario in which Loudoun County would receive state aid directly;

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WHEREAS: Under the most current transit projections, Loudoun County will receive less state aid initially through SAM than if the County applied directly for state aid;

WHEREAS: Staff of NVTC and its jurisdictions believe that the loss of state aid would be mitigated if Loudoun County were allowed to continue to apply directly for state aid for Loudoun County Transit, as it does currently, and for any other non-WMATA local transit services (e.g., feeder bus routes and ADA Paratransit services), with only Loudoun County's WMATA-related expenses included in NVTC's SAM;

WHEREAS: Staff recognizes that the most recent ridership survey results (2007) show that about 0.65 percent of Metrorail riders reside in Loudoun County and that in accordance with the 1990 Agreement, the County has not previously shared in the subsidies of those riders;

WHEREAS: Accordingly, staff is recommending that when Loudoun County begins contracting with WMATA for transit use or facilities, the County should participate in NVTC's SAM on the same terms as NVTC's other members, with the exception that only Loudoun's WMATA-related expenditures and subsidies will be included in SAM;

WHEREAS: With respect to the desired terms by which Loudoun County would contract with WMATA for the operating costs of Metrorail and other WMATA transit services, staff of NVTC and its jurisdictions agree that Loudoun County should be a full participant in WMATA's Metrorail operating formula when rail service to the county begins; should not be a participant in the bus operating subsidy allocation formula until/unless Loudoun County contracts with WMATA for Metrobus service and such service becomes operational; and should not be a participant in WMATA's paratransit operating funding allocations until/unless WMATA provides federally required paratransit services directly or under contract to Loudoun County;

WHEREAS: With respect to the desired terms by which Loudoun County would contract with WMATA for the future capital costs of Metrorail and other WMATA transit services operational in Loudoun County, staff of NVTC and its jurisdictions agree that Loudoun County should be a full participant with all privileges and rights accorded to other NVTC jurisdictions in negotiations for WMATA's next multi-year capital funding agreement covering FY 2016 and beyond; should begin to pay an equitable share of the future Metrorail projects included in that capital funding agreement beginning in the year in which Metrorail becomes operational in the County (now expected in FY 2018), and should not participate in the Metrobus-only components of the capital funding agreement unless/until Loudoun County contracts with WMATA for Metrobus service; and

WHEREAS: WMATA staff recognizes that no precedent exists for including a Metrorail-only jurisdiction in the Capital Funding Agreement formulas designed to allocate costs for future mixed Metrorail-Metrobus-Paratransit capital projects, or other future capital projects with system-wide benefits; further discussion is needed of various methods through which Loudoun would contribute an equitable share to these future projects based on its receipt of Metrorail-only services.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission confirms the following:

1) Loudoun County is eligible immediately to appoint an alternate member to NVTC from the elected members of its County Board of Supervisors;

2) When Loudoun County "opts" into the Dulles Metrorail Project the County will be eligible to vote at NVTC on Metro-related items;

3) NVTC supports representation on the WMATA Board for Loudoun County, but not at the expense of the other NVTC jurisdictions;

4) When Loudoun County contracts with WMATA for Metrorail service and such services become operational in Loudoun County, the County will use the services of NVTC to submit the County's WMATA-related operating and capital reimbursal requests to DRPT (as do all other NVTC jurisdictions);

5) NVTC agrees to exclude from its Subsidy Allocation Model (SAM) the expenses and subsidies for Loudoun County Transit and any other non-WMATA local transit service in the County (e.g. feeder buses and ADA Paratransit service). Loudoun County has previously been a direct applicant for and recipient of Virginia Department of Rail and Public Transportation state assistance for transit services;

6) With the exception of #5 above, Loudoun County will be a full participant in NVTC's SAM when the County begins contracting with WMATA for transit use or facilities.

BE IT FURTHER RESOLVED that the objective of this action is to perpetuate an effective regional transit partnership within NVTC's district.

BE IT FURTHER RESOLVED that the members of NVTC agree to exercise their best efforts to seek WMATA Board approval of the following terms by which Loudoun County would begin to contract with WMATA and pay WMATA for transit services:

1) Loudoun County should be a full participant in WMATA's Metrorail operating subsidy allocation formula, when service becomes operational to Route 772 in the County;

2) Loudoun County should not be a participant in WMATA's bus operating subsidy allocation formula until/unless the County contracts with WMATA for Metrobus service, and such service becomes operational;

3) Loudoun County should not be a participant in WMATA's paratransit operating funding allocations until/unless WMATA provides such federally required ADA paratransit services directly or under contract to Loudoun County;

4) Loudoun County should be a full participant with all privileges and rights accorded to other NVTC jurisdictions in negotiations for WMATA's next multi-year capital funding agreement covering FY 2016 and beyond. Subsequent to the time that Loudoun County contracts with WMATA for services and such services become operational in the County, Loudoun County should be a full funding participant in the Metrorail-only components of that capital funding agreement. Loudoun County would not pay for the Metrobus-only components of WMATA's capital funding agreement. Loudoun County would not pay for the ADA Paratransit components of WMATA's capital funding agreement until/unless WMATA provides such federally required services directly or under contract to the County;

5) NVTC members will continue to encourage WMATA to discuss equitable methods to integrate a jurisdiction contracting for Metrorail-only services into WMATA's current funding formulas and practices (since those formulas and practices currently assume all jurisdictions contract for and receive the full-range of WMATA transit services).

BE IT FURTHER RESOLVED that the terms and conditions of the resolution apply unless the Loudoun County Board of Supervisors opts out of the Dulles Rail Project.

Approved this 1st day of March, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

Northern Virginia Transportation Commission

AGENDA ITEM #12

MEMORANDUM

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: June 28, 2012

SUBJECT: Regional Transportation Items

A. SJR 297 Study.

DRPT conducted another stakeholders' meeting on May 7th in Richmond. A copy of the PowerPoint presentation given at the meeting in attached. NVTC staff discussed the attached comments with jurisdiction staff and submitted them to DRPT. The issues mentioned in the comments are likely to persist through the final DRPT report to the General Assembly and in the meantime commissioners should alert NVTC staff to any reactions to the comments.

These comments will be discussed in detail by staff so that commissioners are fully prepared to react quickly when additional study material is made available by DRPT.

B. Northern Virginia's Jobs and Tax Contributions.

NVTC staff has updated calculations of state income tax yields from jobs in Northern Virginia. As can be seen in the attached tables, with about 22% of the Commonwealth's population, NVTC's jurisdictions include 27.9% of Virginia's jobs, but generate 39.0% of the state income taxes (as of 2009, the most recent year available). Combined with PRTC's jurisdictions, this region has 34.1% of the jobs and pays 48.0% of the income tax. On an income tax per job basis, NVTC's and PRTC's combined jurisdictions have a ratio 179% greater than the rest of the Commonwealth.

Another page of the attachment shows significant shares of NVTC financial tax effort compared to the rest of the Commonwealth in such areas as recordation tax and tangible personal property levies.

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C. NVTC's Staff Comments on VDOT's Proposed New Policy to Charge a Monthly Fee for Transponders.

A copy is attached for your information. NVTC staff noted the impact on carpoolers that now travel free on certain facilities but would have to rent a transponder in order to continue to avoid tolls on new Express toll facilities.

D. NVTC Correspondence.

Copes are attached of a letter from Ed Tennyson commenting on DRPT's ongoing SJR 297 study and the use of performance measures, and a letter from Department of Taxation Commissioner Burns to PRTC reiterating the need for a meeting with PRTC and NVTC when TAX and DMV are ready.

Northern Virginia Transportation Commission

NVTC STAFF COMMENTS ON DRPT'S SJR 297 REPORT

-- May 21, 2012--

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DRPT conducted a SJR 297 study stakeholder meeting on May 7, 2012. The following comments are those of NVTC staff and have not been considered or approved by NVTC's Board. These comments are intended to help DRPT develop a SJR 297 report that will receive widespread support from Virginia's transit systems and will fully inform the Virginia General Assembly.

DRPT staff is to be applauded for its sincere efforts to provide well-considered responses to SJR 297's directives and to involve its stakeholders in discussing the consequences of various approaches to improve the current system of state transit assistance. It is hoped that the following comments will assist DRPT in producing a fully supportable and well-documented SJR 297 report that advocates changes designed to provide measureable benefits without unintended consequences.

SJR 297 Requested Responses to Four Specific Questions

DRPT has involved its stakeholder group in productive discussions of performance-based allocation procedures. As illustrated below, DRPT has not involved its stakeholders to the same extent in discussions of the other key components of the SJR 297 study, nor has DRPT shared its analysis or conclusions regarding these additional components. Because the draft report is to be completed within three months, these omissions may reduce the level of consensus among stakeholders.

The study should not dismiss the current system without an explanation. SJR 297 states:

1. Performance: The study should determine if (emphasis added) there should be a system in place to reward operator performance based upon specific criteria (e.g., farebox recovery, cost per passenger trip, passenger trips per vehicle hour, etc.).

In the May 7, 2012 presentation to stakeholders, DRPT describes its current funding strategy in negative terms. For example, it was stated that there is currently "no incentive to improve performance" and "no reward for success." DRPT may have encountered situations that it believes warrant inclusion of performance factors in its allocation formula. These should be fully explained so it can be understood exactly what is broken in the current system that would benefit from a formula change.

The May 7th presentation appears to accept that because the state operating formula does not include performance metrics, transit managers ignore performance. This supposition is open to serious question since there are multiple subsidy contributors and the state subsidy provides a relatively modest share of the total. Local governments and customers also demand strong performance. DRPT could present peer group performance comparisons for Virginia versus other states' transit systems that would illustrate whether transit systems under the current DRPT approach are or are not performing well.

There will likely be negative as well as positive consequences resulting from any substitute allocation process, and these should be acknowledged and discussed to ensure that the study's conclusions are well reasoned. For example, the current system is very likely to be easier to understand and enforce and less complex than a substitute. Currently, transit systems seem to work in concert with DRPT to achieve success throughout the Commonwealth. It is unlikely that DRPT would want to recommend a system that would encourage each transit operator to view its peers as competitors for limited funding. The survival of the fittest may not be the best approach for transit systems that, like libraries, police and fire services, are not designed as profit-making enterprises.

<u>The study should also examine DRPT's approach to capital grants</u>. SJR 297 states:

2. Prioritization: Currently all capital requests are matched equally. The study should examine different funding categories.

In fact, DRPT has adjusted its approach to capital funding considerably over the past few years so SJR 297's statement is incorrect. Instead of including all projects and allocating available funding among projects, DRPT has altered its matching ratio to favor certain categories (e.g. rolling stock) and has given preference to federally funded projects. It has also ruled out certain projects submitted by applicants.

This description of DRPT's capital allocations is not meant as a criticism, but at the very least DRPT's report should examine its current process, determine pros and cons, and involve stakeholders in further discussions of how the current process could be improved.

<u>The study should also examine stability</u>. SJR 297 states:

3. Stability: Match ratios change every year based upon demand and available revenues. The study should examine holding harmless at existing levels and creating a reserve to stabilize funding for both capital and operating expenses.

Stability can be achieved in several ways. The best approach may be to ensure that state assistance grows to match statewide needs. This is where DRPT's data from the statewide transit plan can be most useful. DRPT has taken many other effective measures designed to improve stability, including maintaining equipment databases and requiring Transit Development Plans, both of which are useful in forecasting likely future capital needs.

The pros and cons of these approaches should be analyzed and discussed with the stakeholders group for inclusion in the SJR 297 report.

<u>The study should examine increasing transit's share of the Transportation Trust Fund.</u> SJR 297 states in part:

4. Allocation: …The study should evaluate the allocation of the 14.7 percent of the Transportation Trust Fund revenues among capital and operating expenses and special programs. The study should also address the current code language that allows transit funding up to 95% of eligible capital and operating expenses. The study should determine an appropriate percentage.

As DRPT knows, the 14.7 percent share of the TTF results in a transit allotment that is substantially lower than what the Virginia Code allows. The Virginia Code was amended years ago to permit the Commonwealth to provide the great majority of funding for transit, just as is the case for highways.

The report should examine these issues fully, including the obvious solution of increasing transit's share of the TTF so that the existing statutory transit funding target can be met and transit is not relegated to an inferior state funding position with respect to highways.

Some may argue that there is a stronger state interest in highways and that transit should be primarily a local funding responsibility. DRPT could illustrate in the report how vital transit service is to the economic well being of the Commonwealth, including both those who use transit and those who continue to drive but experience less congestion because others use transit.

<u>The SJR 297 Report Should Be Used As An Opportunity to Support Increased State Funding for Transit</u>

As the stakeholder group has repeatedly emphasized, in order to avoid winners and losers from revised DRPT allocation approaches, a "bigger pie" is needed. While DRPT has stated that its ongoing state transit/TDM plan update will document transit funding needs, it is unclear how the SJR 297 report will use those findings to support the need for additional state transit funding.

Each possible set of factors has its own pros and cons, with its own set of winners and losers. Accordingly, any proposal to implement a new allocation process should hold harmless each existing transit system and to do so requires more state transit funding. Phasing in the new approach over a period of years lessens the impact on the losers, as does retaining elements of the existing cost-based system in the revised process. But those are only “band-aids.”

Comments on the Allocation Approach Revealed on May 7th

1. Provide some rational basis for selecting the peer groups, performance factors and weights: Is it sensible to measure the success of the giant regional Metro system with over 10,000 employees using the same factors and weights as those of a much smaller transit system, given the obvious fact that there is no transit system in Virginia that is remotely comparable to WMATA in ridership, operating characteristics, service territory, budget and management structure? If there is no universally accepted set of performance criteria for transit and methods for grouping peer systems, then DRPT could consider the pros and cons of allowing each transit system to identify its own local performance goals and to report to DRPT on the extent to which those goals are met. DRPT could then reward those systems that document meeting local goals and penalize those that do not.

2. Avoid contradictory incentives: Both passengers per hour and passengers per mile create the incentive to reduce fares. If the “financial success” factor excludes local government subsidies in the numerator it creates an incentive to raise fares. Which incentive does DRPT favor? If on the other hand local government subsidies are included in the numerator, all transit systems will have virtually the same ratio and the factor will be meaningless. The term “financial success” is itself a problem, because transit systems are not designed to maximize profits. Given inelastic demand, fare increases raise revenues as ridership drops. But a system with few riders is generally not considered successful.

3. Recognize the real-world differences in transit systems: DRPT undoubtedly recognizes the distinct differences among Virginia’s disparate transit systems. Accordingly, DRPT should beware of implementing a revised allocation system that is designed for “vanilla” transit systems, in which all share similar characteristics, such as one transit system per city. Especially in Northern Virginia, there is great diversity of transit systems serving various market niches, and arguably doing so efficiently through effective coordination.

   Not all rail systems are alike so a peer group composed of all of Virginia’s rail systems is not defensible. VRE carries peak commuters over long distances with high quality service designed to lure high-income individuals who otherwise would drive. Metrorail is the second largest subway system in the U.S. covering three “states” and serving peak and off-peak travelers and tourists of various income levels for relatively short trips. The Tide is a very new light-rail system providing short trips. All three systems are likely to increase ridership and expand service in the future. Placing these three systems in competition with each other for scarce funding using factors that favor one or the other requires an explanation that has not yet been forthcoming.

Similarly, some transit systems are designed and operated to accomplish specific local objectives. A small local transit system can bring commuters from neighborhoods to connect to a line-haul bus or rail system. Such a feeder system would measure poorly on passengers per mile or hour compared to the line-haul system, but when considering the two in combination could result in an efficient outcome.

Forming peer groups based in part on service territories and populations served is very complex, especially when several transit systems operate within a region. Metrorail does not provide distinctly different service in Falls Church versus Alexandria or even in Virginia. Metrorail serves the entire Metropolitan Washington Area. PRTC's OmniRide serves Prince William County but also connects to activity centers throughout Northern Virginia and even D.C.

4. Appreciate the benefits of a simple system: To implement a complex allocation system with various factors and weights and criteria for peer group selection, transit systems may need to devote more resources to data collection and grant management, while DRPT will certainly have to devote more resources to compliance and audits.

5. Examine other states that have performance-based transit funding: DRPT should include documentation of positive results from elsewhere. Also, DRPT should report on whether implementing such performance-based state transit allocations elsewhere led to more state funding being provided by state legislatures.

Conclusion

In order to provide an effective response to the information requested by the Virginia General Assembly in SJR 297, DRPT should not lose sight of the fact that one-size fits all policies may not be effective in a diverse and highly complex real world. Further, DRPT should consider how transit systems will respond to state incentives when those systems report to other entities that provide much more funding and that may require those transit systems to pursue local objectives (e.g. local sponsors and riders may prefer lower fares to boost ridership while DRPT seeks high farebox recovery to conform to its definition of "financial success.")

Performance-Based Funding

SJ297 Workshop

May 7, 2012

www.drpt.virginia.gov

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Current Funding Strategy

- Disconnect between funding strategy and vision
- Spending-based versus success-based
- No incentive to improve performance
- No reward for success
- No direct link to policy goals

Senate Joint Resolution No. 297

- Reward operator for performance

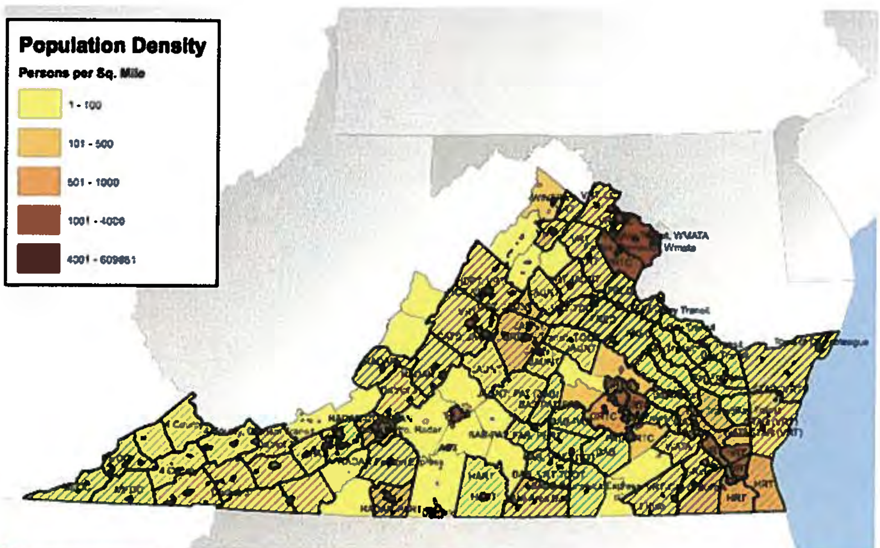
"Performance. The study should determine if there should be a system in place to reward operator performance based upon specific performance criteria."

– Resolution No. 297

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Commonwealth of Virginia



Matching Support With Success

- Performance Matters
- Accountability
- Data Integrity
- Recognition for Innovation

Establishing Peer Groups

- Service Area Population
- Service Area Population Density
- Ridership
- Operating Cost
- Peak Vehicles
- Steel Wheeled vs. Rubber Wheeled

Establishing Peer Groups

NOTE:

The following Peer Group examples are for illustrative purposes only. All data is not yet complete and has not been audited for accuracy. The concepts contained are for philosophical purposes only and no calculations of aid have been either determined or finalized.

Draft Peer Group

A

WMATA Arlington - Rail
WMATA Fairfax County - Rail
WMATA Alexandria - Rail
VRE
WMATA Fairfax City - Rail
WMATA Falls Church - Rail
Hampton Roads Transit - Rail

B

WMATA Arlington - Bus
Greater Richmond Transit Company
WMATA Fairfax County - Bus
Hampton Roads Transit - Bus
NVTC - Fairfax County
PRTC
WMATA Alexandria - Bus
NVTC - City of Alexandria Office of Transit Services and Programs
NVTC - Arlington County
Loudoun County Office of Transportation Services

Draft Peer Group

C

Charlottesville Transit Service
Greater Roanoke Transit Company
Blacksburg Transit
Greater Lynchburg Transit Company
Williamsburg Area Transit Authority
Fredericksburg Regional Transit
City of Harrisonburg Dept. of Public Transportation
JAUNT, Inc.
Virginia Regional Transit - Loudoun
NoVA CTB District
NVTC - City of Fairfax
City of Petersburg

D

District Three Public Transit
Danville Transit System
WMATA Falls Church - Bus
WMATA Fairfax City - Bus
Bay Aging
City of Winchester
AASC / Four County Transit
City of Radford
Mountain Empire Older Citizens, Inc.

Draft Peer Group

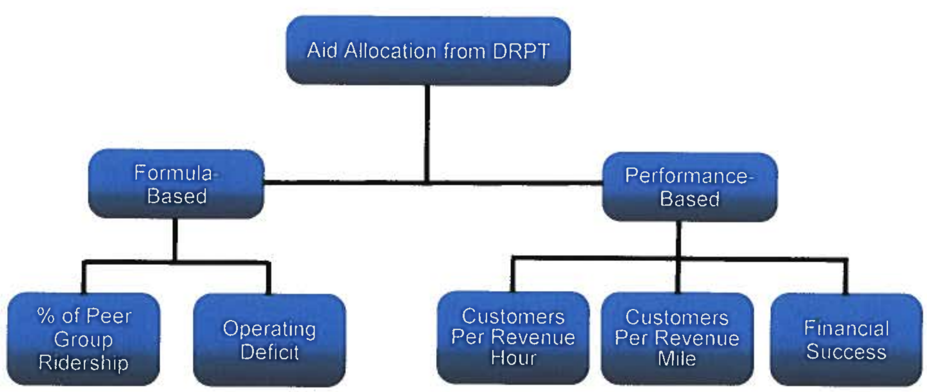
E

- RADAR / Roanoke
- Pulaski Area Transit
- Greene County Transit, Inc.
- N. Shenandoah Valley Reg. Commission
- Farmville Area Bus
- Virginia Regional Transit – Staunton CTB District
- City of Bristol Virginia
- Bay Aging/New Kent/Charles City
- STAR Transit
- Blackstone Area Bus

F

- RADAR / Covington & Clifton Forge
- Virginia Regional Transit - Culpeper CTB District
- FRED - King George
- County of Rockbridge
- Town of Bluefield-Graham Transit
- Lake Country Area Agency on Aging
- Lake Area Bus / Halifax Area Rural Transit
- Town of Altavista
- JAUNT Buckingham
- Town of Chincoteague
- FRED - Caroline County

Funding Allocation



Formula-Based Funding

% of Peer Group Ridership

- The percentage of total annual peer group ridership generated by an individual agency
- (Annual Ridership of Agency)/(Total Annual Ridership of All Peer Group Agencies)

Operating Deficit

- The annual dollar value of an agency's operating costs net of DRPT funding
- Annual Operating Costs minus other operating funds provided by DRPT

Performance-Based Funding

Customers per Revenue Hour

- The average number of customer boardings generated by each hour of revenue service
- (Annual Ridership)/(Total Annual Revenue Hours)

Customers per Revenue Mile

- The average number of customer boardings generated by each mile of revenue service
- (Annual Ridership)/(Total Annual Revenue Miles)

Financial Success

- The percentage of an agency's operating costs recovered by agency-generated revenue
- (Annual Farebox Revenue + Annual Contract and Subsidy Revenue + Annual Advertising Revenue)/(Total Annual Operating Cost)

Funding Methodology

Funds allocated to peer groups based on size

Peer group funds divided among metrics based on weights

Funds in each peer group metric bucket distributed to agencies based on performance

5/7/2012

DRPT

SJ297 Workshop 17

Funding Example
Similar Size

Agency	Customers Per Revenue Hour	Size Weight	Performance Weight	Allocation
C-3	27.70	0.66	1.35	$142,662
C-9	7.78	0.67	0.38	$40,202

5/7/2012

DRPT

SJ297 Workshop 18

Funding Example
Similar Performance

Agency	Customers Per Revenue Hour	Size Weight	Performance Weight	Allocation
E-5	4.79	1.35	0.85	$15,010
E-6	4.79	0.77	0.85	$8,617

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Action Plan

- May, 2012 – Focus Group of Operators
- May, 2012 – Virginia Transportation Assoc.
- June, 2012 – Feedback from Providers
- July, 2012 – Draft Report Complete
- August, 2012 – Meetings with Members of the General Assembly
- September, 2012 - Final Report Presented to General Assembly
- January, 2013 – New Performance-Based Legislation
- July, 2014 – Transition Period Begins
- July, 2016 – Full Implementation for Existing/New State Transit Operating Funds

DRPT
Virginia Department of Rail and Public Transportation

Questions?

www.drpt.virginia.gov

STATE INCOME TAX YIELDS FROM JOBS IN NORTHERN VIRGINIA

Jurisdictions	Jobs (2009 Average)		Income Taxes (2009)	
	#	% of state total	$Millions	% of state total
Arlington	158,720	4.5%	$ 470,757,662	5.3%
Fairfax County	570,987	16.1%	$ 2,076,743,931	23.5%
Loudoun	129,736	3.7%	$ 548,106,456	6.2%
Alexandria	98,188	2.8%	$ 281,312,125	3.2%
Fairfax City	20,088	0.6%	$ 41,057,032	0.5%
Falls Church	12,547	0.4%	$ 30,457,785	0.3%
Total NVTC	**990,266**	**27.9%**	**$ 3,448,434,991**	**39.0%**
Prince William	102,075	2.9%	$ 461,110,115	5.2%
Spotsylvania	28,751	0.8%	$ 122,956,748	1.4%
Stafford	34,861	1.0%	$ 141,576,849	1.6%
Fredericksburg	25,723	0.7%	$ 23,852,710	0.3%
Manassas	23,075	0.7%	$ 35,204,797	0.4%
Manassas Park	3,001	0.1%	$ 12,059,714	0.1%
Total PRTC	**217,486**	**6.1%**	**$ 796,760,933**	**9.0%**
Total NVTC & PRTC	**1,207,752**	**34.1%**	**$ 4,245,195,924**	**48.0%**
Total State	**3,545,623**	**100.0%**	**$ 8,838,405,972**	**100.0%**

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages and Virginia Department of Taxation Annual Report FY2011.

STATE INCOME TAX YIELDS FROM JOBS IN NORTHERN VIRGINIA

Jurisdictions	Total Income Taxes Per Job (2009)	
	Per Job (Worker)	% Of Non-NVTC & PRTC
Arlington	$ 2,966	151%
Fairfax County	$ 3,637	185%
Loudoun	$ 4,225	215%
Alexandria	$ 2,865	146%
Fairfax City	$ 2,044	104%
Falls Church	$ 2,428	124%
Total NVTC	**$ 3,482**	**177%**
Prince William	$ 4,517	230%
Spotsylvania	$ 4,277	218%
Stafford	$ 4,061	207%
Fredericksburg	$ 927	47%
Manassas	$ 1,526	78%
Manassas Park	$ 4,018	205%
PRTC total	**$ 3,664**	**186%**
Total NVTC & PRTC	**$ 3,515**	**179%**
Total Non-NVTC & PRTC	**$ 1,965**	**100%**

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages and Virginia Department of Taxation Annual Report FY2011.

NORTHERN VIRGINIA'S RELATIVE PER CAPITA TAX YIELDS

Category	NVTC Per Capita	Non-NVTC Per Capita	NVTC % of Non-NVTC	NVTC's Six Jurisdictions: % of State
Population (2011 estimate)	--	--	28.8%	22.4%
Sales Tax Collected (FY11)	$278	$242	115%	24.8%
Recordation Tax (and Deeds of Conveyance Revenue) (FY11)	$73	$28	258%	42.7%
Income Tax (2009)	$1,905	$857	222%	39.0%
Fair Market Value Real Estate (2010)	$183,158	$96,899	189%	35.2%
Real Estate Levies (2010)	$2,009	$806	249%	41.8%
Tangible Personal Property Levies (2010)	$434	$269	161%	31.7%
Communications Sales Tax (FY11)	$66	$52	127%	26.8%

Sources: UVA Weldon Cooper Center for Public Service and Virginia Department of Taxation Annual Report FY2011.

Northern Virginia Transportation Commission

AWARD WINNER NVTC APTA 1996

June 8, 2012

VIA EMAIL
<vdotinfo@vdot.virginia.gov>

Office of Communications – Third Flood/Annex Bldg.
Virginia Department of Transportation
1401 E. Broad St.
Richmond, VA 23219

Dear VDOT,

Thank you for the opportunity to comment on the proposed monthly fee of approximately $1 per E-Z Pass transponder to pay for administrative and operations costs for the expanding E-Z Pass program. These comments have not been reviewed or approved by NVTC's Board. Please consider the following comments concerning the proposal:

1. According to the I-495 Express Lanes website, buses and HOV 3+ taxis, vanpools, and carpools will be able to use the new Express Lanes for free, provided they have an E-Z Pass. VDOT's proposal amounts to a "hidden" fee such that the use of the Express Lanes is no longer free for these users.

2. In addition to the I-495 Express Lanes, VDOT is scheduled to commence construction on the I-95 Express Lanes this year, which—like the I-495 Express Lanes—will require an E-Z Pass. Furthermore, the recently released draft final report for the I-66 Multimodal Study recommends that I-66 (inside the Beltway) be converted to a high occupancy toll (HOT) facility as well. Unlike the I-495 Express Lanes, which are a new facility, changes to I-95 or I-66 would involve the conversion of existing high occupancy vehicle (HOV) facilities and the imposition of fees on individuals who for years have voluntarily been "doing the right thing."

3. VDOT's E-Z Pass policies should support transportation demand management (TDM) strategies—such as transit usage, carpooling, and vanpooling—to the maximum extent feasible. Even minimal fees could serve as a disincentive to current or potential rideshare participants.

4. VDOT should explore all opportunities to exempt HOVs from the proposed monthly fee. VDOT should consider only revenue-generating options which do not penalize ridesharing. NVTC trusts that holders of non-revenue generating transponders, such as public transit buses, will not be subject to the monthly fee.

5. According to VDOT's March 14, 2012 presentation to the TPB, the cost of E-Z Pass operations are currently covered by charging transaction fees to

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
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toll facilities, including a fixed fee amount of $0.0426 per transaction and a fee of 1.923% of the revenue processed. Does the proposed monthly fee replace—or is it in addition to—these transaction fees? Why can't the current system meet future needs?

If you have any questions about my comments, please do not hesitate to contact me.

Thank you,

Claire Gron
Public Transit Policy Analyst

D.

COMMONWEALTH of VIRGINIA

Department of Taxation

June 8, 2012

Mr. Michael C. May, Chairman
Potomac and Rappahannock Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192

Dear Chairman May:

Thank you for your letter of May 8, 2012. I want to take this opportunity to reemphasize that the Virginia Department of Taxation will fully be engaged in the local motor fuels tax collection program through June 2013. In addition, I will ask my staff to explain to the Commission's staff the workload figures cited in my May 3rd letter.

Both Commissioner Holcomb and I agree that a meeting with the Potomac and Rappahannock Transportation Commission and the Northern Virginia Transportation Commission is required. To get to the point where such a meeting will be productive, Commissioner Holcomb and I are arranging a meeting with our respective staff to review work-to-date and plan for a stakeholder meeting.

Please feel free to contact me with any concerns or suggestions you may have as we move forward. I can be reached at (804) 786-3332 or Craig.Burns@tax.virginia.gov.

Sincerely,

Craig M. Burns
Tax Commissioner

c: Commissioner Richard D. Holcomb, Department of Motor Vehicles
Mr. Richard Dotson, Assistant Commissioner, Department of Taxation
Mr. Mark C. Haskins, Policy Development Director, Department of Taxation

RECEIVED

E.L. TENNYSON, P.E.
2233 ABBOTSFORD DRIVE, RFD 55
VIENNA, VA 22181-3220

RECEIVED
JUN 15 2012

REGISTERED
PROFESSIONAL ENGINEER

(703) 281-7533

The Honorable Jay Fisette, Chairman,
Northern Virginia Transportation Commission,
2300 Wilson Boulevard, suite 620,
Arlington, VA. 22201

June 12th, 2012

Dear Chairman Fisette:

I share your concern about Item #11 on the June fifth agenda where the DR&PT wants to reward transit systems by performance based data as suggested by SJR 297. It is a good idea, but the use of "Passengers per Vehicle Hour" as suggested by DR&PT would be absolutely the wrong way to do it. Vehicles vary in size from a 142-seat VRE car to a 28-passenger bus on ART. MetroRail is 62 to 80 seats but all cars are the same size and operating cost Buses vary from 60 seats to 28 or less. Hours are also inequitable for an efficiency measure. VRE may average 31 miles per hour but MetroBus only 11. Productivity increases with speed but Metro Bus can not speed up traffic.

I have written Director Thelma Drake at DR&PT complimenting her for looking for a better method of subsidy allocation as required by SJR 297, but pointing out the problems. I told her that for 7.5 years I was given almost a billion dollars by the Pennsylvania General Assembly to distribute to all eligible Pennsylvania transit systems at my discretion, varying from a three-bus system in Du Bois to Southeastern Pennsylvania with 2,000 vehicles of five different modes and many different speeds and sizes.

I never gave any system "enough" but other systems often complained to elected officials that I gave "other" systems too much. Several times, I was investigated by the elected Commonwealth Comptroller, but I always got a clean bill of health.

NVTC's staff comments on SJR 297 dated May 21st must be taken seriously. On page 3, the study MUST evaluate the allocation of the 14.7 % of the Transportation Trust Fund. With more efficient gasoline engines and falling vehicle-miles travelled, less money is coming in as inflation and exaggerated inflation of oil prices have devastated the funding, particularly since transit has grown as auto use has declined. The Governor's idea of tapping the sales tax is first rate, provided the sales tax provides transit with 19 % of the Trust Fund and motor fuel taxes provide 81 % of the fund for highways and ports. In the future "transit" must include Commonwealth sponsored intercity rail service as to Lynchburg and Norfolk. To quote staff, "a bigger pie is needed".

On page 4 of the comments, they do not properly respond to SJR 297's mandate. I commend staff for pointing out the horrible error of using "passengers per hour" and "passengers per-mile" but allowing each system to judge itself will not fly in Richmond nor should it. The impossibility of using this data is shown below by example (2010 FTA data)

	Passengers / mile	Passengers / hour
Metro Bus	3.32	35.4
Metro Rail	4.31	108.3
Va.Ry.Ex.	2.17	68.1
Fairfax Connector	1.25	18.3
Alexandria Transit Co.	2.87 (2008)	26.5

ROUTES • SCHEDULES PUBLIC TRANSPORTATION PLANNING • ECONOMICS

	50 cents / pas'nger :		50 cents / pas'ngr-mile	TOTAL	% of COST
Metro Bus	$ 64,221,950		$ 199,981,220	$ 264,203,170	47.4 %
Metro Rail	$ 143,652.170		$ 817,983,600	$ 961,635,770	122.1 % *
Va.Ry.Ex.	$ 2,008,295		$ 60,266,045	$ 62,274,340	118.8 % *
Fairfax Connector	$ 4,814,997		$ 39,462,987	$ 44,277,984	76.2 %
Alexandria Transit Co.	$ 1,863,210	(2008)	$ 5,288,375	$ 7,151,585	72.7 %

* = NOTE * = No system would be overfunded. Either reduce the 50 cents subsidy to 40 cents per passenger-mile, or use the surplus to further reimburse the higher deficit systems, in proportion to their shortfall.

MetroBus has such a low reimbursement percentage because it is a very high cost operation. The only equitable solution to fund this excessive cost would be to use the MetroRail and VRE over-funding to add to the underfunded systems. The rail systems are overfunded because their operating cost per passenger-mile is so much lower than city bus costs per passenger-mile. Another solution would be to limit the rail systems to that figure that would fund rail 100 % and bus would get all that was left in the same proportions.

There is no mathematical model that will get this any more equitable than this. We must start with 19 % of the Transportation Trust Fund for passenger rail and public transportation. Limiting rail to 100 % subsidy is equitable as they got capital grants up front that were greater than most bus capital funding. Refunding subsidy by need would introduce a great loss of efficient management as lower efficiency would beget more Commonwealth funding. Rail transit in smaller cities with shorter trains may not come close to the MetroRail and VRE results with long trains. It would be grossly inequitable to fund rail and bus by different models as that would shift mode choice from what is best to that which would attract the most Commonwealth funds.

Obviously, there may be better ways than this to solve this problem but before endorsing one check it out for how it will impact equity, available funding and incentive for both efficiency and effectiveness.

Respectfully suggested,

AGENDA ITEM #13

TO: Chairman Fisette and NVTC Commissioners

FROM: Scott Kalkwarf and Colethia Quarles

DATE: June 28, 2012

SUBJECT: NVTC Financial Items for May, 2012

The financial report for May, 2012 is attached for your information.

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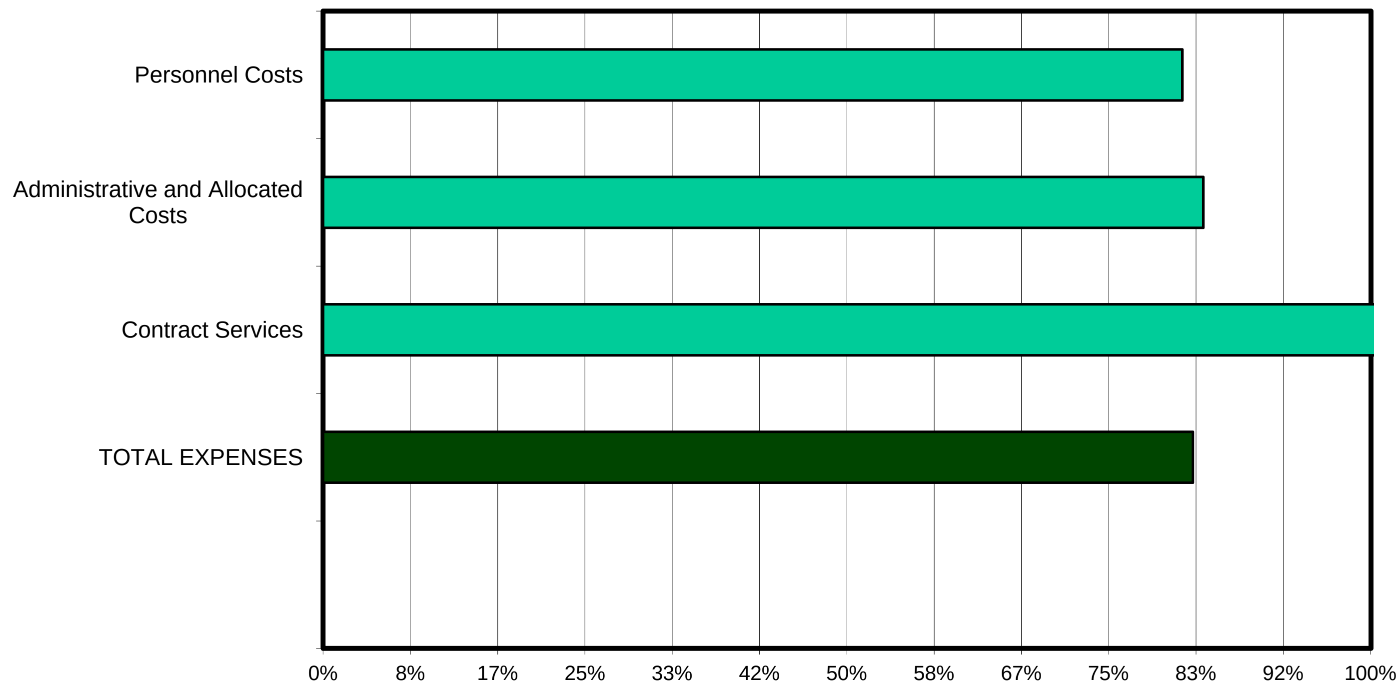
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports

May, 2012

Percentage of FY 2012 NVTC Administrative Budget Used
May, 2012
(Target 91.67% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
May 2012

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Personnel Costs					
Salaries	$ 57,249.71	$ 594,860.18	$ 693,150.00	$ 98,289.82	14.2%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	57,249.71	594,860.18	693,150.00	98,289.82	14.2%
Benefits					
Employer's Contributions:					
FICA	3,496.10	40,774.27	48,250.00	7,475.73	15.5%
Group Health Insurance	5,638.31	57,649.27	92,900.00	35,250.73	37.9%
Retirement	4,475.00	50,525.00	68,800.00	18,275.00	26.6%
Workmans & Unemployment Compensation	-	754.50	3,100.00	2,345.50	75.7%
Life Insurance	260.03	3,042.94	4,000.00	957.06	23.9%
Long Term Disability Insurance	243.98	2,574.65	3,650.00	1,075.35	29.5%
Total Benefit Costs	14,113.42	155,320.63	220,700.00	65,379.37	29.6%
Administrative Costs					
Commissioners Per Diem	1,100.00	10,450.00	16,850.00	6,400.00	38.0%
Rents:	*15,552.81*	*167,513.46*	*185,100.00*	*17,586.54*	*9.5%*
Office Rent	14,827.81	158,792.86	172,900.00	14,107.14	8.2%
Parking	725.00	8,720.60	12,200.00	3,479.40	28.5%
Insurance:	*625.00*	*5,130.77*	*5,600.00*	*469.23*	*8.4%*
Public Official Bonds	625.00	2,125.00	2,300.00	175.00	7.6%
Liability and Property	-	3,005.77	3,300.00	294.23	8.9%
Travel:	*416.52*	*4,458.75*	*5,800.00*	*1,591.25*	*27.4%*
Conference Registration	-	250.00	-	-	0.0%
Conference Travel	-	391.75	1,500.00	1,108.25	73.9%
Local Meetings & Related Expenses	416.52	3,817.00	4,000.00	183.00	4.6%
Training & Professional Development	-	-	300.00	300.00	100.0%
Communication:	*421.48*	*7,397.69*	*9,900.00*	*2,502.31*	*25.3%*
Postage	(1.00)	2,697.92	3,800.00	1,102.08	29.0%
Telecommunication	422.48	4,699.77	6,100.00	1,400.23	23.0%
Publications & Supplies	*577.39*	*8,936.12*	*15,100.00*	*6,163.88*	*40.8%*
Office Supplies	15.21	2,482.64	3,100.00	617.36	19.9%
Duplication	562.18	6,053.48	11,500.00	5,446.52	47.4%
Public Information	-	400.00	500.00	100.00	20.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
May 2012

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Operations:	*387.00*	*3,392.38*	*10,500.00*	*7,107.62*	*67.7%*
Furniture and Equipment	-	739.55	3,000.00	2,260.45	0.0%
Repairs and Maintenance	-	344.30	1,000.00	655.70	65.6%
Computers	387.00	2,308.53	6,500.00	4,191.47	64.5%
Other General and Administrative	*413.90*	*5,401.50*	*5,350.00*	*137.50*	*2.6%*
Subscriptions	-	189.00	-	-	0.0%
Memberships	-	966.87	1,400.00	433.13	30.9%
Fees and Miscellaneous	320.90	3,258.70	2,950.00	(308.70)	-10.5%
Advertising (Personnel/Procurement)	93.00	986.93	1,000.00	13.07	1.3%
Total Administrative Costs	19,494.10	212,680.67	254,200.00	41,958.33	16.5%
Contracting Services					
Auditing	-	28,515.00	27,360.00	(1,155.00)	-4.2%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	-	28,515.00	27,360.00	(1,155.00)	-4.2%
Total Gross G&A Expenses	$ 90,857.23	$ 991,376.48	$ 1,195,410.00	$ 204,472.52	17.1%

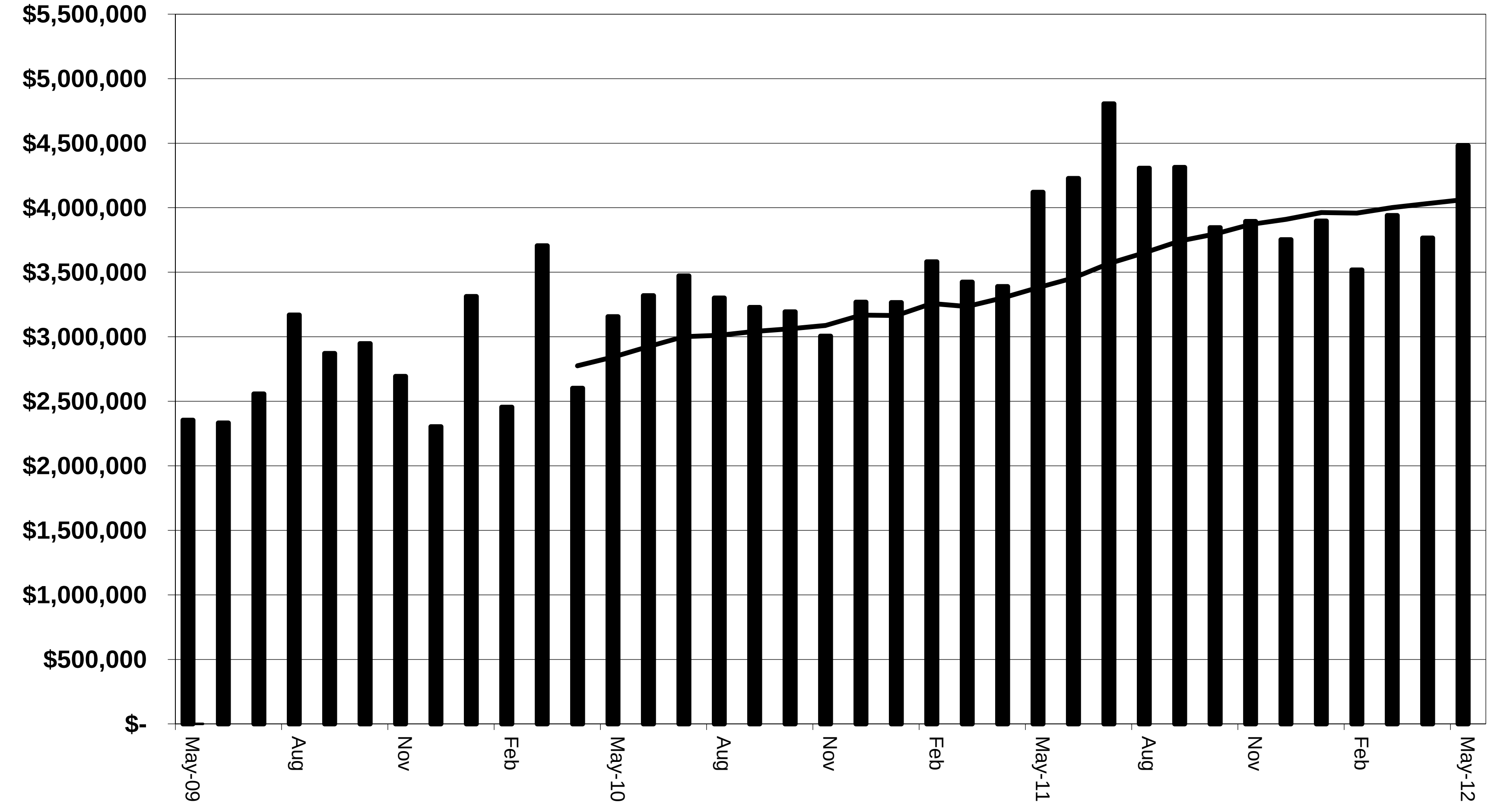
NVTC
RECEIPTS and DISBURSEMENTS
May, 2012

Date	Payer/ Payee	Purpose	Wells Fargo (Checking)	Wells Fargo (Savings)	VA LGIP G&A / Project	VA LGIP Trusts
	RECEIPTS					
1	DRPT	Capital grant receipt				19,718.00
1	DRPT	Capital grant receipt - VRE			7,038.00	
1	DRPT	Capital grant receipt			1,166.00	
3	FTA	Falls Church grant receipt			4,666.00	
7	DRPT	NVTA update grant receipt			38,015.00	
7	DRPT	Capital grants receipts - VRE			385,368.00	
15	Staff	Expense reimbursement		1.00		
15	US Treasury	Other revenue		683.34		
17	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt				4,480,221.88
17	DRPT	Operating assistance grants receipts				5,180,994.00
17	DRPT	Capital grant receipt				28,581.00
18	DRPT	Capital grants receipts				575,586.00
21	DRPT	Capital grants receipts				1,603.00
25	DRPT	Capital grants receipts - VRE			6,703.00	
25	DRPT	Capital grants receipts				847,933.00
29	DRPT	Capital grants receipts				726,474.00
31	Banks	Interest income		2.64	26.14	19,154.32
			-	686.98	442,982.14	11,880,265.20
	DISBURSEMENTS					
1-31	Various	G&A expenses	(77,886.50)			
1	VRE	Capital grant revenue			(7,038.00)	
4	Cambridge	Consulting - NVTA update	(38,015.41)			
7	City of Falls Church	Costs incurred			(5,832.08)	
7	VRE	Capital grant revenue			(385,368.00)	
10	City of Fairfax	Other operating				(9,026.58)
17	Loudoun County	Other capital				(3,698,462.22)
17	Loudoun County	Other operating				(1,415,346.86)
25	DRPT	Capital grant revenue			(6,703.00)	
31	Banks	Service fee	(34.25)	(49.02)		
			(115,936.16)	(49.02)	(404,941.08)	(5,122,835.66)
	TRANSFERS					
7	Transfer	From savings to checking	150,000.00	(150,000.00)		
			150,000.00	(150,000.00)	-	-
	NET INCREASE (DECREASE) FOR MONTH		$ 34,063.84	$ (149,362.04)	$ 38,041.06	$ 6,757,429.54

NVTC
INVESTMENT REPORT
May, 2012

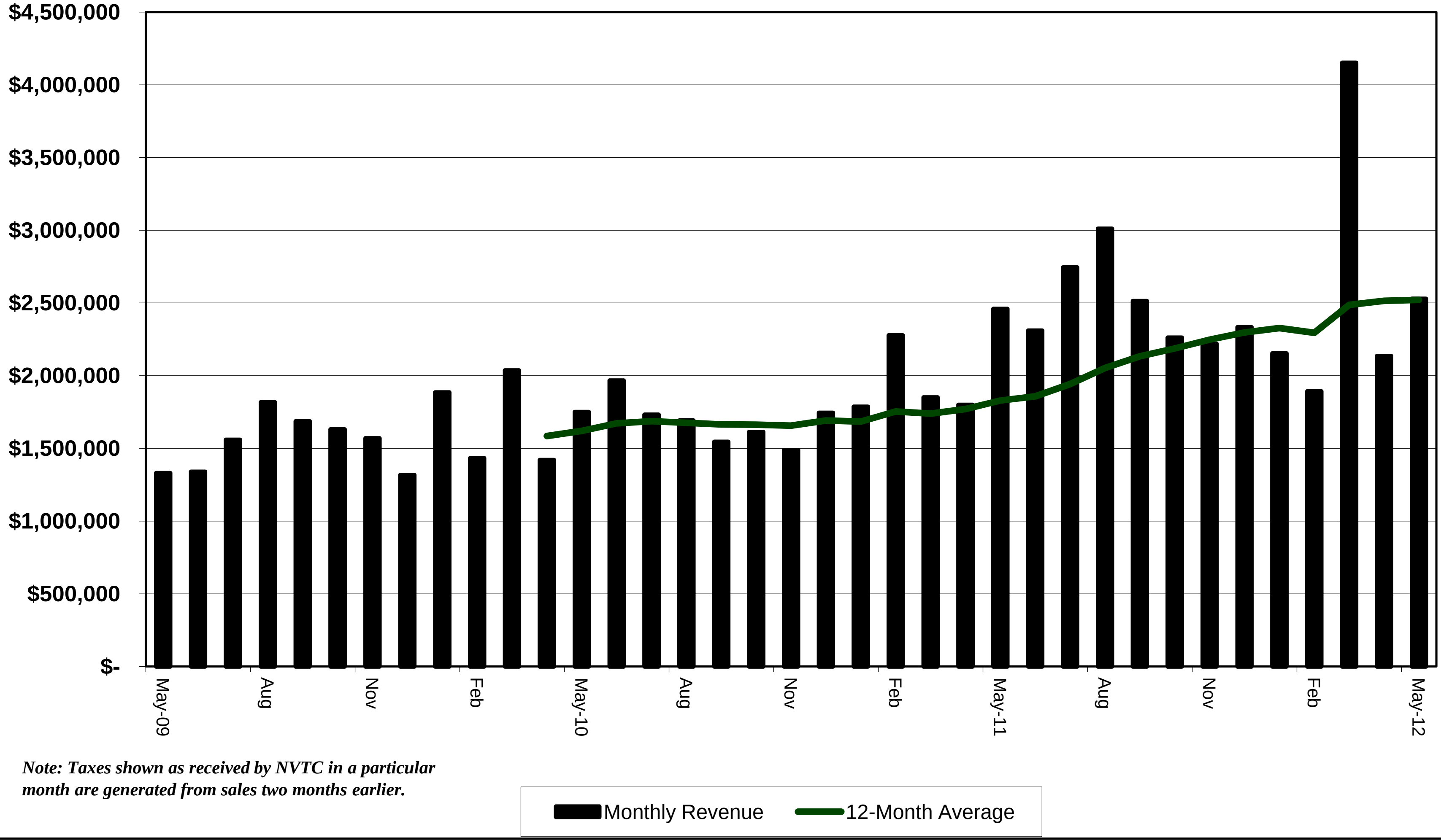
Type	Rate	Balance 4/30/2012	Increase (Decrease)	Balance 5/31/2012	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
Cash Deposits							
Wells Fargo: NVTC Checking	N/A	$ 39,272.75	$ 34,063.84	$ 73,336.59	$ 73,336.59	$ -	$ -
Wells Fargo: NVTC Savings	0.020%	290,636.73	(149,362.04)	141,274.69	141,274.69	-	-
Investments - State Pool							
Bank of America - LGIP	0.168%	132,034,746.64	6,795,470.60	138,830,217.24	190,020.17	125,567,164.50	13,073,032.57
		$ 132,364,656.12	$ 6,770,596.63	$ 139,044,828.52	$ 404,631.45	$ 125,567,164.50	$ 13,073,032.57

NVTC MONTHLY GAS TAX REVENUE
ALL JURISDICTIONS
FISCAL YEARS 2009-2012



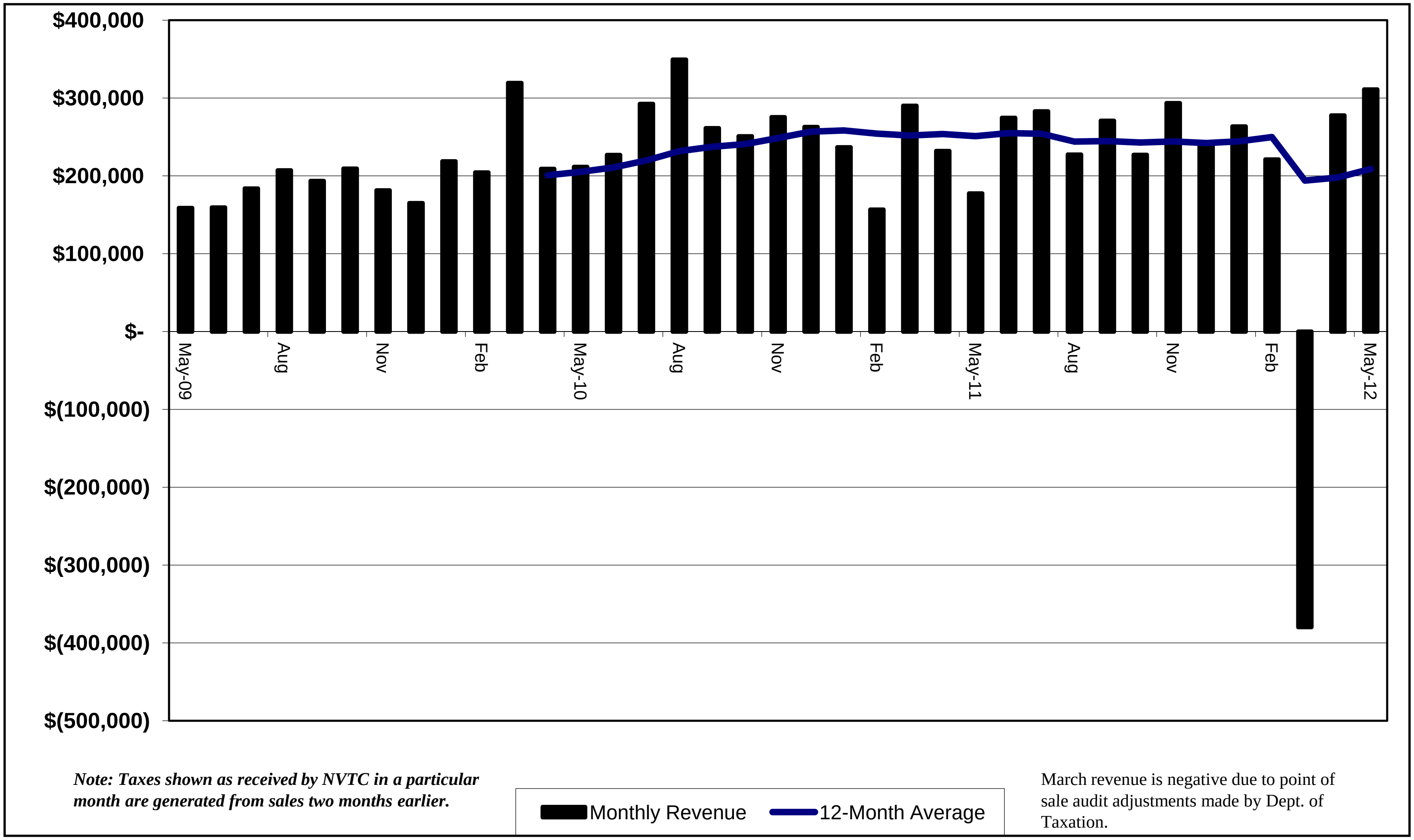
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE
FAIRFAX COUNTY
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

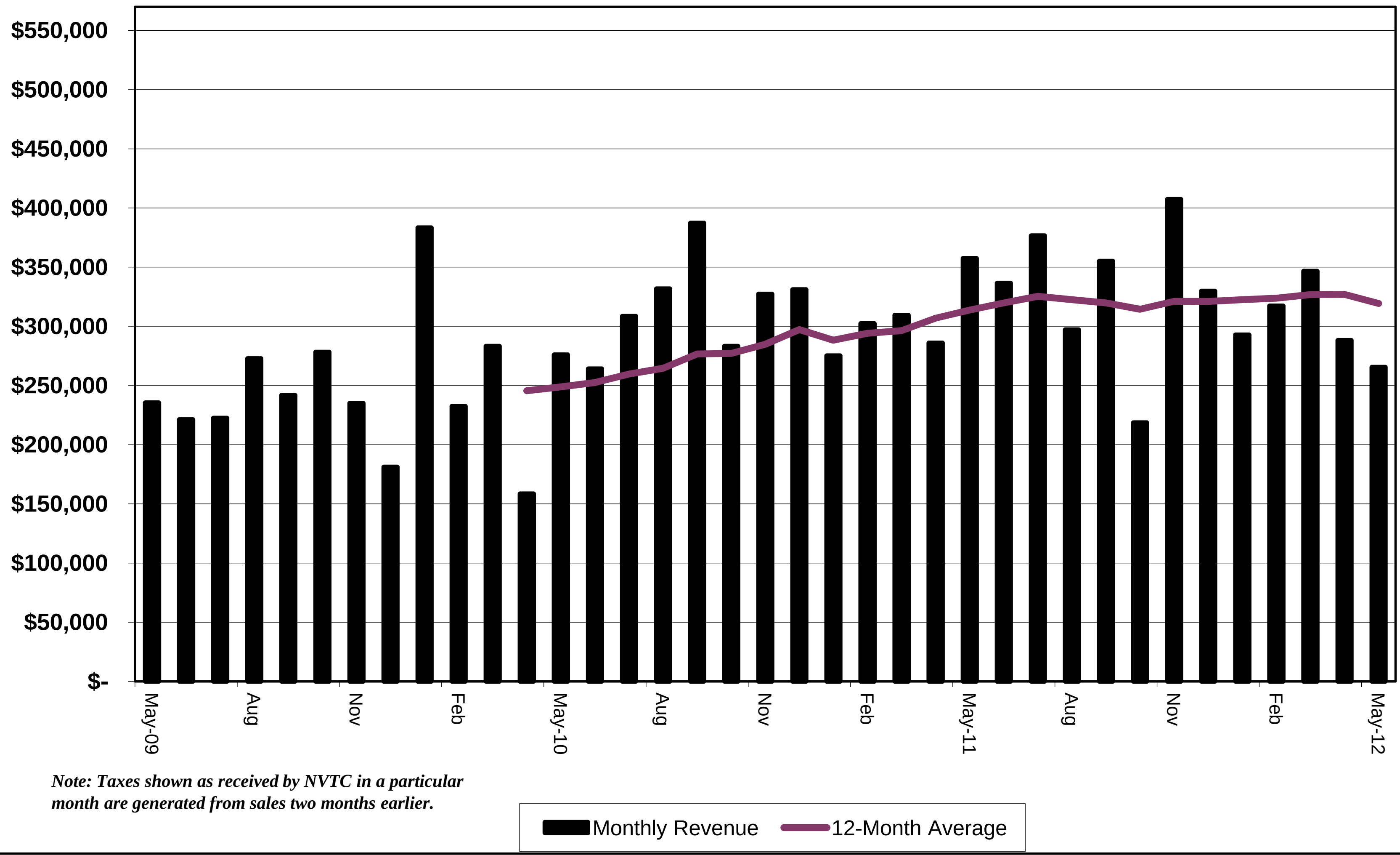
NVTC MONTHLY GAS TAX REVENUE
CITY OF ALEXANDRIA
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

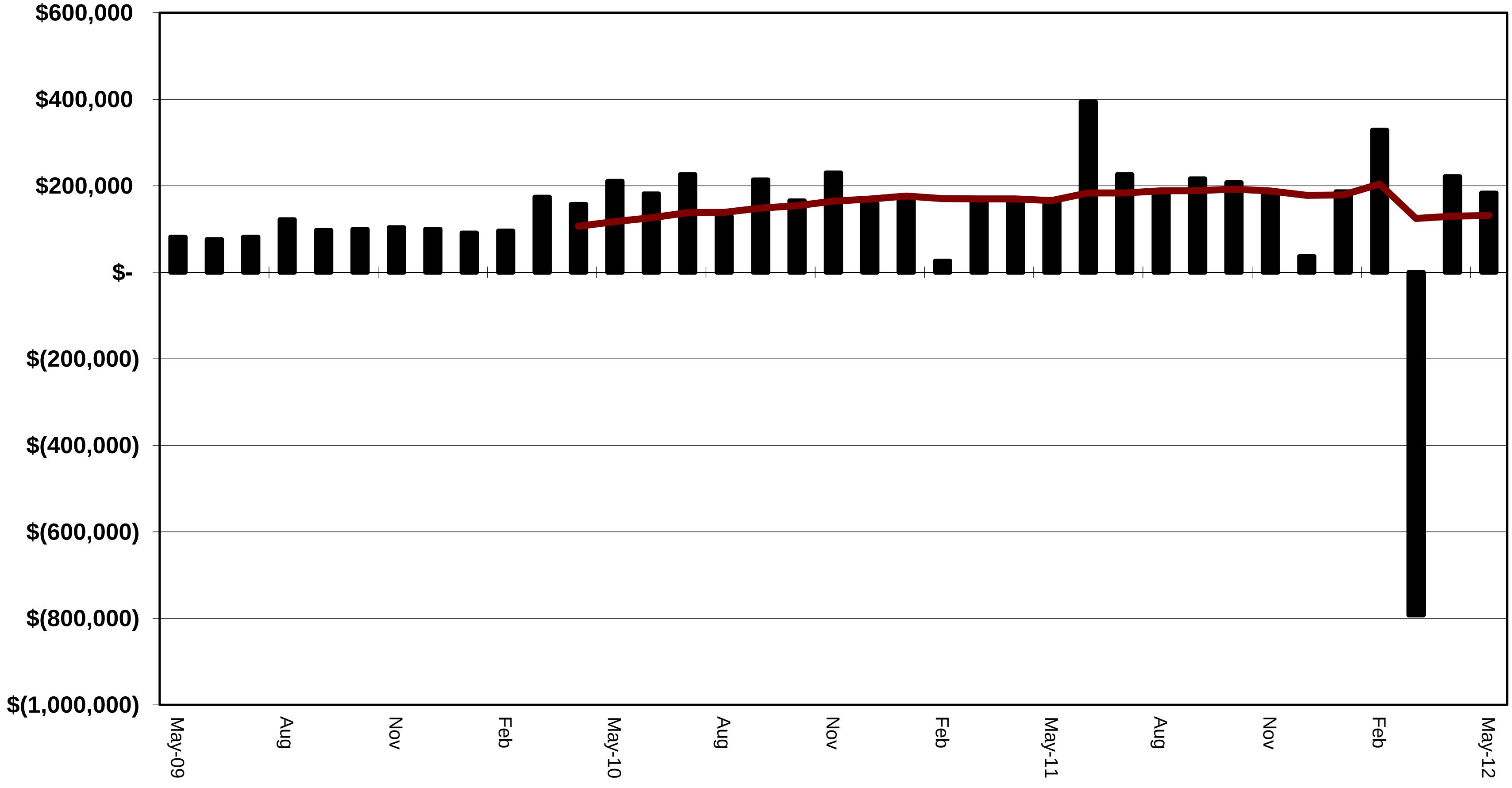
March revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

NVTC MONTHLY GAS TAX REVENUE
ARLINGTON COUNTY
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

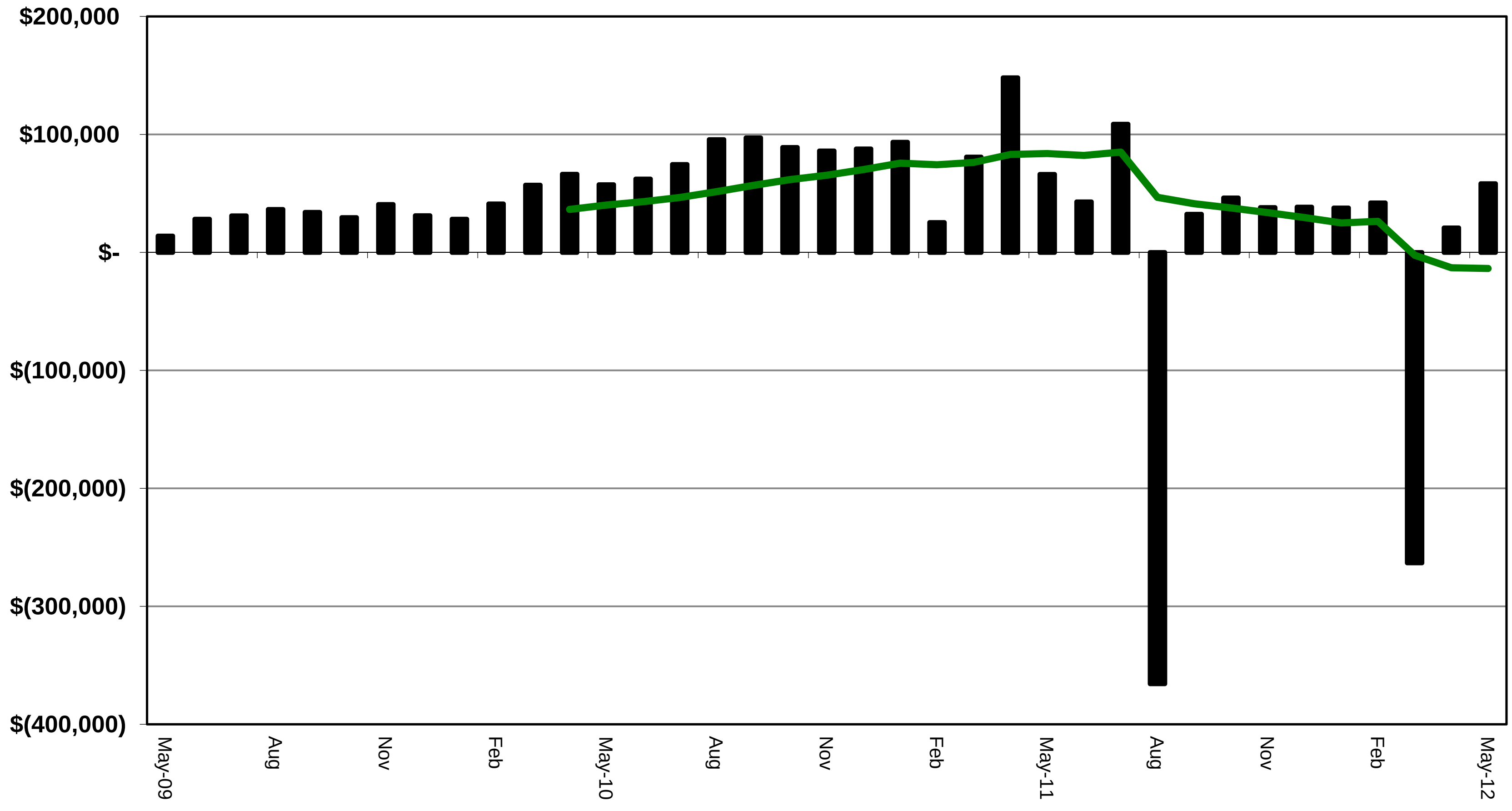
NVTC MONTHLY GAS TAX REVENUE
CITY OF FAIRFAX
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

March revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

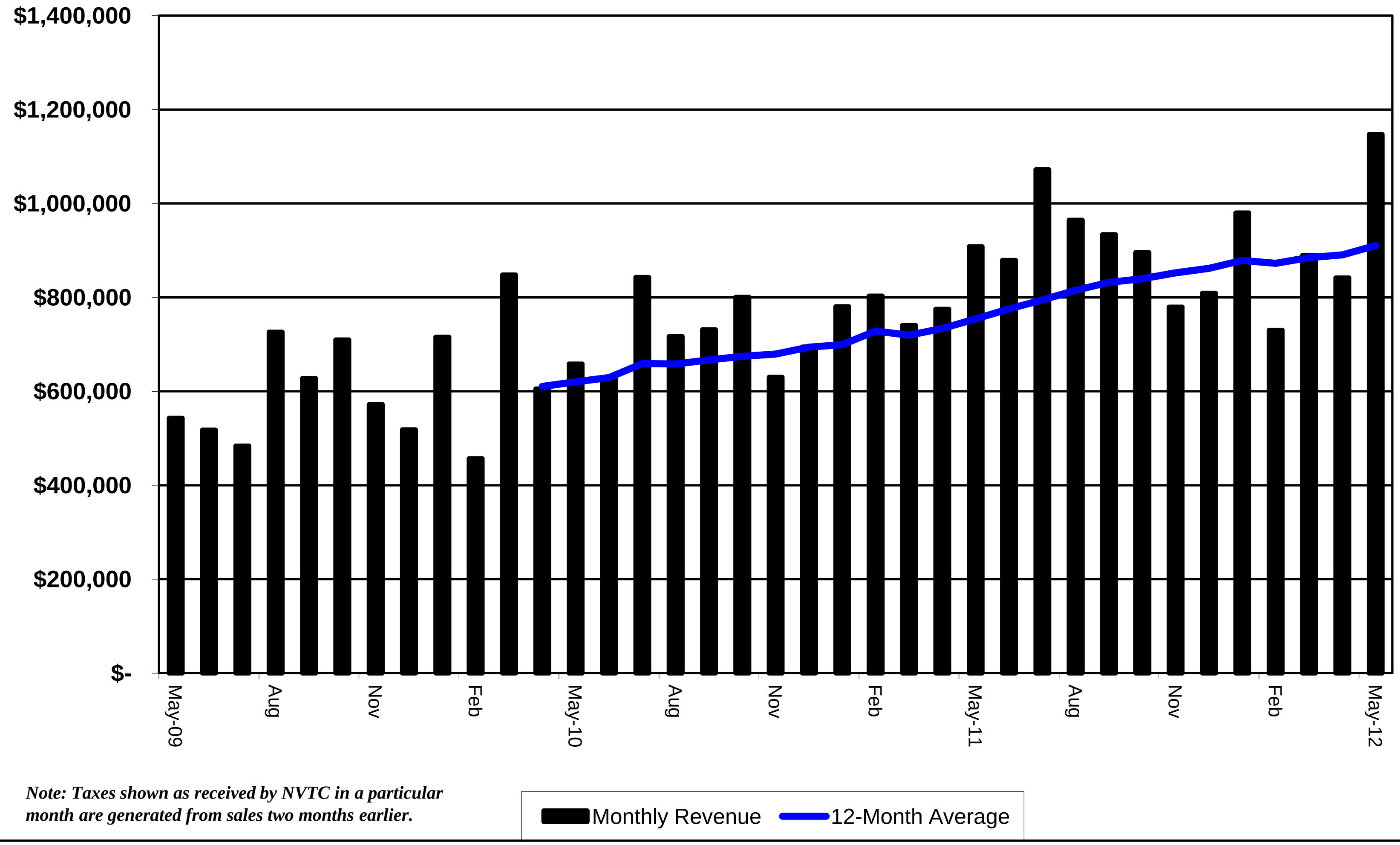
NVTC MONTHLY GAS TAX REVENUE
CITY OF FALLS CHURCH
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier .

March and August revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

NVTC MONTHLY GAS TAX REVENUE
LOUDOUN COUNTY
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC
Motor Vehicle Fuels Sales Tax Adjustments

	Period Posted	Adjustment From: Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Loudoun	PRTC	Total
ADJ #2	11-10, received 1-11	-	-	(110,276.05)	-	(1,093.49)	-	-	(111,369.54)
ADJ #1	12-10, received 2-11	(104,038.35)	-	(170,435.39)	(22,069.72)	(42,087.14)	-	-	(338,630.60)
ADJ #3	2-11, received 4-11	(3,601.08)	(1,851.63)	(70,768.68)	(123,449.59)	(6,856.63)	(1,018.24)	-	(207,545.85)
ADJ #4	3-11, received 5-11	(108,726.85)	-	(25,427.74)	-	-	-	-	(134,154.59)
ADJ #5	4-11, received 6-11	-	(12,240.65)	-	-	-	(1,345.23)	-	(13,585.88)
ADJ #6	6-11, received 8-11	(88,014.78)	(68,006.86)	(2,756.38)	(46,756.33)	(448,661.57)	(1,541.68)	-	(655,737.60)
ADJ #7	10-11, received 12-1	-	(154.91)	(173,102.39)	(7,542.20)	(873.29)	-	-	(181,672.79)
ADJ #8	1-12, received 3-12	(609,893.53)	(59.45)	(1,107,487.84)	(21,072.45)	(301,982.53)	(4,438.04)	-	(2,044,933.84)
ADJ #9	3-12, received 5-12	-	-	-	(5,809.80)	-	(4.65)	(290,691.77)	(296,506.22)
		(914,274.59)	(82,313.50)	(1,660,254.47)	(226,700.09)	(801,554.65)	(8,347.84)	(290,691.77)	(3,984,136.91)

		Adjustment To: Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Loudoun	PRTC	Total
ADJ #2	11-10, received 1-11	11,948.00	-	-	-	-	29,077.00	70,344.54	111,369.54
ADJ #1	12-10, received 2-11	-	-	-	316,560.87	-	22,069.73	-	338,630.60
ADJ #3	2-11, received 4-11	6,843.00	-	-	83,224.94	67,729.89	49,748.02	-	207,545.85
ADJ #4	3-11, received 5-11	-	-	-	134,154.59	-	-	-	134,154.59
ADJ #5	4-11, received 6-11	-	-	-	12,024.17	-	-	1,561.71	13,585.88
ADJ #6	6-11, received 8-11	56,176.76	5,904.21	-	551,750.18	41,888.26	18.19	-	655,737.60
ADJ #7	10-11, received 12-1	7,542.20	-	-	174,130.59	-	-	-	181,672.79
ADJ #8	1-12, received 3-12	2,587.52	59.18	31.81	2,023,861.38	624.78	17,769.17	-	2,044,933.84
ADJ #9	3-12, received 5-12	362.78	40.54	-	125,176.77	969.74	164,141.94	5,814.45	296,506.22
		85,460.26	6,003.93	31.81	3,420,883.49	111,212.67	282,824.05	77,720.70	3,984,136.91

Net Transfers to Date - (From) To: Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Loudoun	PRTC	Total
(828,814.33)	(76,309.57)	(1,660,222.66)	3,194,183.40	(690,341.98)	274,476.21	(212,971.07)	-

AUDIT PLAN - PROJECTED VERSUS ACTUAL

Projected Schedule Start	Number of Audits	Actual Schedule Start	Number of Audits
In Progress as of 1/1/12	15		
Jan-12	3	Jan-12	1
Feb-12	5	Feb-12	3
Mar-12	3	Mar-12	3
Apr-12	3	Apr-12	2
May-12	3	May-12	3
Jun-12	3	Jun-12	
Jul-12	3	Jul-12	
Aug-12	3	Aug-12	
Sep-12	3	Sep-12	
Oct-12	3	Oct-12	
Nov-12	3	Nov-12	
Dec-12	3	Dec-12	
Total (excluding 1/1/12 in progress)	**38**	**Total**	**12**

Expected Completion Calendar Year 2012	Number of Audits	Actual Completion Calendar Year 2012	Number of Audits
Jan-12	11	Jan-12	1
Feb-12	3	Feb-12	1
Mar-12	2	Mar-12	2
Apr-12	2	Apr-12	1
May-12	1	May-12	3
Jun-12	3	Jun-12	
Jul-12	3	Jul-12	
Aug-12	3	Aug-12	
Sep-12	2	Sep-12	
Oct-12	4	Oct-12	
Nov-12	4	Nov-12	
Dec-12	2	Dec-12	
Total	**40**	**Total**	**8**

Expected Completion Calendar Year 2013	Number of Audits	Actual Completion Calendar Year 2013	Number of Audits
Jan-13	2	Jan-13	
Feb-13	3	Feb-13	
Mar-13	2	Mar-13	
Apr-13	3	Apr-13	
May-13	3	May-13	
Total	**13**	**Total**	**0**

Audits in progress January 2012	15
Audits started in 2012	38
Total Audits Worked	**53**
Audits completed in 2012	40
Audits completed in 2013	13
Total Audits Completed	**53**

Started means the taxpayer has been contacted and the site visit has been scheduled.

Closed/Completed means the audit has been finished and the liability, if any, has been assessed.

There are 19 Audits in Progress as of 5/31/2012

We anticipate closing 4-6 audits in June.

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: July 5, 2012

SUBJECT: DRPT is not continuing to help fund NVTC's administrative budget

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With an unexpected significant shortfall of 15% in funding for NVTC's approved FY 2013 budget, NVTC staff requests guidance from the NVTC Board about how to proceed.

In reviewing the Commonwealth Transportation Board's approved FY 2013-18 Six-Year Improvement Program, NVTC and local staff discovered that DRPT had removed all DRPT funding for NVTC's administrative expenses that had been included in the draft SYIP. Thus, $180,000 included in NVTC's approved FY 2013 budget is not available (out of a total NVTC budget of $1.2 million). DRPT also removed such funding in the subsequent years of the SYIP. With an increase of $9.9 million in DRPT's statewide funding in the final SYIP, the correct amount for FY 2013 for NVTC should have grown to $194,000 based on DRPT's allocation procedures.

1. DRPT has consistently provided funding for NVTC's budget for decades.

2. DRPT provided no notice and no explanation of this change.

3. DRPT appears to have no written policy that would provide the basis for denying funding to NVTC.

4. NVTC has executed a Master Agreement with DRPT and is a grantee.

5. Based on all discussions to date, the expectation is that NVTC will continue to provide administrative services for its jurisdictions and WMATA including preparing applications, submitting invoices and allocating receipts using its Subsidy Allocation Model as directed in the Virginia Code. NVTC continues to manage state and federal transit project grants and consultant services for its jurisdictions. As there is no substantive change in its transit work effort, NVTC should continue to receive DRPT administrative support as it has in the past.

6. NVTC is a transit provider through ownership of VRE as well as the services it provides for its jurisdictions and WMATA. These activities are clearly eligible expenses under DRPT's rules.

7. DRPT has reallocated to the entire Commonwealth the funds that should properly go to NVTC, resulting in a loss of funding to Northern Virginia.

8. There have been repeated statements that DRPT's new policy will not change the amount of DRPT assistance for Northern Virginia.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Response to Request for Information Based on Local Government Staff Input

Trust Fund Balances at NVTC

NVTC has approved administrative policies and procedures for its jurisdictions' trust funds that conform to state law. NVTC undergoes careful independent audits each year regarding these procedures and the transactions that occur within the funds. These written procedures are contained in NVTC's Policy and Procedures Manual in a chapter titled "Trust Fund Accounting for Transit Assistance."

Another important source of written guidance on trust fund procedures is contained in NVTC's allocation resolutions, most recently #2171A of June, 2011. Section 17 specifies, among other requirements, that "member jurisdictions may only request disbursement from the trust for purposes which are in accordance with applicable federal and state regulations regarding such funds."

NVTC reports to each jurisdiction in a "cash flow forecast" prior to each quarterly billing from WMATA on the amounts in each trust fund, receipts since the last report and actual and anticipated outlays for each revenue source (e.g. gas tax, state aid). Gas taxes are restricted by statute to WMATA purposes which is why NVTC maintains this revenue source distinction.

Regarding the size of the trust funds, each jurisdiction determines how best to manage its balances to meet the needs of their jurisdiction. Typically trust fund balances grow during the quarter and are depleted as the large WMATA bills are paid. Thus, focusing on the fiscal year-end trust fund balances shown in NVTC's audited financial reports will provide a misleading picture as the July 1st WMATA payments will sharply reduce balances literally overnight. For example, based on past experience, from an anticipated year-end balance of about $95 million on June 30, 2012, NVTC's jurisdictions are likely to spend $30 million of NVTC trust fund balances to cover WMATA's July 2, 2012 bill – leaving a $65 million balance.

NVTC jurisdictions recognize that any excess idle funds are highly undesirable and are working to minimize their NVTC trust balances. Arlington is billing all closed projects this year and Fairfax County actually projects a zero balance in future years.

NVTC and its jurisdictions will work hard to balance the desire to maintain minimum levels of trust fund balances and the desire to maintain a prudent amount of flexibility and cushion to meet both planned and unexpected transit expenses or funding disruptions.

Response to Request for Information Based on Local Government Staff Input

Alternative Option: Summary of Issues with Local Jurisdictions/WMATA Receiving DRPT Transit Assistance Directly and then Transferring Funds to NVTC

Increased complexity, administrative burden and added steps

- This requires many extra steps for jurisdictions to receive the DRPT funds, record them in their books, and then return them to NVTC to be allocated via SAM and held in trust.
- In order to send the funds to NVTC, the elected board/council of each jurisdiction will be required to take an official action.
- FY 2013 local government budgets are already adopted. This process would require action by the elected board/council to amend their FY 2013 budget for this purpose. This is burdensome, and complicated by the fact that some councils/boards do not meet regularly during the summer.
- Another step would need to be added, as NVTC would need notification by DRPT when funds are sent to each jurisdiction/WMATA so that NVTC can ensure that all payments are returned to NVTC prior to being allocated per the SAM.
- This creates the possibility of a delay in the transfer of funds from the jurisdiction to NVTC. If a jurisdiction is late in sending its funds to NVTC, cash flow issues may arise for other jurisdictions and NVTC would become a "collection agency."

Significant Issues with Auditors

- Currently NVTC's independent auditors understand the flow of DRPT funds to NVTC and the jurisdiction's auditors understand NVTC's role and how funds are disbursed on the jurisdiction's behalf. This change will require five separate local government audit elements with additional complex footnotes where none were necessary to date.
- An additional auditing complexity and administrative burden is the likelihood that auditors would require a restatement of previous years financial statements. A restatement requires that previous years financial statements would have to be updated to reflect receipt of DRPT funds. If jurisdictions start receiving money directly from DRPT, this exercise would be done so the auditor can make an 'apples-to-apples' income comparison. It potentially impacts the jurisdiction's balance sheet and income statement. It is quite intensive and typically raises a red flag to auditors that something is wrong or was overlooked. From a financial, auditing standpoint, that procedure would raise questions where none currently exist.

Other issues/solutions

- If NVTC is not permitted to submit invoices other issues will arise involving checking for and correcting billing errors.

- If the primary purpose of requesting a deposit in the jurisdiction's account is to document the amount of DRPT transit assistance received by each jurisdiction before allocation by SAM, NVTC staff can publish a monthly listing by jurisdiction of state aid received before allocation. Also, the SYIP clearly shows the budgeted state transit assistance by jurisdiction.

MEMORANDUM OF UNDERSTANDING
ESTABLISHING THE NORTHERN VIRGINIA VANPOOL INCENTIVE PROGRAM

A. PARTIES.

This Memorandum of Understanding (MOU) is entered into by and among the Potomac and Rappahannock Transportation Commission ("PRTC"), the Northern Virginia Transportation Commission ("NVTC"), and the George Washington Regional Commission ("GWRC"), hereinafter collectively referred to as "the Program Sponsors."

B. PURPOSE.

The purpose of this Memorandum of Understanding is to establish the Northern Virginia Vanpool Incentive Program ("Program") to bring together the current private providers of vanpool service and the public sector's ride-matching and demand management expertise and marketing to encourage new growth in the vanpool market in Northern Virginia. The Program is to be operated and funded in accordance with the provisions of this Memorandum of Understanding, and the Program is intended to:

1. Promote increased vanpooling in the Northern Virginia area; and

2. Provide governmental assistance to the ongoing private vanpool effort in order that the ongoing private effort will qualify as a publicly sponsored program as defined by the Federal Transit Administration ("FTA"). This governmental assistance will include:

    a. Marketing to induce increased interest in vanpooling;
    b. Compiling prevailing vanpool rates so prospective vanpoolers are well-informed about their options;
    c. Ride-matching services to facilitate placement of vanpoolers into established vanpools; and
    d. Payment of two hundred dollars ($200.00) per month to each participating vanpool owner/operator as consideration for its assistance in assembling and submitting statistical data for the purpose of securing funding for the Program.

3. Increase FTA formula earnings for the three Program Sponsors.

C. COMMITMENTS OF THE PROGRAM SPONSORS:

By their execution of this Memorandum of Understanding, each of the Program Sponsors generally accepts the attached business plan (see Exhibit A, specifically Scenario 2A) which details how the Program is to be structured and administered. Each of the Program Sponsors agrees to provide support, both financial and otherwise, to the Program as set forth in the provisions of this Memorandum of Understanding.

D. PROGRAM MANAGEMENT.

1. Program Sponsors.

The consent of the Program Sponsors shall be required for amendments to this MOU, appropriations to the project, approval of the final budget, and appointments to the Program Advisory Board ("PAB"), which is described in section R below.

2. PRTC Board and Executive Director.

PRTC shall administer the Program, and the Executive Director of PRTC will hire and supervise two full-time staff, in accordance with PRTC's duly adopted personnel policies, for Program management/administration purposes. PRTC may also procure marketing and other services from outside vendors, as set forth in the attached business plan, using competitive processes in accordance with PRTC's duly adopted purchasing policies. The PRTC Board is hereby authorized to make all decisions, on behalf of the Program Sponsors, necessary to administer the Program and consistent with the business plan, the final budget adopted by the Program Sponsors and following recommendations of the PAB.

3. Program funding.

The Program will eventually be largely self-funded from the FTA formula earnings, generating more formula earnings than the program cost, though Program Sponsors acknowledge that the FTA formula earnings require a 20% non-federal match. Hereinafter, references appearing in this MOU to the non-federal match for FTA formula earnings mean either cash or "soft match". "Soft match" means "amounts expended by a provider of public transportation by vanpool for the acquisition of rolling stock to be used by such provider in the service area, excluding any amounts the provider may have received in Federal, State, or local government assistance for such acquisition". This "soft match" provision is a newly authorized element of the Federal transportation authorization law ("Moving Ahead for Progress in the 21st Century Act" or "the MAP-21"; Section 5323[i][2][A]). "Soft match" allows privately funded van purchases to qualify as match for FTA funds. Since virtually all vans that will be affiliated with the subject program will be privately-funded acquisitions, the costs incurred for those acquisitions are anticipated to qualify as match for both the FTA formula-funded vanpool program expense and the projects funded by net FTA formula earnings resulting from the program. Because the MAP-21 was only recently signed into law, the FTA has not promulgated rule-making for "soft match", and final determinations about the applicability of the "soft match" provision to the subject program must await that rule-making.

Assuming the applicability of this "soft match" provision is affirmed by the FTA rule-making, the Program Sponsors envision the collection of data substantiating the privately funded van acquisitions becoming part of the overall data collection requirements for participation in the vanpool program, such that the total cost of these acquisitions can be quantified on an annual basis for "soft match" attribution. The first call on available "soft match" will be the program expense itself that is Federally funded, and any remaining soft match will be used for federally participating projects funded by net program earnings, where the remaining soft match is allocated among the Program Sponsors proportionate to their respective net revenue earnings as described in the next Sub-section of this MOU.

During the period following commencement of Program operations and before the Program Sponsors expect FTA formula earnings to be available ("the initial period" or approximately 2.5 years), bridge funding to underwrite the Program's expenses is necessary. As much as $5.06 million of bridge funding is required for the initial period. This amount has been secured by a combination of grant funding and other funding as follows:

a. $0.2 million of matched CMAQ funds from the Northern Virginia Transportation Authority ("NVTA");
b. $0.1 million of matched CMAQ funds from the GWRC/Fredericksburg Metropolitan Planning Organization ("FAMPO");
c. $3.07 million of matched federal and state funds from the Commonwealth as approved by the Commonwealth Transportation Board ("CTB") based on a recommendation by VDRPT; and
d. As much as $1.64 million anticipated to be advanced by NVTC and PRTC that will be repaid out of eventual program earnings, as described in Section D.5.

The Program Sponsors expect the 20% non-federal match required by the FTA for program-related expenses and program expenses that don't qualify for FTA funding (if any) to be funded by the member governments of the Program Sponsors allocated among them during the budget process as provided herein. Allocations will be calculated as part of the budget development process in two steps:

a. Divide the required non-federal match between NVTC, GWRC, and PRTC using the most recent net revenue allocation shares (see Section F below); and
b. Divide GWRC's local match among its member governments based on the vanpool vehicle miles traversing each jurisdiction as a percentage of the total vanpool vehicle miles traversing the GWRC jurisdictions collectively or using an alternate allocation methodology of GWRC's own design.
c. Divide PRTC's local match in the same fashion confined to Prince William County, Manassas, and Manassas Park.
d. Divide NVTC's share of local match among its five Washington Metropolitan Area Transit Authority ("WMATA") jurisdictions using the most recent shares of NVTC's subsidy allocation model ("SAM") and -- if and when Loudoun County begins to pay for WMATA services -- include that County in the SAM allocation.

4. <u>Calculation and allocation of net revenues.</u>

The region's gross FTA formula earnings resulting from all of the region's NTD data -- including bus, rail, and (prospectively) the Program data – are published annually by the FTA in an apportionment notice appearing in the Federal Register. The gross FTA formula earnings each year are a byproduct of the urbanized area population and service and ridership-related statistics from all the transportation providers in the area that reported NTD data, and the gross earnings are subdivided annually by PRTC in cooperation with WMATA and the Maryland

Transit Administration (MTA) such that WMATA retains all the population-related earnings and WMATA, the MTA, and PRTC retain specified shares of the service and ridership-related earnings based on established allocation rules and factors FTA also publishes in the same Federal Register notice. The end product of this first step is an allocation of the gross FTA formula earnings between WMATA, the MTA, and PRTC. Allocation rules for bus and rail-related earnings are unaffected by the advent of the Program, while the allocation of the Program earnings shall be computed as follows:

a. The gross Program earnings are calculated first, derived from the FTA apportionment notice and the Program-related NTD statistics;
b. A portion of the gross Program earnings is designated for PRTC off the top equal to the Program expense for the fiscal year beginning the following July, calculated as described in Section E;
c. The net Program earnings (i.e., the gross Program earnings less the Program expense) are allocated between WMATA and PRTC whereby: WMATA's share equals the proportion of the vanpool vehicle miles traversing the NVTC jurisdictions plus the same portion of "system vanpool miles" (those operated outside of any of the districts of the project sponsors) as a percentage of the total Program vanpool mileage; and PRTC's share is the rest; and
d. The PRTC share of the net Program earnings is further subdivided between PRTC and GWRC whereby the GWRC share is equal to the proportion of vanpool mileage traversing the GWRC jurisdictions as a percentage of the vanpool mileage traversing the GWRC jurisdictions plus Prince William County, Manassas, and Manassas Park, and the PRTC share is the remainder., Thus PRTC ends up with FTA formula funds equal to the Program expense plus its share of the net Program earnings.
e. <u>In no event will WMATA's share of FTA formula earnings from other than Program earnings be reduced if Program expenses exceed Program earnings.</u>
f. <u>This allocation of Program earnings will be altered if advances from one or more Program Sponsors are outstanding (see D5 below).</u>

5. <u>Advance Funding Option.</u>

As described in Sub-section 3, PRTC and NVTC will be advancing funds to cover expenses during the initial period, and additional advances may or may not be necessary thereafter. All advanced funds shall be accepted in writing by all of the Program Sponsors and, subject to state and/or federal covenants, if any, the repayment of such funds will have first call on future net earnings of the project. Repayments will be the first call on future Section 5307 net earnings, prior to allocation of any remaining net earnings in any subsequent fiscal year.

If there are insufficient net earnings in the year immediately following the advancement of such funds, then the repayment obligation will carry over to each succeeding year until the advanced funds have been repaid. No interest shall accrue regardless of how long it takes to repay the advanced funds.

If after a period of five years from the end of the fiscal year in which the funds are advanced, there remains an unpaid balance, the Program Sponsor providing the funding may call for a repayment of the advanced funds by the end of the following fiscal year. If there are insufficient net earnings to cover the repayment obligation, then the unpaid obligation remaining at the end of the succeeding fiscal year will be borne by the three sponsoring agencies from their own resources in the same proportion as they shared vanpool project administrative expenses and revenues in the year in which the funds were advanced.

If the Program Sponsor that advanced the funds wishes to withdraw from the project before the repayment obligation is met, it must give at least one fiscal year notice of its request to be repaid by the remaining Program Sponsors, again using the shares in effect in the year the funds were advanced.

If the project is discontinued before the obligation is repaid, all three Program Sponsors are required to make repayment using the shares in effect in the year the funds were advanced.

If one or more of the Program Sponsors withdraw from the project before the obligation is repaid, the withdrawing Sponsor(s) must maintain the commitment to repay their shares of the obligation.

The Program Sponsors acknowledge that all funding commitments under this Memorandum of Understanding are contingent upon annual appropriation.

An initial advancement amounting to as much as $1.64 million is anticipated, as described in D.3. NVTC and PRTC are envisioned as the lenders of this initial loan, in shares amounting to two-thirds and one-third, respectively. PRTC’s share of the loan is payable from PRTC unrestricted net assets (its “fund balance”), amounting to $72,000 in FY 2013 and the balance of PRTC’s one third share before the start of FY 2014, while NVTC’s share of the loan is payable from funding sources its member governments designate, in its entirety before the start of FY 2014. Repayment of the initial loan shall be in accordance with the arrangements described in the preceding portion of this sub-section.

E. <u>PROGRAM BUDGETING.</u>

The Program Sponsors expect expenses to be incurred beginning in July 2012. Vanpools are anticipated to commence participation in the Program in January 2013 (hereinafter referred to as “Start Date”). Thus, the first year Program budget (i.e. FY 2013) encompasses six months before the Start Date and the first six months of Program participation. The partial year FY 2013 budget and full year FY 2014 and FY 2015 budgets are defined in the business plan, and have been funded by the bridge funding referenced in Paragraph I.D.3, above. Execution of this MOU by the Program Sponsors constitutes their authorization to PRTC, as Program administrator, to incur costs for FY 2013 (spending authorization in FY 2014 and FY 2015 will be sought prior to the start of each fiscal year, in accordance with the provisions set forth below).

Beginning with the FY 2016 (the first year Section FTA formula earnings are expected to be available) budget preparation, each year’s proposed budget shall be developed as follows:

1. End of September -- Program staff at PRTC completes work on a proposed budget for review by the PAB.

2. End of October-- PAB reviews and comments on the proposed budget. Program staff at PRTC finalizes proposed budget for PRTC Board's consideration, accompanied by the PAB's review comments.

3. November – PRTC Board authorizes transmittal of the budget to GWRC and NVTC for approval.

4. No later than January -- GWRC and NVTC provide their approvals in a manner best-suited to each commission's practices.

5. February – PRTC applies for state assistance for the proposed Program budget.

6. Spring – Program Sponsors appropriate their respective shares of the local match and public hearing(s) are held by PRTC to invite public review and comment on the proposed budget and proposed federal grant application for PRTC and GWRC encompassing the use of prior year net earnings and the next fiscal year's program expense.

7. June – PRTC Board approves final Program budget (as do NVTC and GWRC if there are any changes from the January version) for the fiscal year beginning in July.

The Program budgeting process as described above is a parallel activity with the annual NTD data submission process, the federal grant application process, and the annual audit process as described in the next three sections.

F. NTD DATA SUBMISSION PROCESS.

NTD statistics shall be compiled throughout the course of the year by Program staff, assisted by the participating vanpool owners/operators as described in the vanpool owner/operator participation agreement ("Participation Agreement"; attached). The data shall be validated, audited and transmitted by Program staff to the FTA by October 31st for the fiscal year ending the previous June 30th.

G. FEDERAL GRANT APPLICATION PROCESS.

The process is as follows:

1. Late October -- FTA publishes an apportionment notice. The apportionment notice is based on NTD statistics for the year ending in June of the previous year. For example, the FTA apportionment notice issued in October of 2014 is based on NTD statistics for the year ending in June of 2013.

2. November through February – WMATA, PRTC, and the MTA reconcile their respective calculations of the formula funding each is due, forging a consensus on this and sending a split letter to the FTA signifying local agreement about the regional

sub-allocation. PRTC's share in the split letter related to vanpool earnings is the sum of:

a. The anticipated Program expense for the year beginning the following July;
b. PRTC's proportionate share of the net earnings for the year ending the previous June; and
c. GWRC's proportionate share of the net earnings for the year ending the previous June

PRTC's share in the split letter includes the GWRC share, because GWRC is not a signatory to the split letter and thus PRTC has to serve as GWRC's agent for this purpose. GWRC is solely responsible for deciding what qualifying projects its share of the net earnings will be used for, and PRTC will ultimately serve as the applicant for those federal funds as well as PRTC's own share of net earnings, subject to the provisions in Section L. NVTC is not a party to the split letter because it is providing its entire share of net program earnings directly to WMATA.

3. February – WMATA, PRTC, and the MTA account for their respective shares in their respective budgets and grant applications. PRTC confers with GWRC to confirm projects GWRC intends to fund with its net earnings, and GWRC's intended sources of required non-federal match so the GWRC projects can be incorporated in the PRTC federal grant application and state grant application as appropriate. PRTC is also responsible for securing its own required non-federal match. WMATA applies for its share of the net earnings as it sees fit and is responsible for the non-federal match.

H. <u>ANNUAL AUDIT PROCESS.</u>

The process is as follows:

1. Summer – Program-related financial data assembled for year-end auditing;

2. Fall – PRTC's external auditor conducts audit of Program-related expenses with audit fees billed to this Program; and

3. Winter – External auditor's report presented to PRTC, NVTC, and GWRC Boards and then released to the public.

I. <u>REVENUE SHORTFALL.</u>

In the event of a revenue shortfall to the Program, the subsidy required to compensate for the shortfall experienced in a fiscal year shall be borne by the three sponsoring organizations (PRTC, NVTC, and GWRC) in the same proportions as their respective shares of the net revenue from the most recently completed and reported fiscal year. Program staff shall promptly inform NVTC and GWRC of conditions that could give rise to a revenue shortfall, so the three sponsors can confer about whether to respond with a supplemental appropriation to cover the anticipated shortfall and permit the continuation of the Program; Program changes to contain costs and curb the anticipated shortfall; and/or Program termination.

J. RISK MANAGEMENT.

PRTC will obtain appropriate insurance to cover all reasonably foreseeable Program risks, and will include the costs of such insurance in each annual Program budget.

K. PRTC RIGHT TO TERMINATE ANY VANPOOL PARTICIPATION AGREEMENT AT PRTC'S DISCRETION.

Every Participation Agreement shall clearly state that PRTC has the discretion to terminate the Participation Agreement at any time.

L. FINANCIAL OBLIGATIONS OF THE PROGRAM SPONSORS.

The Program Sponsors bear financial responsibility for the following costs:

1. Revenue shortfalls. As stated above in Section I, the subsidy required to compensate for a revenue shortfall in a particular fiscal year shall be borne by the Program Sponsors in the same proportions as their respective shares of the net revenue from the most recently completed and reported fiscal year. PRTC shall endeavor to notify NVTC and GWRC as soon as possible that a revenue shortfall is arising, and shall convene the Program Sponsors to discuss remedial actions that, once defined, have to be ratified by the Program Sponsors' governing boards.

2. The non-federal match required for Section 5307 funding used for program expenses and the entire portion of any program expenses that do not qualify for Section 5307 funding. The Program Sponsors are responsible for their respective shares of these expenses. Shares are determined using their respective proportions of net revenue from the most recently completed and reported fiscal year. PRTC management shall inform NVTC and GWRC of this non-federal match requirement as part of the proposed budget prepared each September, and the cash portion, if any, shall be appropriated as necessary no later than the following June. Failure to appropriate also necessitates notice by no later than January (preceding the fiscal year for which the funds referenced here are being sought) so the Program Sponsors can confer about prospective responses.

3. The non-federal match (if any) for projects funded by Section 5307 net earnings. PRTC and GWRC are responsible for their required matching expenses. PRTC shall not apply for federal formula funds on behalf of itself or GWRC until the cash portion of the non-federal match has been confirmed. NVTC's net earnings shall accrue to WMATA, and WMATA shall bear responsibility for arranging the necessary non-federal cash match for these funds and applying for these funds thereafter.

The Program Sponsors acknowledge that all commitments under this Memorandum of Understanding are contingent upon annual appropriation of sufficient revenues by all participating governments sufficient to support the Program.

M. PROCUREMENT AUTHORITY FOR THE PROGRAM.

PRTC management shall procure goods and services as required for the Program in accordance with PRTC's Board-adopted purchasing policy. All such purchases shall be made only after the funds required for the purchase become part of an approved budget.

N. TITLE TO ASSETS.

Program assets (lift-equipped vans, etc.) will be jointly owned by the Program Sponsors in proportion to shares of net earnings in the year each asset was acquired, recognizing any obligations resulting from the use of any state or federal aid to acquire those assets. Consequently, any disposition of those assets requires the approval of the Boards of each of the Program Sponsors.

O. PROGRAM SPONSOR WITHDRAWAL FROM THE PROGRAM.

Each Program Sponsor shall have the discretion to withdraw unilaterally from the Program, provided the other Program Sponsors are given ample prior notice. Ample prior notice means that withdrawals shall be permissible once annually, during the budget preparation process. A notice to withdraw shall be made to all other Program Sponsors no later than October 1st, with said notice to be applicable for the fiscal year beginning the following July. A Program Sponsor electing to withdraw shall bear full responsibility for its share of expenses for the fiscal year in which the withdrawal notice is sent, and for its share of any unpaid expenses that have already been incurred. The withdrawing Program Sponsor must obtain the approval of the other Program Sponsors in order to receive a share of the current value of any assets, since selling those assets may harm the Program.

P. INVOICING AND PAYMENT OF PROGRAM COSTS.

Several types of Program costs will require invoicing and payment as described below:

1. Vanpool owner/operator remuneration. As described in the Participation Agreement, PRTC will be obligated to remit payments of $200 per month per van to the owner(s)/operator(s), after the owner/operator complies with the data assembly and transmittal obligations the owner/operator has. No invoicing for these payments is required – they will simply be made no later than 30 days following affirmation that the data assembly and transmittal obligations for said month by the owner/operator have been fulfilled.

2. Payment for program-related goods delivered and services rendered by contractors. PRTC shall be invoiced for all such goods and services, and payments shall be made within the contractually specified time frames in accordance with contract terms.

3. Local match for federally participating program costs (if any) and for program costs that do not qualify for federal participation. Program Sponsors will be invoiced for all such costs in accordance with the approved budget and attendant allocations. Payments are due within 30 days of the receipt of the invoice.

Q. GRANT MANAGEMENT PRACTICES PERTAINING TO NET REVENUES PRTC APPLIES FOR ON BEHALF OF GWRC AND ITS MEMBER GOVERNMENTS AS A RESULT OF THE PROGRAM.

As noted in Section G, each year PRTC anticipates serving as the applicant for net revenues due to GWRC as well as PRTC. Entities for which PRTC serves as an applicant thereby become a sub-recipient and, as such, must comply with all the FTA statutory and regulatory requirements. The following steps are necessary for PRTC to serve as the applicant:

1. Execution of a Sub-Recipient Agreement. PRTC and the sub-recipient must enter into a sub-recipient agreement memorializing both the project(s) that are the subject of the grant application and the sub-recipient's affirmation that it shall be bound by all the FTA Master Agreement requirements. A copy of an illustrative sub-recipient agreement is attached. Among other things, the sub-recipient agreement clarifies that the federal grant funds are payable on a reimbursable basis, and only for 80% of the cost incurred since there is a 20% match requirement (see [2]).

2. Affirmation that the sub-recipient shall furnish any necessary non-federal matching funds that must be cash. Section 5307 funds require a 20% local match, which the sub-recipient must furnish. Nothing in this sub-section shall prevent a sub-recipient from seeking state assistance for a portion of the non-federal match.

R. PROGRAM ADVISORY BOARD (PAB).

A Program Advisory Board (PAB) shall be established to provide advice on Program products, administrative rules, budgets, and revenue calculations to the Program Sponsors, the PRTC Board, and Program staff. The PAB's views will accompany PRTC management's recommendations on all matters requiring PRTC Board approval (e.g. the budget; contract awards above the threshold delegated to the Executive Director, etc.) and the approval of the Boards of all three Program Sponsors. While the annual budget will be a primary focus, the PAB will also play a role in the review of program products, administrative rules, and revenue calculations, such that all of these products are vetted with the PAB before they are issued. The PAB is as an advisory group, so no formal vote-taking, parliamentary procedures, or formal bylaws are necessary to guide the group's deliberations. The views of PAB members, be they singly held or otherwise, are important for the Program Sponsors' governing boards to know, and thus the PAB's views will be routinely communicated as part of staff reports accompanying proposed actions.

Each of the Program Sponsors shall appoint no more than four representatives to the PAB, and the appointees shall serve for as long as the Program Sponsors decide at their own discretion. The model for PAB is the Jurisdictional and Agency Coordinating Committee of the Northern Virginia Transportation Authority. Representatives are welcomed from all agencies and jurisdictions participating in the Program. PAB will decide whether to invite additional representatives of vanpool operators and customers.

S. PROGRAM EMPLOYEES.

Those hired by PRTC for the purpose of administering the Program shall be employees of PRTC, entitled to all the rights and privileges as all other PRTC employees. Said employees shall also be bound by PRTC's adopted personnel policy, and PRTC management shall have supervisory responsibility for the conduct and performance of these employees. Costs associated with the Program employees (e.g. salary, fringe) constitute a Program expense that shall be payable from adopted Program budgets.

T. INDEMNIFICATION. No indemnities are granted by virtue of this MOU.

U. EFFECTIVE DATE AND TERM.

This agreement shall be effective following its execution by authorization of all Program Sponsors and shall remain in force indefinitely unless terminated sooner as provided for in Section O of this MOU.

V. CHANGES AND AMENDMENTS.

Upon the mutual consent of the Program sponsors, this MOU may be amended.

W. SEVERABILITY.

In the event that any of the provisions of this MOU are determined to be in violation of any statute or rule of law to which this MOU is subject, then such provision(s) shall be deemed to be inoperative to the extent that the provision(s) is contrary to the requirements of the law, and shall be deemed to be modified to conform with such statute or rule of law, or stricken entirely from this MOU.

Invalidity or modification of one or more provisions of this MOU shall not affect any of the other provisions of this MOU.

X. AUTHORIZED SIGNATURES.

The undersigned individuals have been duly authorized to commit their respective organizations and member jurisdictions to the terms of this MOU.

In witness whereof, the duly authorized representatives of the parties hereto have executed this MOU on the dates and year hereafter written:

NORTHERN VIRGINA TRANSPORTATION COMMISSION	POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION	GEORGE WASHINGTON REGIONAL COMMISSION
Chairman	Chairman	Chairman
Signature	Signature	Signature
Date	Date	Date

American Public Transportation Association

House and Senate Vote to Pass Surface Transportation Conference Report

6/29/2012

(Download Document in Adobe PDF format)

This afternoon, both the House and Senate voted to pass the Conference Report to the Moving Ahead for Progress in the 21st Century (MAP-21/H.R.4348) legislation, the surface transportation authorization bill. The House passed the conference report by a vote of 373 to 52 and shortly thereafter, the Senate passed the conference report by a vote of 74 to 19.

The final legislative details have been available since early yesterday morning. Leaders from both houses have asserted that the agreement represents a carefully-developed, bipartisan compromise, involving give-and-take between the Senate's bill, Moving Ahead for Progress in the 21st Century (MAP-21), the House's extension of current law, and language in the House Transportation and Infrastructure (T&I) Committee's bill that was not considered on the House floor.

The House of Representatives also voted to pass a one-week extension of current surface transportation law in order to provide a "cushion" to facilitate proper enrollment of the bill (a formal, but necessary legislative process) and a Presidential signing ceremony, if desired.

Based on our initial review of the conference agreement, the following is a summary of the key policy and programmatic elements of the conference agreement that are of the interest to APTA and its members:

Overall Funding Levels

The final conference agreement provides for a limited increase for Federal Transit Programs, providing a total of $10.578 billion in authorized funding in FY 2013 and $10.695 billion in FY 2014. Funding authorized from the Mass Transit Account of the Highway Trust Fund amounts to $8.478 billion in FY 2013 and $8.595 billion in FY 2014, with $2.1 billion authorized from the General Fund in each fiscal year. The bill also separately extends the authorizations for FY 2012 based on current law.

Click here for a table of all programatic funding levels.

Formula Grant Programs

Urbanized Area Grants (Sec. 5307, 5336) continue to be the largest program for federal investment in public transportation. The conference report allocates $4.398 billion in FY 2013 and $4.459 billion in FY 2014 for urbanized area programs. This compares to an estimated $4.552 billion in FY 2012. The Job Access and Reverse Commute (JARC) program activities will now be funded under the Sec. 5307 formula program.

The bill authorizes $422 million in FY 2013 and $427.8 million in FY 2014 for a Bus and Bus Facilities Formula program. The funding level, while significantly below current law ($984 million in FY 2012), was a major change from what the Senate bill had originally proposed, with essentially no funding as the bill was reported from committee and only $75 million authorized as a takedown from the Capital Investment Grants account when S. 1813 was passed by the Senate. The new program is a formula grant program (as opposed to a discretionary grant program in current law) and does not restrict agencies that operate rail services from eligibility, as proposed in the House T&I Committee bill, H.R. 7. A minimum allocation is made available to all states, with the remaining funds distributed based on population and service factors.

The conference agreement retains the Sec. 5340 formula grant programs for High Density States and Growing States. The program is authorized at a level of $518.7 million in FY 2013 and $525.9 million in FY 2014, an increase of more than 13 percent.

Consistent with the APTA recommendations for program consolidation, the Elderly and Disabled (Sec. 5310) and New Freedom (Sec. 5317) Programs are combined into a single program that will fund activities designed to enhance the mobility of seniors and individuals with disabilities (the new program remains under Sec. 5310). The consolidated program will increase the level of resources available for elderly and disabled transportation programs.

The conference report also authorizes increased funding for Rural Area Grants (Sec. 5311), to fund public transportation activities in rural areas. The Sec. 5311 Rural Formula program is funded at $599.5 million in FY 2013 and $607.8 million in FY 2014 as compared to an estimated $547.3 million in FY 2012. The bill also provides for rural job access and reverse commute activities to now be funded under this section.

The bill repeals the Clean Fuels Formula Program as well as the Transit In the Parks Program.

Operating Assistance/"100 Bus" Rule

As recommended by APTA, the conference report adopts proposed "100 bus rule" language. This provision allows transit systems in urbanized areas with populations greater than 200,000 to utilize portions of their 5307 funding for operating assistance if their system operates 100 or fewer buses in peak service. The conference report does not include language that would have allowed transit systems to utilize a portion of their 5307 funding for operating assistance during periods of high unemployment.

State of Good Repair Grant Program

The bill creates a new "State of Good Repair" grant program that would replace the current Fixed Guideway Modernization program. The new program would distribute $2.1 billion in each of fiscal years 2013 and 2014 to fixed guideway systems that use and occupy a separate right of way for exclusive public transportation use, rail systems, fixed catenary systems, passenger ferries and bus rapid transit systems. Funding could be used for a variety of activities and recipients would be required to develop asset management systems that include capital asset inventories and condition assessments, decision support tools, and investment priorities. The bill would apportion 50 percent of the total based on factors used in the rail tier of the urban formula program in effect for FY 2011, under which 60 percent is distributed on revenue vehicle miles and 40 percent on fixed guideway route miles. It would apportion the other 50 percent of funds under a formula that distributes 60percent of funds based on vehicle revenue miles and 40 percent on fixed guideway directional route miles. In all cases, only those segments in revenue service for at least 7 years would be eligible for funding.

The measure also authorizes $60.9 million in FY 2013 and $61.7 million in FY 2014 for a High Intensity Motorbus State of Good Repair program. Funds would be distributed 60percent on the basis of vehicle revenue miles and 40 percent on the basis of directional route miles. This program would provide funding for public transportation that is provided on a facility with access for other high-occupancy vehicles (HOV lanes), and would be limited to segments where high-intensity motorbus services have been in revenue service for at least 7 years.

Fixed Guideway Capital Investment Grants and Program Streamlining

The conference report authorizes $1.907 billion for each of Fiscal Years 2013 and 2014 for Fixed Guideway Capital Investment Grants. This level is below the $1.955 billion authorized in FY 2012. The Conferees agreed to adopt much of S.1813’s Capital Investment Grants provisions, with modifications. The conference report’s Fixed Guideway Capital Investment Grants provision reforms and streamlines the project approval process, eliminating duplicative steps in project development and providing for quicker review by the Federal Transit Administration. Both the House and Senate New Starts provisions included expanded use of warrants to expedite the project rating, evaluation, and approval processes. The conference report adopts the Senate’s language expanding the use of warrants for projects with a New Starts share not exceeding $100 million or 50 percent of total project costs.

The bill modifies eligibility standards to include new fixed guideway capital projects, small starts, and core capacity improvements, as well as programs of interrelated projects. The conference report requires that core capacity projects achieve at least a 10 percent increase in capacity along a corridor. The Conferees make corridor-based bus rapid transit (BRT) projects that do not operate in right-of-ways dedicated exclusively to public transportation eligible for small starts funding, and they limit eligibility for BRT new starts funding to systems where a majority of the project operates in a dedicated right-of-way during peak periods.

Public Transportation Safety Program

Included in the report is a negotiated compromise between Senate and House transit safety proposals. The provision grants authority to the Secretary to create a national safety plan for all modes of public transportation, to set minimum safety performance standards for all rolling stock not otherwise regulated and to establish a national safety certification training program for Federal and State employees, or other designated personnel, who conduct safety audits and examinations of public transportation systems and employees of public transportation agencies directly responsible for safety oversight. Under this provision, all recipients of federal transit funding are required to establish, and have certified, a comprehensive safety plan based on set criteria. Those states with rail fixed guideway systems are required to have an approved state safety oversight program that establishes a state safety oversight agency which assumes oversight related responsibilities

A formula grant funding program for up to 80 percent in federal match dollars to develop and carry out state safety oversight programs has been authorized. The state safety oversight agencies are required, among other things, to review, approve, oversee and enforce implementation of transit agency safety plans, to conduct triennial safety audits and to provide annual safety status reports to the Federal Transit Administration (FTA) and others. While transit agency safety oversight will be carried out by the state safety oversight entities, the Secretary will oversee implementation by those state safety oversight entities and has the authority to audit their activities. In the event that a recipient is found to be noncompliant with safety requirements, the Secretary may withhold Federal funding or require up to 100 percent of Federal funds be used for corrective safety actions. In the event that a state safety oversight agency is found to be noncompliant, the Secretary is granted a range of options, including but not limited to issuing directives, requiring more frequent oversight and/or withholding Federal funds.

Additionally, a waiver provision for agencies not exceeding a set amount of miles or unlinked passenger trips as well as a provision allowing multi-state systems to establish a joint oversight entity was also authorized.

Asset Management

The bill also requires the establishment of a system to monitor and manage public transportation assets to improve safety and increase reliability and performance. Transit agencies will be required to establish and use an asset management system to develop capital asset inventories and condition assessments, and report on the condition of their system as a whole, with descriptions of the change in condition since the last report. The Secretary of Transportation is also required to define the term ‘state of good repair,’ including objective standards for measuring the condition of capital assets.

Metropolitan and Statewide Planning

The Conference Report contains key provisions intended to enhance transportation planning at the local, regional and state level. The report requires Metropolitan Planning Organizations (MPOs) to establish performance targets that address issues such as safety and state of good repair. This will include a system performance report. Additionally, the final language mandates that the structure of all MPOs, designated as Transportation Management Areas, must include officials of public agencies (including transit agencies) that administer or operate major modes of transportation in the metropolitan area. Lastly, the report establishes a pilot program to fund planning efforts for Transit-Oriented Development (TOD) projects. The pilot is funded at $10 million in FY 2013 and 2014. Funding will assist with costs of comprehensive planning for new fixed guideway capital projects or core capacity improvement projects funded with federal dollars.

Research and Other Transit Provisions

Research, Development and Demonstration ($70 million) -- The bill modifies the existing research program by creating a clearly delineated pipeline with criteria for continued progress, with a goal of taking an idea from the research phase through to demonstration and deployment in the field. The program specifically provides funding for demonstration and deployment of products and services that may benefit public transportation. It also creates a section of the deployment program dedicated to low or no emission public transportation vehicles, making grants available for the acquisition of low or no emission vehicles and related equipment, the construction of facilities for such vehicles, and the rehabilitation of existing facilities to accommodate the use of low or no emission vehicles.

The bill provides a small increase to the Transit Cooperative Research Program (TCRP), funding it at $7 million annually out of the General Fund. The program had been cut by 35 percent in the FY 2012 Transportation Appropriations bill, but the authorizing committees sought to add some funding back.

Technical Assistance and Standards Development ($7 million annually) – The bill creates a new section on Technical Assistance and Standards Development, provides grants for activities that help public transportation systems more effectively and efficiently provide public transportation service and helps grant recipients administer funds received under this chapter. This section also authorizes the FTA to continue making grants for the development of voluntary standards by the public transportation industry related to procurement, safety and other subjects and authorizes the Secretary to fund technical assistance centers to assist grant recipients following a competitive process.

Public Transportation Emergency Relief Program – Additionally, a new Emergency Relief Program patterned after the similar Federal Highway program is authorized under the bill, with an open ended General Fund authorization for "such sums as necessary." The new program is designed to assist States and public transportation systems in paying for protecting, repairing, or replacing equipment and facilities that are in danger of suffering serious damage or have suffered serious damage as a result of an emergency.

Training – The bill authorizes $5 million annually from the General Fund for Human Resources and Training (Workforce Development). The Innovative Public Transportation Workforce Development Program will be a program to promote and assist the development of innovative workforce development and human resource activities within the public transportation industry. Also, the National Transit Institute (NTI) is authorized at $5 million from the Mass Transit Account.

Bus Testing Facility – The bill maintains an authorization for a single Bus Testing Facility (the Senate bill had proposed up to three additional testing facilities) but does call for the Secretary of Transportation to promulgate regulations to establish a Bus Test Pass/Fail standard. The Secretary is required to work with the bus testing facility, bus manufacturers, and transit agencies to develop the bus model scoring system under this paragraph.

Bus Axle Weight – Based on similar provisions in both S.1813 and H.R.7 to extend the current, temporary single-axle weight exemption for transit and over-the-road buses, the Conferees adopted the House provision that makes permanent both the single-axle weight exemption and the State enforcement ban of single-axle weight limits of less than 24,000 pounds, on the interstate highway.

Buy America – While neither the House nor Senate bills included changes to the domestic content requirements for rolling stock, both bills strengthened the documentation and transparency requirements of current Buy America provisions for highway, transit, and rail projects and prohibited project segmentation to avoid Buy America requirements. With regard to transit projects, the Conferees adopted most of the Senate's Buy America provision, but did not include the anti-segmentation language.

Transit Benefits –The final conference agreement does not retain language that would have extended for only the 2012 calendar year parity with the parking benefit for the transit commuter tax benefit, as had been provided in the Senate Finance Title. Despite the staunch advocacy of Senator Charles Schumer (D-NY) and a number of other advocates in the House and Senate, the provision extending parity for transit benefits at the level of parking benefits was not retained.

Rail Title – Positive Train Control and STB Licensing

Although rail titles were contained in both the House and Senate authorization proposals, an agreement could not be negotiated and the rail title was deleted from the final conference agreement. The Senate Sec. 35601 provision requiring all passenger railroads to maintain at least $200 million in liability insurance and to become certified by the Surface Transportation Board was eliminated. And despite language in both the House and Senate proposals to provide flexibility to commuter railroads in the process of implementing Positive Train Control (PTC), all PTC related provisions were struck from the final conference report. Also eliminated as a result of the rail title being dropped was the National Rail System Preservation, Expansion, and Development Act of 2012, which included provisions related to Amtrak.

Highway Title Transit-related Provisions

The bill authorizes several programs under the Highway Title and includes policy provisions that impact the availability of funding for transit and transit-related projects. The bill provides $10.2 billion in FY 2013 and $10.3 billion in FY 2014 for the Surface Transportation Program (STP) and maintains language that allows transit projects to be funded with STP dollars. Further, $2.26 billion is allocated FY 2013 and $2.28 billion in FY 2014 for the Congestion Mitigation and Air Quality (CMAQ) program. A provision mandating a percentage of CMAQ funding be used for diesel exhaust retrofits is not included in the conference report. Lastly, the bill consolidates the Transportation Enhancements, Safe Route to Schools, and Recreational Trails programs into a new "Transportation Alternatives (TA)" program, however, overall funding for these activities is reduced by roughly $300 million annually. Under the new TA program, 50 percent of funding will be allocated to MPOs and 50percent to states, however, states may chose not to utilize funding for TA activities and devote funding to other transportation initiatives (including road and bridge projects). Funding reductions and the ability for States to opt-out of TA-activities deeply concerns transportation mobility advocates.

America Fast Forward/Transportation Infrastructure Finance and Innovation (TIFIA)

Both of the initial House and Senate authorization proposals significantly expanded TIFIA, the popular Federal surface transportation credit assistance program, increasing funding from $120 million in FY 2012 to $1 billion annually. The Conferees largely adopted the Senate's TIFIA provision, with some modifications establishing application procedures to impose deadlines for actions by the U.S. Department of Transportation (DOT) and requiring an annual application process report by DOT. The conference report authorizes funding for the TIFIA program at $750 million in FY 2013 and $1 billion in FY 2014. For FY 2013, this represents a $250 million reduction from the level included in both the House and Senate bills.

ACTION ALERT

APTA urges all members to contact your congressional delegation and thank them for their votes to pass the conference report.

House of Representatives Completes Action on FY 2013 Transportation Appropriations Bill; Provisions Will Require Changes to Conform to Newly Passed Authorization Bill

Earlier today, the House voted to pass the FY 2013 Transportation, Housing and Urban Development and Related Agencies (THUD) Appropriations Act and its amendments, approving the final version on the House floor by a vote of 261-163. The majority of the amendments offered on the floor during the course of debate focused on the Housing and Urban Development sections of the bill, although a few transit related amendments offered.

Among the public transportation related amendments considered was an amendment offered by Representative Steve Chabot (R-OH) prohibiting the use of funds to design, construct, or operate a fixed guideway system in Cincinnati, OH. Representative Chabot's amendment passed by voice vote. An amendment was also offered by Representative Tom McClintock (R-CA) that would prohibit the use of funds for the Third Street Light Rail Phase 2

Central Subway project in San Francisco, CA. Representative McClintock's amendment passed by a vote of 235-186. Finally, while the House bill contained no funding for high-speed rail, in California or elsewhere, an amendment was offered by Representative Jeff Denham (R-CA) prohibiting the use of funds in the bill for high-speed rail in the State of California or for the California High-Speed Rail Authority, and passed by a vote of 239-185.

Earlier in the week, amendments to cut funds from the FTA, FRA and WMATA all failed, although an amendment to cut funding for the Surface Transportation Board (STB) was agreed to by voice vote. Also, during consideration of the bill, a point of order was sustained against a provision that would have allowed for up to $100 million in FTA formula grant funds for fuel and power costs.

The companion Senate bill has been approved by the Senate Appropriations Committee, but has not been considered by the full Senate, which must occur before the two versions can be reconciled in an Appropriations conference committee. Despite the action by the House this week on FY 2013 Transportation Appropriations, changes in structure and funding levels will be required once the newly passed surface transportation authorization conference report has been signed into law.

For questions on these issues, please contact Brian Tynan of APTA's Government Affairs Department at (202) 496-4897, or btynan@apta.com.