Northern Virginia Transportation Commission

NVTC COMMISSION MEETING

THURSDAY, NOVEMBER 1, 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. Minutes of the NVTC Meeting of October 4, 2012.

Recommended Action: Approval.

2. VRE Items.

A. Report from the VRE Operations Board and Chief Executive Officer--Information Item.
B. VRE Office Condominium Loan--Action Item/Resolution #2202.
C. Assessment of VRE and PRTC Employee Classifications/Salaries--Action Item/Resolution #2203.
D. Threatened Reduction in VRE Track Lease Payment by DRPT--Discussion Item.
E. Governor's Request for Review of VRE Governance Issues--Discussion Item.

3. DRPT's SJR 297 Report.

The final report was presented to the Commonwealth Transportation Board on October 17th. Comments are now being accepted.

Recommended Action: Provide comments to DRPT and consider a strategy for approaching CTB and General Assembly members in cooperation with the Virginia Transit Association and other groups.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

4. Final Report of the Agency Efficiency and Consolidation Task Force.

The final report is being provided to NVRC, NVTC, PRTC and NVTA for approval.

Recommended Action: Approve the final report which will be provided to Northern Virginia's General Assembly Delegation.

5. Legislative Items.

NVTC's Legislative Committee will meet in November to develop a proposed state and federal agenda for 2013. Commissioners are invited to propose ideas for consideration by the committee.

Discussion Item.

6. Status Report on Implementation of DRPT's New Grant Procedures.

DRPT, NVTC and local jurisdiction staff are working to implement DRPT's new requirements with NVTC to serve as an "agent."

Information Item.

7. WMATA Items.

A. Report from NVTC's WMATA Board Members.
B. Dashboard Performance Report.

Information Item.

8. Regional Transportation Items.

A. Motor Fuels Tax Collection Transition.
B. NVTC's Statement to CTB on October 30, 2012.
C. DRPT's Statewide Transit/TDM Plan Update.
D. DRPT's SuperNova Plan.
E. Northern Virginia Transportation Alliance's Seminar.
F. I-66 and Region-Wide Bus on Shoulders Studies.

Discussion Item.

9. NVTC Financial Items for September, 2012.

Information Item.

AGENDA ITEM #1

MINUTES
NVTC COMMISSION MEETING – OCTOBER 4, 2012
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Fisette at 8:09 P.M.

Members Present
Richard H. Black
Sharon Bulova
John Cook
Thelma Drake (DRPT alternate)
James Dyke
William D. Euille
Jay Fisette
Catherine Hudgins
Joe May
Jeffrey McKay
David Ramadan
Ken Reid
Thomas Rust
Paul Smedberg
David F. Snyder
Christopher Zimmerman

Members Absent
Barbara Comstock
John Foust
Jeffrey Greenfield
Mark R. Herring
Mary Hynes

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

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Chairman Fisette announced that the Northern Virginia General Assembly delegation members were invited to attend this meeting to hear the SJR 297 presentation. He welcomed Senator Barbara Favola, Delegate Robert Brink, Delegate Eileen Filler-Corn, Delegate Jim Scott, Delegate Vivian Watts, Delegate Alfonso Lopez, and Fred Clarke, Legislative Assistant for Delegate Kaye Kory.

Minutes of the September 6, 2012 Meeting

Mr. Zimmerman moved, with a second by Delegate Rust, to approve the minutes. The vote in favor was cast by commissioners Black, Bulova, Cook, Dyke, Euille, Fisette, Hudgins, May, McKay, Rust, Snyder and Zimmerman. Commissioners Ramadan, Reid and Smedberg abstained.

VRE Items

Report from the VRE Operations Board and Chief Executive Officer. Ms. Bulova reported that Average Daily Ridership (ADR) for August, 2012 was 18,771, which was up 1.3 percent from August, 2011. Overall on-time performance (OTP) for August was 98 percent compared to 90.8 percent for the month of July, 2012. She stated that VRE received a good report card in response to its annual marketing survey. Nearly every category improved over the previous year. Overall service quality graded at 84 percent, which is the highest score VRE has received since 2002. According to the survey results, fares are an issue with VRE riders. However, it should be noted that the survey was conducted shortly after a fare increase.

VRE FY 2014 Preliminary Budget. Mrs. Bulova stated that the Operations Board recommends approval of Resolution #2200, which would authorize staff to send the preliminary FY 2014 VRE budget to its contributing and participating jurisdictions for use in preparing their own FY 2014 budgets. The final version of the budget should be available for action by NVTC and PRTC in January, 2013.

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

Mr. Smedberg stated that as discussed in the Executive Committee meeting, language included in the blue item should be added regarding an explanation about the budget surplus. Mrs. Bulova accepted this as a friendly amendment. Mr. Zimmerman asked if the Operations Board included this language in their motion. Mr Smedberg stated that the Operations Board had a discussion about the budget surplus and recommended that an explanation be included when the budget was forwarded to the commissions.

The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Black, Bulova, Cook, Dyke, Euille, Fisette, Hudgins, May, McKay, Ramadan, Reid, Rust, Smedberg, Snyder and Zimmerman.

VRE Service Expansion. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2201, which authorizes the expansion of VRE service. The expansion includes adding additional railcars to the Fredericksburg line train #303/302 and the Manassas line train #330/327. The expanded service would begin October 9, 2012.

On a motion by Mrs. Bulova and a second by Mr. Smedberg, the commission unanimously approved Resolution #2201 (copy attached). The vote in favor was cast by commissioners Black, Bulova, Cook, Dyke, Euille, Fisette, Hudgins, May, McKay, Ramadan, Reid, Rust, Smedberg, Snyder and Zimmerman.

WMATA Items

Mrs. Hudgins introduced Richard Sarles, WMATA's General Manager, who was invited to make a presentation on the status of WMATA operations. Mr. Sarles stated that his focus continues to be on a Metro system in a state of good repair as well as improved safety. He estimated that it will take another 4-5 years to get WMATA out of the hole, but then it will be back where it was 10 years ago so it is important to also focus on the future, both short and long-term. WMATA is very important to the region.

Mr. Sarles shared some statistics about the economic benefit WMATA has to the region. The areas within one-half mile of Metro stations support 54 percent of the jobs in the region. There are 277 federal agencies that depend on Metro service. $234 billion of property values are on land near Metro stations that generates $3 billion in property tax revenues. Land use development around the stations has paid off, especially in Virginia. Mr. Sarles stated that looking forward over the next 30 years, population will escalate and it is forecasted to increase by 30 percent. For those that ride transit today, the rail system is crowded in the core; bus routes are also crowded; and platforms are crowded.

The Silver Line will be a great addition to the system, but there are no plans for further system expansion. That is problematic for a growing region because it is important to have a transportation system sustain the economic growth in the region. Otherwise the economy begins to stagnate. Without transit, it would mean one million more auto trips a day, which is equivalent to adding two new Beltways. Congestion would go up. Transit in general is very important to the region.

For the future, it is important for WMATA to run eight-car trains to relieve congestion. However, it is not just a matter of buying more railcars. The system's infrastructure, especially the traction power system, cannot support eight-car trains. Transfer stations are overcrowded. There need to be improvements to the system core to accommodate additional growth.

Mr. Sarles stated WMATA is seeking comment on WMATA issues, including priorities to support business growth in this region; investments to improve service to the customers; communities in most need of enhanced Metro connectivity; and how does the region achieve adequate predictable funding to maintain and grow the Metro

system? WMATA is beginning to see results from the investments already made, including escalator improvements and the signal system being updated.

Mr. Zimmerman stated that the Transportation Planning Board (TPB) established a committee to look at a Bus-on-Shoulder program throughout the metropolitan region. Mr. Sarles responded that, in general, it is a great idea because it will move more people. In response to a question from Mr. Zimmerman, Mr. Sarles stated that WMATA is rebuilding the Automated Train Control (ATC) which was implicated in the Red Line accident. It will take a few years to complete. WMATA is going through a system safety analysis. Once ATC is operational, WMATA should be able to run eight-car trains.

Mr. Reid applauded the Bus-on-Shoulder initiative. He noted that the bus only lane on the Dulles Connector Road will not be used by Fairfax Connector and Loudoun Bus once the Silver Line is opened. Therefore, it may be possible to convert that lane to general purpose use. He also asked if WMATA is doing anything about its union members not sharing in the costs of their pensions. Mr. Sarles stated that WMATA is in negotiations with the unions and this is one of the issues being discussed. However, under the WMATA Compact, WMATA can disagree with the unions but if it goes to arbitration, the arbitrator's decision is final.

Delegate Rust asked for a definition of the Metro "core." Mr. Sarles stated that all Metrorail trains go through the "core." For example, there are only so many trains that can go through the Rosslyn Tunnel. The goal is to get more people going into and through the "core" and possible solutions could be another bridge over the Potomac River or more tracks in the District.

Senator Favola asked how much growth is needed in the revenue stream to meet WMATA's operating and capital expenses for the next 10 years. Mr. Sarles stated that he can provide that information. Senator Favola asked where WMATA would get the increase in revenue based on the current scenario. Mr. Sarles responded that there are only two main sources of operating revenue: fare revenues and jurisdictional subsidies. Mrs. Drake clarified that the jurisdictional portion of WMATA's operating revenue also comes from gas tax revenue and state transit aid.

Delegate May observed that the region faces increased security risks and he asked about cyber attack risks to WMATA's control and signaling systems. Mr. Sarles stated that although he is unable to discuss specifics, WMATA is working with the federal government to guard against any type of attack. WMATA currently has an evaluation underway looking at the vulnerability of the entire system.

Mr. McKay commended WMATA and the Metro Police for their response to serious crime, which is down 16 percent. He also observed that the Blue Line/Yellow Line split seems to be working well from a rider's perspective. Mr. Sarles stated that WMATA is monitoring it and making a few tweaks to the system. There is only so much capacity and with the Silver Line to begin service, there have been some service adjustments. There is only a certain number of trains that can go through the Rosslyn Tunnel. Mr. McKay stated that it is an important point that WMATA can only make so many changes before confusing passengers. It is important to focus on long range planning.

Mr. Snyder asked if Mr. Sarles could provide in writing the data he shared about WMATA and its impact on the economy because it is very important information. As a regular rider, he has seen an improvement in reliability of service. He also asked if WMATA will consider Light Rail or Bus Rapid Transit and how it could be integrated into the Metro system in the future. The Bus-on-Shoulder initiative has benefits, but Mr. Snyder cautioned that the safety issues need to be weighed. Mr. Sarles agreed that safety is a priority.

Mrs. Hudgins stated that she shared a link with NVTC staff earlier in the day on WMATA performance and asked that it be forwarded to commissioners. The link has a great deal of valuable information.

DRPT's SJR 297 Report

Chairman Fisette thanked Thelma Drake, Amy Inman, Kevin Page and Joe Swartz for being present for a presentation on the SJR 297 Report. Mrs. Drake stated that currently 20 percent of operating expenses are paid by state transit aid, regardless of the size of the transit agency. Every transit system is treated the same. In the new model, a transit agency with more expenses and/or more efficiencies will receive more transit aid. It is a hybrid method which 50 percent is based on a formula and 50 percent is based on new performance measures. It will be phased in over three years. She stated that in order to be able to make the argument to the administration and General Assembly for the need for additional state transit funding, it is important to show more accountability, to look at performance measures, to put into place incentives to be more efficient, and to be more transparent. The goal is to reward and incentivize efficient performance, demonstrate the needs of transit, and provide an incentive for all transit systems to be at peak performance throughout the commonwealth.

Ms. Inman gave an extensive PowerPoint presentation providing an overview of the study's approach and recommendations.

Mr. Dyke left the meeting at 9:08 P.M. and did not return.

Chairman Fisette stated that Linda McMinimy, VTA's Executive Director, could not attend this meeting to present VTA's statement on SJR 297 Report. He asked Noelle Dominguez from Fairfax County staff to summarize VTA's statement. Ms. Dominguez stated that the SJR 297 recommendation would increase the state's role and control over local transit, even though the local jurisdictions provide the majority of the transit funding. Currently the state provides about 17 percent compared to local contributions of 31-32 percent. There is no evidence that the current system is broken yet this new DRPT approach will be a significant change that will be untested. There is also a concern that there is a disincentive to expand service or make changes to new service because it could affect ridership, which in turn would affect performance measures and state aid. DRPT's new method also emphasizes efficiency and fare recovery over other priorities such as paratransit, demand response, etc. There is also concern that it could pit transit agencies against each other, which could impact regional cooperation if they are competing for the same funding. It reduces the reliability and

stability of state funds and it will impact and hinder future planning. It also does not address unmet funding needs. VTA has proposed that individual systems measure their performance and possibly use a new source of funding to reward systems meeting their local objectives.

Mr. Euille stated that as past president of VTA, he supports the concerns presented by VTA. He asked if there are other stated that have a similar type of program that is being recommended by DRPT. Mrs. Drake stated that New York and Michigan use a similar type of program. MAP-21 federal legislation is also requiring the development of performance standards.

Mrs. Bulova asked about the timing of the SJR 297 recommendations and if the final report has been released. Ms. Inman stated that the final report will be distributed to the Commonwealth Transportation Board on October 17th which will be followed by a 30-day comment period. The interim report will be available on DRPT's website. Mrs. Bulova stated that it is her understanding that the DRPT recommendation will ask for a legislative shift in authority to DRPT. Mrs. Drake stated that the CTB will review DRPT's allocation method every three years.

Delegate Rust stated that the concern he has heard is the potential pitting of transit systems against each other so that there would be winners and losers. He asked if DRPT has done comparisons of what "System A" would get today under the current system and what it would receive under the proposed system. Ms. Inman responded that overall, the funding model would only change allocations by 4+/- percent.

Mr. Zimmerman stated that the proposed methodology does not necessarily reward efficiency. For example, Arlington Transit, which is second in its peer group for customer per revenue mile and is a highly efficient system, actually does poorly in the new methodology because the formula skews against smaller systems.

Mr. Smedberg observed that there are many performance measures and he asked why DRPT chose the four (customers per revenue hour, customers per revenue mile, net cost per revenue hour, net cost per revenue mile). Mr. Page explained that there are a diverse number of transit systems' designs and operations in Virginia. The challenge is that rural systems have more riders per hour and urban areas have higher customers per revenue mile. The four performance measures chosen allow small systems and large systems from similar geographic areas to compete within the same peer group.

Senator Black stated that if the methodology is going to drive efficiency, then there will be winners and losers. Mrs. Drake responded that with the current system there are winners and losers. It is hoped to incentivize them to be efficient. This method is also coming on the highway side with VDOT. Mr. Page stated that the peer groups are set up to have a level playing field.

Mr. Cook expressed his opinion that measuring performance and encouraging efficiency makes sense but he questioned whether this is the right formula. Mrs. Drake stated that WMATA, VRE and Norfolk Light Rail would be in the same peer group. Metrobus would be in a different one. Mr. Cook asked if cost of living is considered and

Mr. Page replied that it is. Mrs. Bulova observed that commuter rail is different than heavy rail (WMATA). Mr. Cook stated that another way to measure performance would be to measure performance against a national standard rather than systems against each other. Virginia has very different economic and demographic areas throughout the state. Mr. Page explained that there are five peer groups. Today all 62 systems are lumped into one pot, which pits them against each other.

Mr. Snyder stated that he appreciates slide #25 of the presentation which calculates the funding shortfalls. It seems like there is an artificially small pot of money and the SJR 297 recommendation is just recirculating it somehow. The funding is inadequate. He referred to Mr. Sarles' comments about the economic impact of WMATA. He wondered if a performance measure should be $1 invested in transit generates "x" amount in terms of economic activity, which in turn generates "x" amount in taxes. Mr. Snyder suggested other performance measures be considered. He stated that currently for every dollar that is sent from Northern Virginia to Richmond, Northern Virginia receives only 25-cents back. When a proposal is recommended that might look good on the face of it, but that 25-cents gets reduced further, his reaction is not positive because the result is less funding. This ultimately hurts Northern Virginia as well as the commonwealth because it reduces the transit system's ability to generate macroeconomic activity. Mrs. Drake stated that everyone has the same goal and the driving factor of the study is how to make the argument for additional funding for transit. To do that, it is important to show accountability and performance because of people's perception of transit.

Mr. Euille left the meeting at 9:35 P.M. and did not return.

Chairman Fisette observed that the current formula is embedded in statute but DRPT is looking for authorization to change it. Mr. Page stated that the CTB would approve any adjustments every three years. It would then be posted for one year in case there is a challenge at the General Assembly level.

Mr. McKay observed that the statement "transit agencies who spend the most money receive the most money under the current practice today" sounds really good for Northern Virginia because this region spends the most and has the most transit. However, he stated that the statement makes him very nervous because Northern Virginia is a "loser" under the new method. Loudoun County may benefit from the change, but NVTC is a regional body and it is important to not look at it through an individual jurisdiction's microscope. If one jurisdiction loses, it will impact service to passengers throughout the region.

Mr. McKay stated that Northern Virginia has high congestion, which forces transit operators to change routing to get around the congestion. Every time routing is changed it can create confusion, which can cause ridership to fluctuate. He asked how this would be factored in the process. Mr. Page stated that DRPT will leave that up to the locality to work through in the application as they do today. If ridership goes down, funding would go down. Mr. McKay stated that the peer group concept adds more confusion. He asked what other region in Virginia has congestion like Northern Virginia. Mr. Page stated that as of today, all 62 systems are lumped together.

Mr. McKay observed that this recommendation was initiated for a reason and he would assume that there are perceived inefficiencies among the transit systems. Mrs. Drake stated that the big driver behind this is that as new systems start, there is not a bigger pot of money.

Delegate Watts expressed concern about equity of cost per revenue mile as it favors a less dense system. Northern Virginia's issue isn't how many miles a bus travels, but the congestion it has to get through and the fuel and wear and tear on the vehicle. She stated that it is important to have the full final report to see the details. Right now she only sees a "rearranging of the deck chairs" versus a value added proposal.

Delegate May stated that without taking a position one way or the other on the recommendation, he is philosophically in favor of rewarding efficiency and improving the overall performance of transit systems. Mrs. Hudgins stated that it appears that there is a perception from DRPT that there are inefficiencies within the transit systems and that the performance measures the systems use now are not necessarily effective and therefore there needs to be change. However, there is no proposal to increase funding so how does this help to fund the systems and make them more efficient and to address expansion. Mrs. Drake stated that the hope is that as this proposal moves forward there is more accountability. It is totally different in Northern Virginia compared to the rest of the state regarding the message of transit.

Chairman Fisette asked if Northern Virginia gains or loses funding with the recommended proposal. Mr. Page responded that the standard deviation for the entire state is 5+/- percent. He provided the gains and losses for individual systems: WMATA rail +2 percent, WMATA bus -4 percent, Fairfax County Connector -4 percent, VRE no change, Alexandria DASH +1 percent, Arlington Transit -1 percent; Loudoun Bus +9 percent, City of Fairfax -1 percent. (Falls Church comes under WMATA.) Collectively, Northern Virginia gains +2 percent, but without Loudoun it would be -4 percent.

Mr. Zimmerman thanked Mr. Snyder for his comments. He observed that any index or formula can be constructed in a way that involves weighting factors to define efficiency to get the numbers one wants. When you start with a situation with the premise there won't be any more funding and there may be less, it will pit systems against each other. It appears to be a distraction so the focus is not on what really needs to be done. His stated that it has been said that Mrs. Drake has told people in another part of the state that the reason the state was looking to level the playing field was that Northern Virginia was stealing their funding. Mrs. Drake responded that it is absolutely untrue.

Chairman Fisette stated that as NVTC was working with CTB members and DRPT about transit funding distribution in Northern Virginia, the highlighted goal was transparency and simplicity. In his view when he sees the recommendation versus what is already in statute, which has been in place for a long time and seems to have a sense of equity among the transit operators, he does not see where this process or formula creates simplicity. It seems to create complications and potential for manipulation and lack of predictability or transparency. Mrs. Drake disagreed with his perception of what this model is trying to do. She sees it being more transparent

because local transit systems will be able to look at what they are doing and what their neighbor is doing. They can learn from each other.

Delegate Watts stated that her recollection regarding the transit formula is that it came from transit groups themselves where they all sat down at the table and came to an agreement. The road construction formula grew out of the JLARC study where jurisdictions talked about their needs. The performance measures were weighted so it reflects needs. On the face of it, she does not see the same professionalism within the statistical realm of how the formula is generated. The transparency seems to be only that now there are four performance factors compared to just the size of the system. There needs to be an understanding of why the performance factors are weighted equally and why performance is 50 percent of the total, as well as how it is supposed to match need. Mrs. Drake stated the 50 percent was chosen because transit operators did not want a 100 percent performance based method.

Mr. Reid asked how Virginia Regional Transit does under the new allocation. Mr. Page explained that 50 percent of their operating funds are covered under FTA Section 5311 funding and the Governor's portion of the Section 5307 federal program. Depending on where they operate they are impacted differently by the recommendation.

Chairman Fisette thanked Mrs. Drake and her staff for coming and responding to questions.

Mr. McKay moved, with a second by Mr. Zimmerman, to submit comments similar to VTA's comments to DRPT. Mr. McKay accepted a friendly amendment from Delegate Rust to include language from Mr. Snyder's comments about economic impact. The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Bulova, Cook, Fisette, Hudgins, May, McKay, Rust, Smedberg, Snyder and Zimmerman. Commissioners Black, Ramadan and Reid voted no.

Comments on Draft Report of the Agency Efficiency and Coordination Task Force

Chairman Fisette reported that the draft final report has been released. The Task Force has been meeting over the last four months. At the last meeting a motion was made by Martin Nohe to recommend consolidation of NVTA into NVRC. A matrix has been put together that lists all the factors of each possible alternative. NVRC has the same membership as NVTA and NVRC is the only regional commission that does not do transportation issues. Initially, it is being recommended that NVTA and NVRC share administrative costs and then over time look at the value of legally merging the two organizations. The Task Force meets again later this month to vote on a final recommendation. It will then be forwarded to NVTA, PRTC, NVRC and NVTC for their action. NVTC will take action at its November, 2012 meeting.

Mr. Snyder noted the extensive effort, time and work that was put into this process by jurisdictional staff and Task Force members. They did an incredible job at looking at all of the factors so that whether a person agrees or disagrees with the final recommendations, all the information is available.

Award of Contract for Route 7 Alternatives Analysis

Mr. Taube stated that NVTC requested proposals for a consulting team to conduct a two-phase alternatives analysis of high-capacity transit in the Route 7 corridor between Alexandria's King Street Metrorail station and Tysons Corner. Four proposals were received. The evaluation committee, consisting of jurisdiction and agency staff, ranked the proposals based on criteria identified in the proposal. The top-ranked firm was Parsons Brinckerhoff.

Mr. Snyder moved, with a second by Mr. Smedberg, to authorize NVTC's executive director to execute a contract with Parsons Brinckerhoff and issue the notice to proceed. If an agreement cannot be reached, then he is authorized to negotiate with the next highest ranked firms in order until an acceptable agreement is achieved and a contract is executed. The unanimous vote in favor was cast by commissioners Black, Bulova, Cook, Fisette, Hudgins, May, McKay, Ramadan, Reid, Rust, Smedberg, Snyder and Zimmerman.

Status Report on Implementation of DRPT's New Grant Procedures

Mr. Taube stated that the CTB has approved a resolution directing that NVTC's jurisdictions must be the grantees for transit assistance in place of NVTC. NVTC can serve as an agent for those jurisdictions and run its approved Subsidy Allocation Model and hold the funds in trust. NVTC has established five new bank accounts in which to receive DRPT grant funds as agents for NVTC's five WMATA jurisdictions. The jurisdictions have not yet received any state transit aid. WMATA's October 1st billings were paid in full by all of NVTC's WMATA jurisdictions.

Mr. Reid left the meeting at 10:09 P.M. and did not return.

NVTC Statement for CTB Hearing on the Six-Year Improvement Program

Mr. Taube reported that CTB will conduct a hearing on October 30, 2012. NVTC regularly participates in these hearings to inform CTB about this region's transit performance and funding needs. A draft statement has been prepared but local staff have not had an opportunity to review it.

Delegate Rust moved, with a second by Mr. Smedberg, to authorize NVTC's chairman or his designee to work with NVTC and local staff to refine the draft statement emphasizing the strong performance of Northern Virginia's transit systems and to present the statement at CTB's hearing on October 30th.

Mr. Zimmerman stated that he supports the intent of the motion but asked who will look at it before it is submitted. Chairman Fisette stated that he will review it with the other NVTC officers. The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Black, Bulova, Cook, Fisette, Hudgins, May, McKay, Ramadan, Rust, Smedberg, Snyder and Zimmerman.

Regional Transportation Items

Motor Fuels Tax Collection Transition. Staff will meet on October 11th with TAX and DMV officials to discuss the July 1, 2013 transition.

Capital Bikeshare's Bike Trip Planner. OpenPlans, in collaboration with Bike Arlington and Mobility Lab (Arlington County Commuter Services) and MapBox, has developed a new online bicycle trip planning tool at www.bikeplanner.org. This website enables users to specify a start and end point anywhere in Arlington and Fairfax counties, the cities of Alexandria, Fairfax and Falls Church, the District of Columbia, and Montgomery and Prince George's counties. It interfaces with real-time Capital Bikeshare data.

NVTC Financial Items for August, 2012

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

Adjournment

Without objection, Chairman Fisette adjourned the meeting at 10:11 P.M.

Approved this 1st day of November, 2012.

_____
Jay Fisette
Chairman

_____
Paul C. Smedberg
Secretary-Treasurer

Northern Virginia Transportation Commission

RESOLUTION #2200

SUBJECT: Preliminary VRE FY 2014 Operating and Capital Budget.

WHEREAS: The VRE Master Agreement requires that the commissions be presented with a preliminary fiscal year budget for consideration at their respective September meetings prior to the commencement of the subject fiscal year;

WHEREAS: The VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2014 Operating and Capital Budget;

WHEREAS: Staff recommends a budget built on an average daily ridership of 21,200 average daily riders; and

WHEREAS: Subject to the direction provided by the Operations Board, the budget will be updated with additional ridership and cost data and further refined through CAO Budget Task Force review during the fall of 2012.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission has received and hereby refers the preliminary FY 2014 VRE Operating and Capital Budget to NVTC's participating and contributing jurisdictions for their review and comment.

BE IT FURTHER RESOLVED THAT NVTC expects the VRE Operations Board to consider and address comments by the jurisdictions and to forward a final recommended budget for consideration by the commissions in January, 2013.

Approved this 4th day of October, 2012.

_____
Jeffrey McKay
Chairman

_____
Paul C. Smedberg
Secretary-Treasurer

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

Northern Virginia Transportation Commission

RESOLUTION #2201

SUBJECT: Authorization to Approve the Lengthening of VRE Trains.

WHEREAS: As part of the update to the L'Enfant Storage track project in May 2012, VRE staff provided options to reduce overcrowding on peak trains;

WHEREAS: Part of this proposal included adding one car to a Fredericksburg line train and up to two cars to a Manassas line train;

WHEREAS: By adding one additional railcar to Fredericksburg line train 303/302, seating capacity will increase by 260 seats per day;

WHEREAS: By adding one additional railcar to Manassas line train 330/327, seating capacity will increase by 520 seats per day; and

WHEREAS: VRE staff projects that there is expected to be a slight increase in new ridership that should materialize from this action.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to lengthen one Fredericksburg and one Manassas line train beginning October 9, 2012 through a budget amendment in an amount not to exceed $239,100 for the first year of service.

Approved this 4th day of October, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

AWARD WINNER NVTC AFTA 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

Northern Virginia Transportation Commission

AGENDA ITEM #2

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: October 25, 2012

SUBJECT: VRE Items

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

B. VRE Office Condominium Loan--Action Item/Resolution #2202.

C. Assessment of VRE and PRTC Employee Classifications/Salaries--Action Item/Resolution #2203.

D. Threatened Reduction in VRE Track Lease Payment by DRPT--Discussion Item.

E. Governor's Request for Review of VRE Governance Issues--Discussion Item.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Item #2A

Report from the VRE Operations Board and VRE Chief Executive

Attached is the CEO report from October, including performance data. Minutes from the October 19, 2012 VRE Operations Board meeting will be provided as a blue-sheet item.

VRE is planning a 20th Anniversary event for November 14 or 15, 2012 most likely at the George Washington Masonic Temple in Alexandria.

VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

UNION STATION
L'ENFANT
CRYSTAL CITY
ALEXANDRIA
FRANCONIA/SPRINGFIELD
BACKLICK ROAD
LORTON
WOODBRIDGE
ROLLING ROAD
RIPPON
BURKE CENTRE
QUANTICO
MANASSAS PARK
BROOKE
MANASSAS
LEELAND ROAD
FREDERICKSBURG
BROAD RUN

Quarterly Ridership Review

The end of September marks the completion of the first quarter of FY 2013. During that three month period, VRE made 1,187,084 passenger trips. This keeps us on pace with last year's annual passenger trips, which was the highest in VRE history. For the same three months in FY2012, VRE made 1,190,053 trips, only 2,900 more than FY 2013.

QUARTERLY RIDERSHIP OVERVIEW	QUARTERLY RIDERSHIP
VRE FY2012 Passenger Totals	1,187,084
VRE FY2011 Passenger Totals	1,190,053
PERCENT INCREASE	0%

The positive news is that ridership in August and September of 2012 was above those levels of August and September of 2011. While slower than we had hoped, there is some evidence that business is growing.

Monthly System Ridership

As indicated above, ridership for September rose slightly from that of September 2011. The table below shows more clearly the month to month ridership for September, as compared to the same period last year. We had 3 days over 20K daily riders, which was one better than September 2011. Additionally, we posted 8 days of ridership over 19,000.

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP AVERAGE
September 2012	19,036
September 2011	19,029
SERVICE DAYS (CURRENT/PRIOR)	(21/22)
PERCENT CHANGE	Less than 1%

VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

Monthly Performance Metrics

While September was an eventful month, On Time Performance (OTP) remains high. In fact, VRE posted the best performance ever for the Fredericksburg line with only three delays and 98.9% OTP.

OTP for the month was 97%, with both lines achieving over 90% - the Fredericksburg line operating at 98.9% and the Manassas line operating at 95.4%. This is the tenth consecutive month that VRE has had OTP on both lines above 90%. That too is a service record for VRE and one which I am hopeful will continue.

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
September Fredericksburg OTP Average	98.9%
September Manassas OTP Average	95.4%
VRE SEPT OVERALL OTP AVERAGE	97.01%

Performance on the Manassas line was equally as commendable given the challenges faced last month. I would like to personally thank our jurisdictions, host railroads, and staff for their efforts during a police incident at Manassas Park as well as a day of flash flood warnings. Overall OTP comparisons for the first quarter are provided below.

SYSTEMWIDE	JULY 2012	AUGUST 2012	SEPT 2012
Total delays	58	14	17
Average length of delay (mins.)	15	14	78
Delays 30 minutes and over	6	0	6
Days with heat restrictions/Total days	8/21	0/23	0/21
On-Time Performance	90.8%	98.0%	97.0%
FREDERICKSBURG LINE			
Total delays	15	7	3
Average length of delay (mins.)	11	15	15
Delays 30 minutes and over	1	0	0
On-Time Performance	94.9%	97.8%	98.9%
MANASSAS LINE			
Total delays	43	7	14
Average length of delay (mins.)	16	12	94
Delays 30 minutes and over	5	0	6
On-Time Performance	87.2%	98.1%	95.4%

VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

MAP-21 Update

On October 10th, the Federal Transit Administration released its first notice of funding apportionments under MAP-21, the surface transportation legislation that went into effect October 1, 2012.

The law made a number of changes to FTA programs, many of which are still being sorted out. The notice also contains information on how FTA will be addressing transitioning transit assistance from SAFETEA-LU to MAP-21. I will report back to the Operations Board as to how this affects VRE.

Overview of Monthly Citations

For the month of September, VRE issued 68 citations, which is consistent with July (65 citations) and slightly more than August (58 citations).

VRE waived 13 due to proof of a monthly ticket, 2 for insufficient processing time, and 1 for a TVM error. In total, VRE waived 16 tickets during the course of the month, 24% of all citations.

VRE ACTIONS	OCCURANCES
Waived- Passenger showed proof of a monthly ticket	13
Waived- Per the insufficient process time	2
Waived- Due to defective tickets or TVM	1
TOTAL	16

Of the remaining 52 citations, 6 were found not guilty or dismissed, and 10 were continued. This means that 67% of passengers issued a citation were found guilty of violating VRE's fare evasion policy, Another 13% were either dismissed or found not guilty, and 19% were carried over to the next month.

COURT ACTIONS	OCCURRENCES	FINE	COURT COSTS
Prepaid prior to court	11	$100	$81
Guilty	3	$100	$81
Guilty in absentia	21	$100	$116
Not guilty	6	$0	$0
Dismissed	1	$0	$81
Continued to next court date	10	$0	$0
Appealed pending	0	$0	$0
TOTAL	52	$3,500	$3,651

Chief Executive Officer's Report

Step Up Ticket Program

VRE is continuing to work with VDOT and VDRPT to further reduce the cost of the Step Up ticket. VRE is awaiting the VDOT I-95 Express Lane TMP funding agreement to be finalized and expects that to happen within a week. This program will reduce the cost of the Step Up ticket from $5 to $3. We are working toward a December implementation date. Since the program's inception in July, 2005, this has been one of VRE's most cost effective means of reducing overcrowding. Today, an average of 400 VRE riders are taking advantage of the program.

Leeland Station Update

The Leeland Station parking expansion opened in September. I want to thank Speaker Howell, Chairman Stimpson, Supervisor Milde, and others from Stafford County for coming out in the rain to open this facility.

The project added 196 spaces to the existing parking lot for a total of 845 parking spaces. This number does not include the gravel overflow parking lot currently being leased by the County. This makes the Leeland the largest on the Fredericksburg line and the third largest parking lot in the system, after Broad Run and Burke Centre. As the pictures illustrate, the new lot is already approaching capacity and riders are continuing to use the overflow lot.

Brooke Station Update

The Brooke parking expansion project continues to advance. The new parking lot has been paved and striped. The last major component is to obtain electric service to power the new LED lights. We will also be installing hand rails on the new set of stairs connecting the new and existing lots in the next few weeks. The project remains on target to open ahead of schedule and no later than December. Plans are in the works to also repave and stripe the existing lot in the near future.

Franconia – Springfield Update

The final phase of the Franconia-Springfield station rehabilitation project is underway. The temporary stair tower was opened on October 11, 2012, allowing the contractor to make the necessary repairs to the permanent stairwell. We will also be replacing the existing steps, lighting, and glass paneling (as needed), as well as repainting the tower and making other cosmetic repairs as needed. The project is on schedule to be completed by November of this year.

VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

Ridership Report

October

Date	Manassas AM	Manassas PM	Total Manassas	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	Actual OTP TD	Total Trips	Actual OTP TD
1										
2										
3										
4	4,687	4,900	9,587	100%	4,639	4,517	9,156	100%	18,743	100%
5	4,812	4,970	9,782	94%	4,843	5,015	9,858	100%	19,640	97%
6	4,802	4,657	9,459	100%	4,808	4,799	9,608	100%	19,067	100%
7	3,989	3,693	7,682	100%	3,874	4,259	8,134	100%	15,816	100%
8										
9										
10	4,559	4,556	9,116	100%	4,703	4,928	9,631	100%	18,747	100%
11	4,952	4,867	9,820	100%	4,811	5,277	10,088	100%	19,907	100%
12	4,186	4,890	9,075	94%	4,900	5,125	10,026	93%	19,101	93%
13	4,704	4,722	9,426	100%	5,073	5,188	10,261	100%	19,687	100%
14	4,156	3,773	7,929	100%	4,323	4,514	8,837	100%	16,766	100%
15										
16										
17	4,517	4,221	8,739	100%	4,691	4,903	9,593	100%	18,332	100%
18	4,739	4,870	9,610	56%	4,938	5,547	10,485	100%	20,094	77%
19	4,626	4,634	9,260	75%	4,999	5,595	10,594	100%	19,854	87%
20	4,625	4,229	8,855	94%	5,032	5,147	10,178	100%	19,033	97%
21	3,905	3,811	7,715	100%	4,135	3,886	8,022	100%	15,737	100%
22										
23										
24	4,671	4,176	8,847	100%	4,959	4,914	9,873	100%	18,720	100%
25	4,776	5,070	9,846	100%	5,160	5,112	10,272	93%	20,119	97%
26	4,744	4,858	9,602	100%	4,869	5,616	10,485	93%	20,088	97%
27	4,655	4,690	9,345	100%	4,991	5,184	10,175	100%	19,520	100%
28	3,768	3,641	7,409	100%	4,223	4,277	8,501	100%	15,909	100%
29										
30										
	85,875	85,229	171,104	95%	89,971	93,805	183,776	99%	354,880	97%

Amtrak Trains:	548			Amtrak Trains:	6,263		6,811	
Adjusted total:	171,652			Adjusted Total:	190,039	Adjusted Total:	361,691	
# of Service Days:	19			Total Trips This Month:	361,691	Adjusted Total:	361,691	
Manassas Daily Avg. Trips:	9,005	Adjusted Avg.:	9034	Prior Total FY-2013:	825,394			
Fred'burg Daily Avg. Trips:	9,672	Adjusted Avg.:	10002	Total Trips FY-2013:	1,187,084			
Total Avg. Daily Trips:	18,678	Adjusted Avg.:	19,036	Total Prior Years:	57,778,565			
				Grand Total:	58,965,649			

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

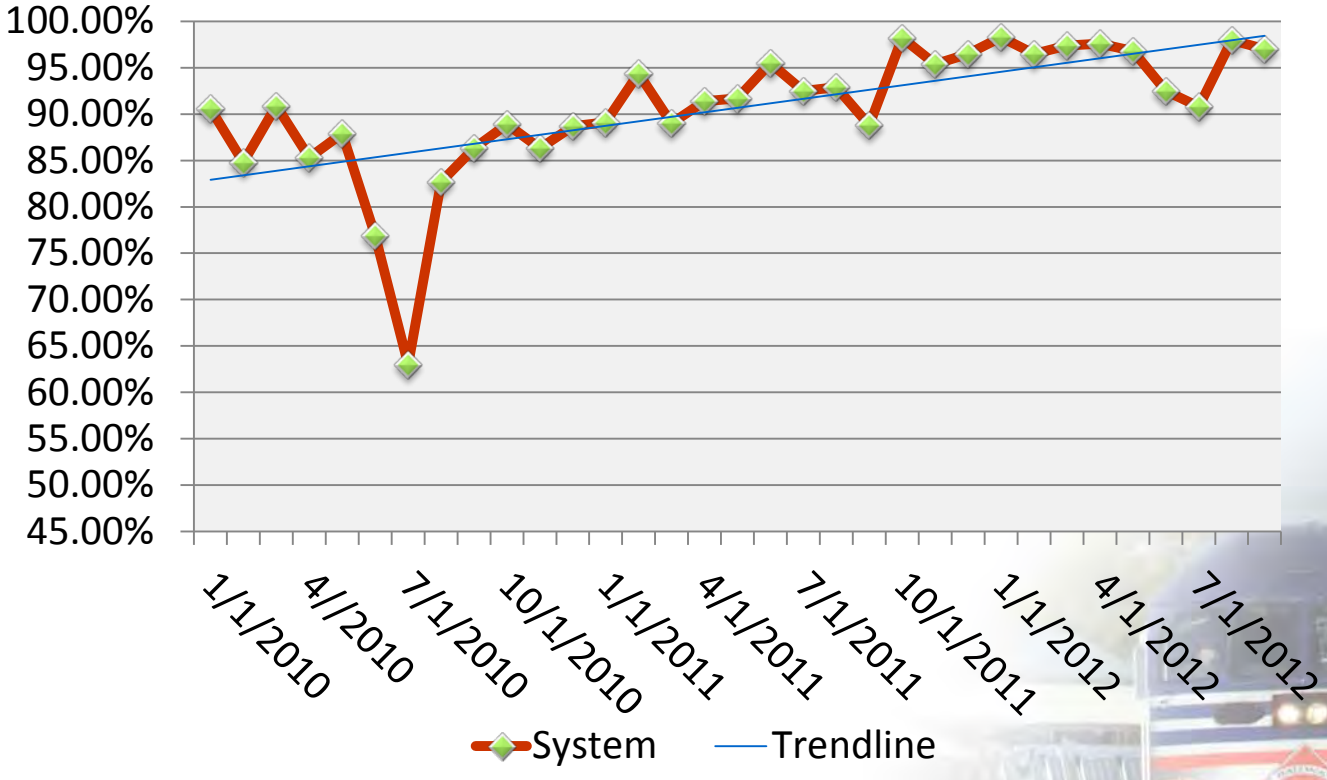
VIRGINIA RAILWAY EXPRESS

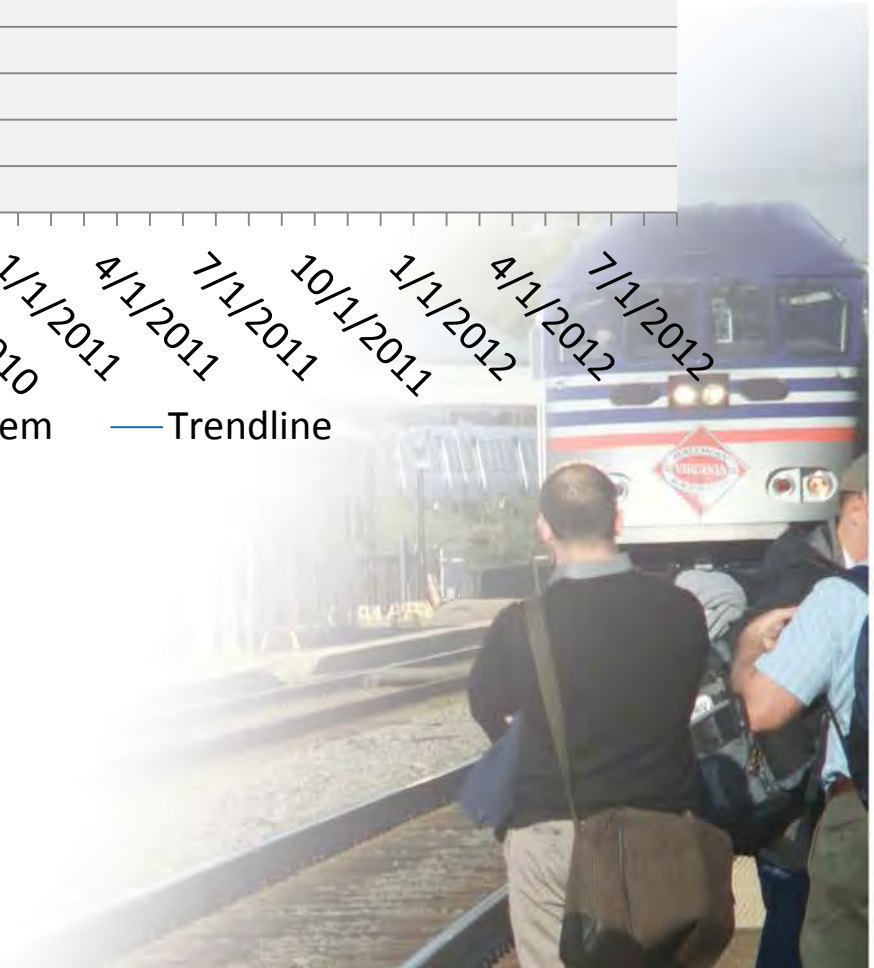
Chief Executive Officer's Report

On-Time Performance

System Performance

January 2010 – September 2012





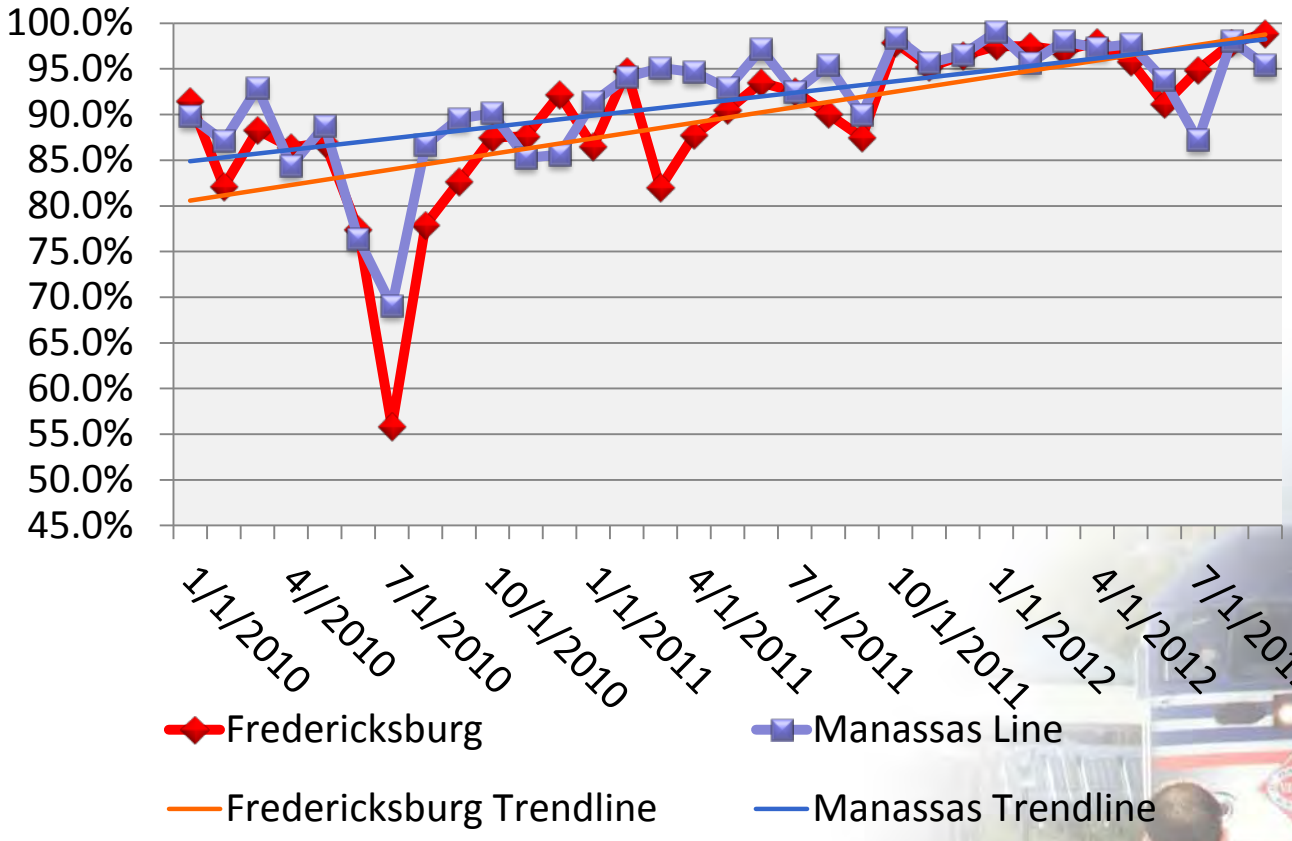
VIRGINIA RAILWAY EXPRESS

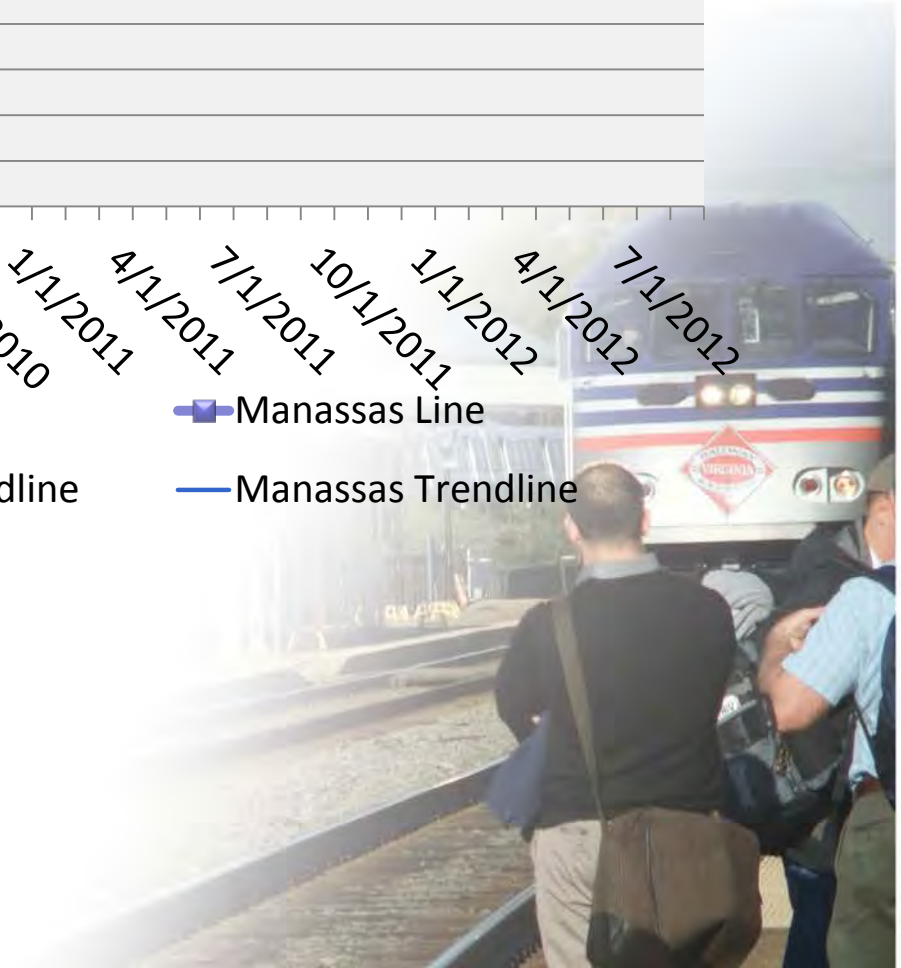
Chief Executive Officer's Report

On-Time Performance

Performance By Line

January 2010 – October 2012





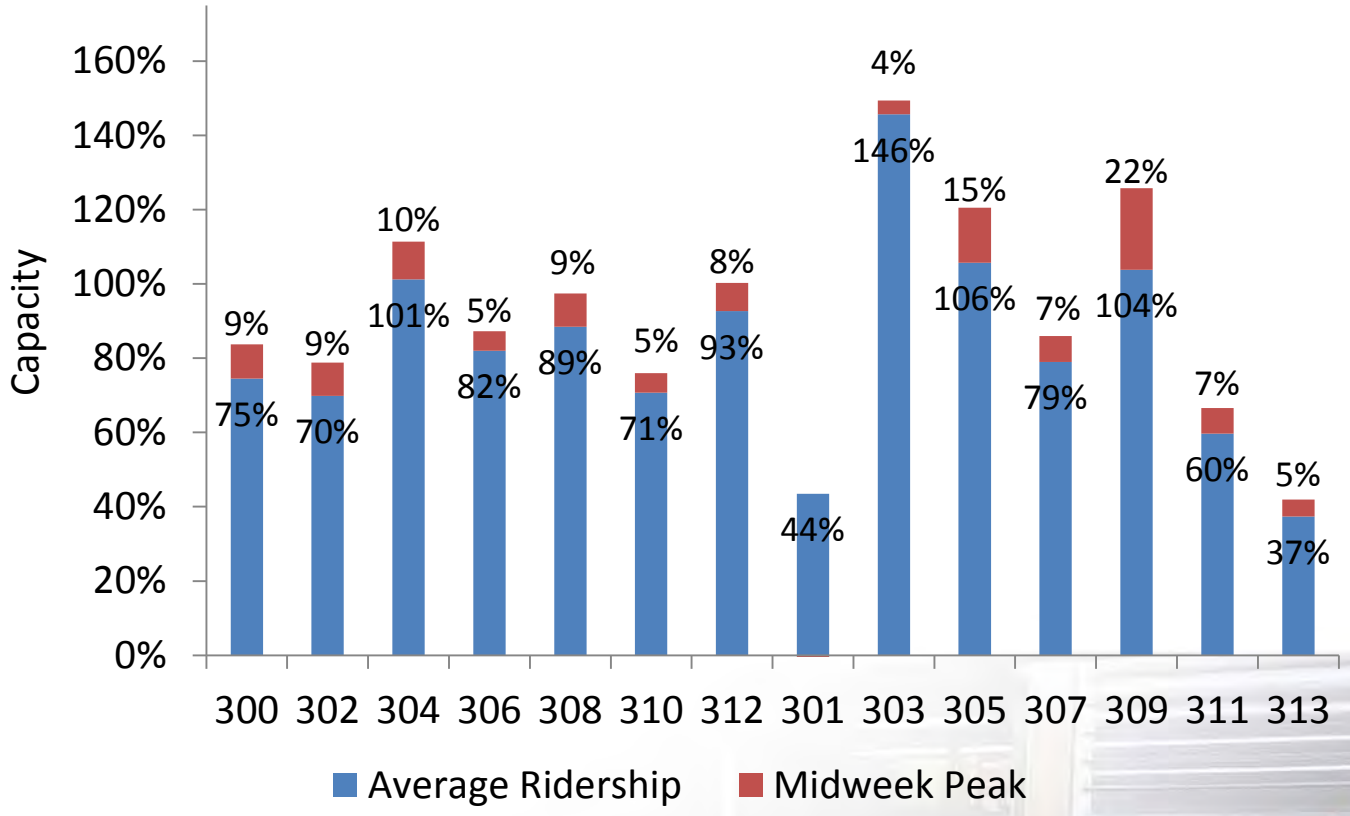
VIRGINIA RAILWAY EXPRESS

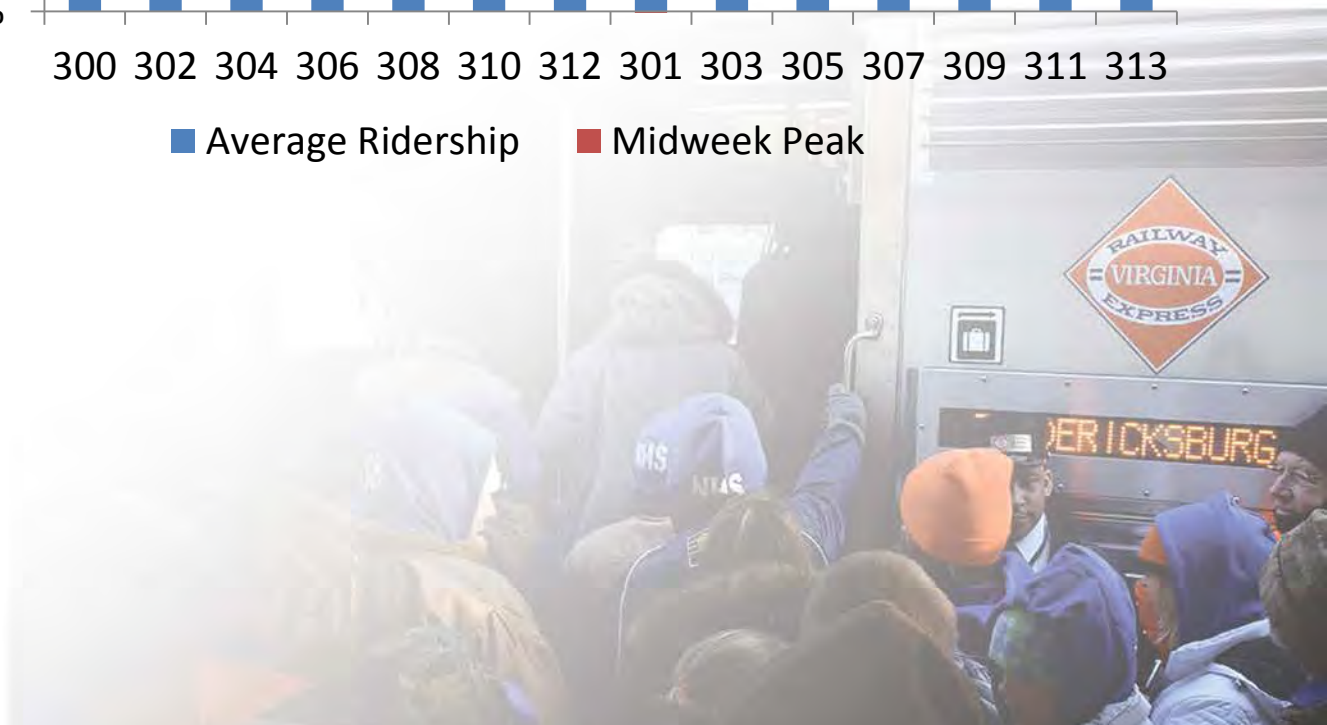
Chief Executive Officer's Report

Train Utilization

Fredericksburg Line

September 2012

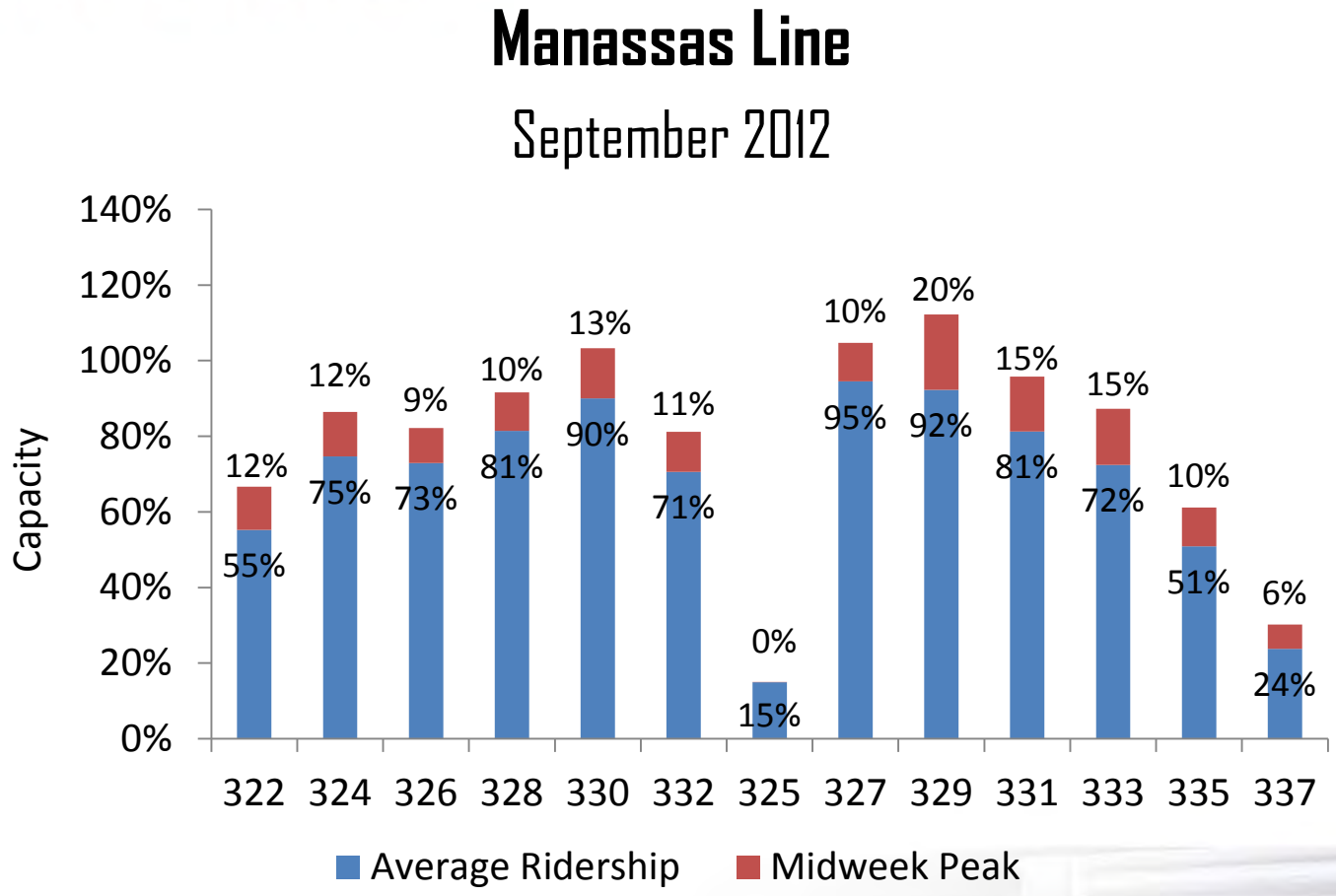




VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

Train Utilization

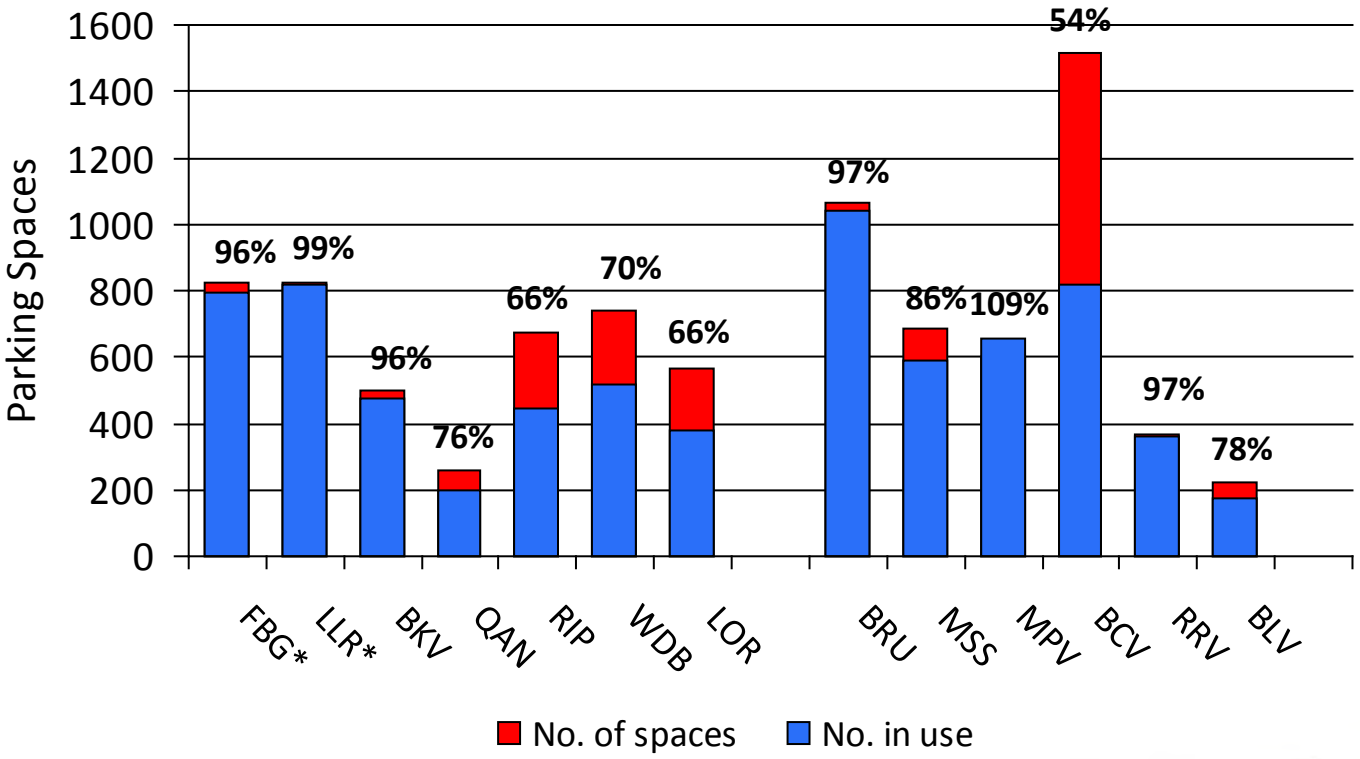


VIRGINIA RAILWAY EXPRESS

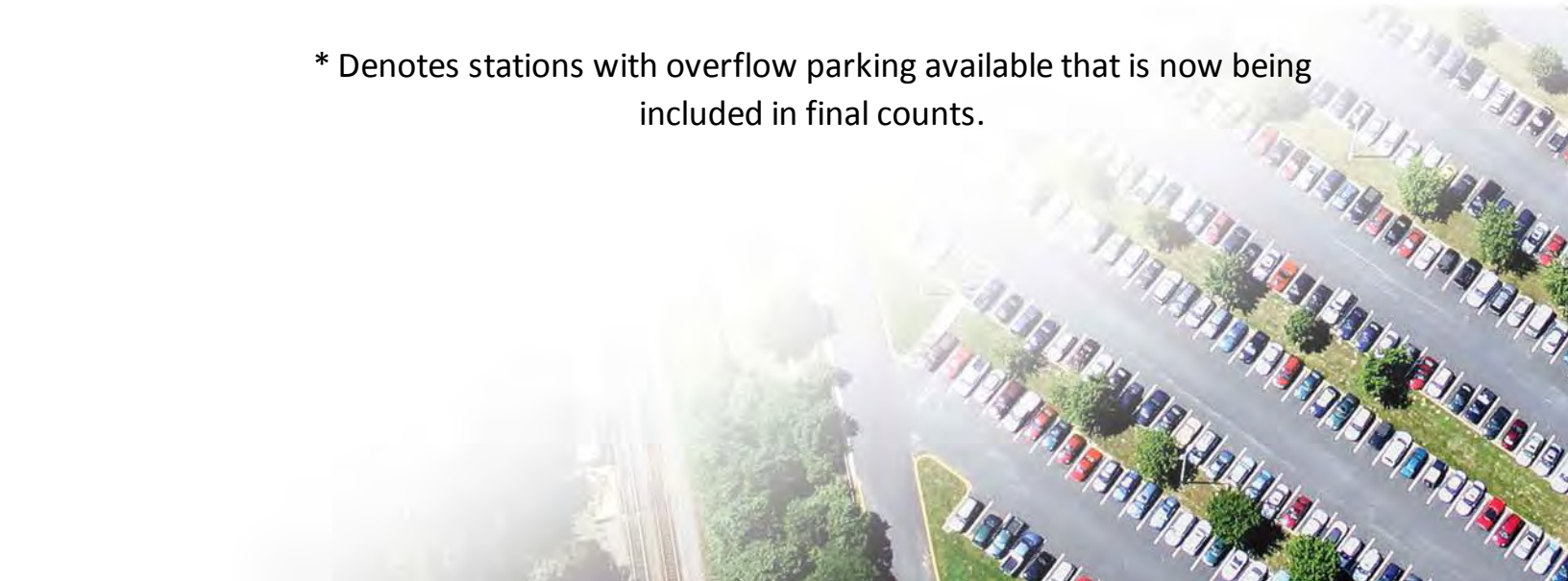
Chief Executive Officer's Report

Parking Utilization

October 2012



* Denotes stations with overflow parking available that is now being included in final counts.

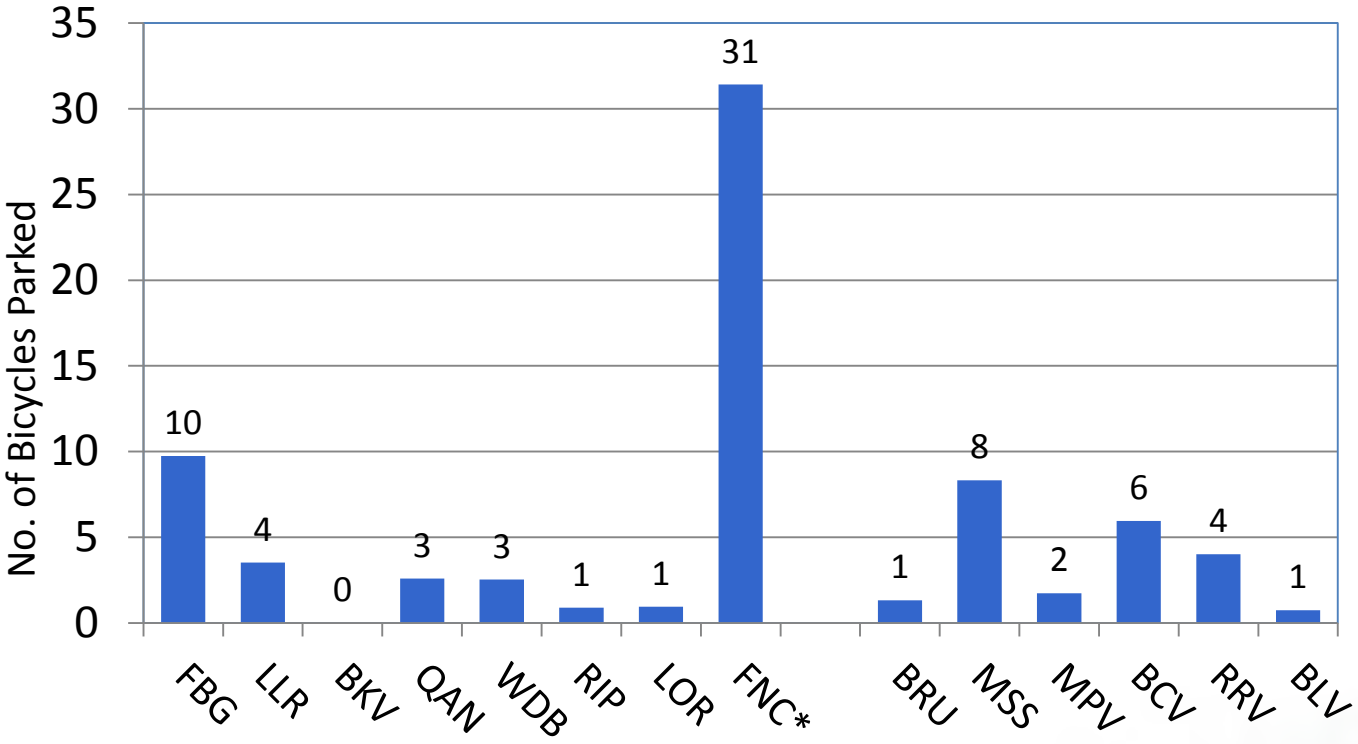


VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

Bicycle Counts

September 2012



* Joint use facility - riders of VRE and Metro cannot be differentiated

2A

VIRGINIA RAILWAY EXPRESS

Chief Executive Officer's Report

Financial Report

September 2012

A copy of the September 2012 Operating Budget Report is attached.

Fare income for the month of September 2012 was $118,666 above the budget – a favorable variance of 4.51%. The cumulative variance for the year is -2.95% or $257,583 below the adopted budget. Revenue in the first three months of FY 2013 is down 3.7% compared to FY 2012. The negative variance will be monitored closely over the next several months. As the result of WMATA's discontinuation of paper vouchers and the decrease to the transit subsidy in January, revenue has been particularly difficult to project during this time period. However, a review of the last few months indicates the changes in purchases by ticket type will result in lower than anticipated average fare revenue per trip.

A summary of the financial results (unaudited) as of September 2012 follows. Detail on the major revenue and expense categories is provided in the attached Operating Budget Report. Expenses are lower than budgeted primarily because of timing issues.

MEASURES	DOLLARS	GOAL	ACTUAL
Operating Ratio		55%	62%
Budgeted Revenue	79,814,561		
Budgeted Revenue YTD	26,008,679		
Actual Revenue YTD	26,515,217		
Cumulative Variance	506,538		506,538
Percent Collected YTD		32.59%	33.22%
Budgeted Expenses	79,814,561		
Budgeted Expenses YTD	21,627,877		
Operating Expenses YTD	20,663,271		
Cumulative Variance	964,606		964,606
Percent Expended YTD		27.10%	25.89%
Net Income (Loss) from Operations			1,471,144

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2012 Operating Budget Report
September 30, 2012

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE $	YTD VARIANCE %	TOTAL FY13 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	2,751,196	2,632,530	8,471,333	8,728,916	(257,583)	-3.0%	34,500,000
Other Operating Revenue	800	9,614	48,651	31,880	16,771	52.6%	126,000
Subtotal Operating Revenue	2,751,996	2,642,145	8,519,984	8,760,795	(240,811)	-2.7%	34,626,000
Jurisdictional Subsidy (1)	-	-	10,706,203	10,706,203	-	0.0%	15,808,999
Federal/State/Other Jurisdictional Subsidy	3,184,610	2,923,292	7,285,666	6,526,424	759,242	11.6%	29,319,262
Appropriation from Reserve	-	-	-	-	-	0.0%	-
Interest Income	-	4,601	3,364	15,257	(11,893)	-78.0%	60,300
Total Operating Revenue	5,936,606	5,570,038	26,515,217	26,008,679	506,538	1.9%	79,814,561
OPERATING EXPENSES							
Departmental Operating Expenses	5,277,100	4,673,874	13,743,963	14,713,047	969,084	6.6%	59,482,701
Debt Service	1,777,563	1,777,501	2,815,072	2,814,830	(243)	0.0%	13,948,215
Insurance	-	-	4,100,000	4,100,000	-	0.0%	4,100,000
Other Non-Departmental Expenses	137	-	4,236	-	(4,236)		2,283,645
Total Operating Expenses	7,054,800	6,451,376	20,663,271	21,627,877	964,606	4.5%	79,814,561
NET INCOME (LOSS) FROM OPERATIONS	(1,118,194)	(881,338)	5,851,946	4,380,802	1,471,144		-
CALCULATED OPERATING RATIO			**62%**				

(1) Total jurisdictional subsidy is $16,428,800. Portion shown is attributed to Operating Fund only.

10/16/12

C:\Users\mroeber\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\LTFEPX49\[Board Revenue and Expense Report Sept 12 Ops Board.xls]BoardReport

Item #2B

VRE Office Condominium Loan

The VRE Operations Board recommends approval of Resolution #2202. This resolution authorizes VRE's Chief Executive Officer to pay the remaining balance of $300,000 on a loan from SunTrust Bank. VRE purchased its office condo in 1999 with an initial $900,000 interest-only loan and refinanced with SunTrust in 2002 for a five-year term. A second five-year term was accepted in 2007 ending on November 15, 2012. The remaining $300,000 principal will be fully paid by then using funds from the FY 2013 budget and from the FY 2012 year-end surplus.

Northern Virginia Transportation Commission

RESOLUTION #2202

SUBJECT: VRE Office Condominium Loan.

WHEREAS: In June 2002, VRE entered a loan agreement with SunTrust Bank in the amount of $900,000 to refinance the original loan for the VRE office condominium at 1500 King Street, Alexandria, Virginia;

WHEREAS: The refinanced loan had a five-year term, at which time the bank reserved the right to renegotiate the terms for an additional loan period or require payment of the outstanding balance;

WHEREAS: In November 2007, VRE accepted an additional five-year term, at which time the bank again reserved the right to renegotiate the terms for a final five-year period or require payment of the outstanding balance; and

WHEREAS: SunTrust Bank has offered a loan at market rates for the final five-year term but the VRE Operations Board is recommending repaying the loan in full to save interest and closing costs.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to repay VRE's loan with SunTrust Bank for the VRE office condominium at 1500 King Street, Alexandria, Virginia in full by November 15, 2012 using $300,000 from FY 2012 surplus and FY 2013 budgeted funds.

Approved this 1st day of November, 2012.

_____
Jay Fisette
Chairman

_____
Paul C. Smedberg
Secretary-Treasurer

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

AGENDA ITEM 9-A
ACTION ITEM

TO: **CHAIRMAN COVINGTON AND THE VRE OPERATIONS BOARD**

FROM: **DOUG ALLEN**

DATE: **OCTOBER 19, 2012**

RE: **AUTHORIZATION TO PAY BALANCE ON VRE OFFICE CONDOMINIUM LOAN**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to pay the remaining balance of $300,000 on VRE's loan with SunTrust Bank for the VRE office condominium at 1500 King Street, Alexandria, Virginia at the renegotiation date in November 2012.

BACKGROUND:

During FY 1998, VRE entered into an interest-only financing agreement with Central Fidelity, now Wachovia Bank, in the amount of $900,000 for the purchase of the administrative office space in Alexandria. In May 2002, staff solicited proposals for a refinancing of this loan at more advantageous terms and entered into a new financing agreement with SunTrust Bank in June 2002.

The loan with SunTrust amortized over a 15 year period, with a variable interest rate reset monthly. The loan had a five-year term, at which time the bank reserved the right to renegotiate the terms for an additional loan period or require payment of the outstanding balance. In November 2007, a second five-year term was offered by the bank and accepted by the Commissions at a fixed rate of 4.31%. Repayment on this loan is based on a monthly principal payment of $5,000 along with interest on the remaining balance.

For the five-year period beginning November 16, 2012, SunTrust has proposed a fixed rate of 3.29% with prepayment allowed at any time without penalty during the five-year term. Staff believes this rate to be comparable to what would be offered elsewhere. However, because interest earnings on invested funds are currently extremely low, staff recommends that the remaining loan balance be repaid in full at the conclusion of the current agreement on November 15, 2012 in order to avoid interest charges of approximately $9,000 over the next twelve months and the $1,000 to $3,000 of closing costs on the new loan.

FISCAL IMPACT:

Funds for the repayment will come from two sources: 1) approximately $48,000 from the amount budgeted in the FY 2013 operating budget for the payment of principal and interest on this loan and 2) approximately $252,000 from the FY 2012 year-end surplus of $3,070,000. This use of the year-end surplus will be included in the FY 2013 budget amendment presented to the Operations Board in December. The loan repayment will reduce operating costs in FY 2014 through FY 2018 by annual amounts ranging from $69,000 to $62,000.

Item #2C

Assessment of VRE and PRTC Employee Classifications/Salaries

The VRE Operations Board has recommended approval of Resolution #2203. This resolution authorizes VRE's CEO to initiate a competitive procurement for such an assessment which should be useful in evaluating VRE's budget requests. VRE employees are actually PRTC employees. The costs will be shared between VRE and PRTC.

Northern Virginia Transportation Commission

RESOLUTION #2203

SUBJECT: Assessment of VRE and PRTC Employee Classifications/Salaries.

WHEREAS: The adopted PRTC/VRE personnel policy calls for a classification/salary assessment of positions residing in PRTC and VRE once every three years to ensure that positions are appropriately classified;

WHEREAS: The last such assessment was done in 2006 (FY 2007), meaning it should have been done in 2009 (FY 2010) but wasn't for austerity reasons;

WHEREAS: Assessments of this sort historically have been internal staff efforts without outside consulting assistance;

WHEREAS: The VRE Operations Board has expressed a desire for another such assessment to be expedited, with consultant assistance, in light of the extended length of time since the last such assessment; and

WHEREAS: The PRTC and VRE adopted purchasing policy requires that consulting assistance be competitively procured, and both the scope and expected cost of this assistance is such that both the Operations Board and Potomac and Rappahannock Transportation Commission must approve the commencement of the procurement.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby recommends that the Potomac and Rappahannock Transportation Commission authorize the VRE Chief Executive Officer to initiate a competitive procurement for this purpose, as a collaborative effort by PRTC and VRE management with the cost of the effort being borne equally by PRTC and VRE; and

BE IT FURTHER RESOLVED THAT following the completion of the competitive procurement, a recommendation for award should be brought back to the VRE Operations Board and Potomac and Rappahannock Transportation Commission for approval.

Approved this 1st day of November, 2012.

_____
Jay Fisette
Chairman

_____
Paul C. Smedberg
Secretary-Treasurer

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Item #2D

Threatened Reduction in VRE Track Lease Payment by DRPT

As illustrated in the attachments, DRPT's Director has notified VRE staff that "…DRPT no longer has a separate source of funds for track lease payments. These payments will be properly recognized as part of VRE's normal operations and will be considered for funding by the Commonwealth as an expense and funded as operating subsidy."

As a result, for FY 2014 VRE is facing the loss of $9.6 million in funding it has relied on for several years. The consequence of DRPT's decision could be eliminating all VRE capital expenditures, including replacement cars and federally mandated positive train control; increasing fares by at least 28 percent; increasing local subsidies by 58 percent; or eliminating 40% of VRE's train trips.

Congress has reauthorized federal surface transportation reauthorization programs in MAP-21 but eliminated the Equity Bonus program that the General Assembly had designated as the funding source for VRE's track lease payments. VRE CEO Doug Allen initially wrote DRPT asking that DRPT identify another source since Virginia would not lose funds as a result of this change.

Excerpts from the General Assembly's budget are attached confirming that CTB has in the past been directed to use federal funds for VRE's track leases and that a restriction cited by DRPT staff does not apply to the use of substitute federal funds for VRE.

AGENDA ITEM 11-A
INFORMATION ITEM

TO: **CHAIRMAN COVINGTON AND THE VRE OPERATIONS BOARD**

FROM: **DOUG ALLEN**

DATE: **OCTOBER 19, 2012**

RE: **BUDGET UPDATE**

At the September 21, 2012 Operations Board meeting, a presentation was made on the FY2014 budget. The information below provides a brief update of the issues raised at that meeting.

Track lease payments: This week, VRE received the attached letter from DRPT Director Drake in response to a letter sent by VRE in September asking for continued state assistance in funding the track lease payments (estimated at $14.8M for FY 2014). The letter states that because DRPT no longer has a separate source of funds, track lease payments will be considered for operating assistance (historically funded considerably lower than capital assistance).

The information provided in this letter would increase the unfunded portion of the budget by an estimated $9.6M, a much higher amount than earlier anticipated.

FY 2012 surplus: Revised information was presented at the October 4, 2012 Commission meetings and included the most recent FY 2013 surplus estimate of $3.07M. The major factors that contributed to the surplus were higher than budgeted fare revenue and the carryover from prior years of grant funds for preventive maintenance.

Based on the discussion at the September Operations Board meeting and meetings with the CAO Task Force during budget development, a request for the use of these funds will be presented with the proposed budget in December. Options include increasing the level of available funds in the capital reserve from

the current level of $1.3M and funding one-time items in the FY 2014 budget. This information has been appended to the attached summary budget.

Ridership projections: Ridership trends over the next several months will be monitored carefully. The FY 2014 projection will be reconsidered and may need to be revised downward.

Costs of Keolis contract: This information is provided as a separate information item.

PTC funding: A representative from VRE is attending an industry conference on October 23, 2012 as part of VRE's effort to prepare for PTC implementation. As this work progresses, VRE will refine its implementation date and cost estimate.

Next steps: An analysis of VRE's access fees is being prepared and work on the budget will continue over the next several months in conjunction with the CAO Task Force. Final Operations Board adoption is scheduled for December.

FY14 Summary Proposed Budget

GL Account	FY12 Operating	FY12 Capital	FY13 Operating	FY13 Capital	FY14 Operating	FY14 Capital	Changes
Operating Revenue:							
Fare Revenue	33,000,000		34,500,000		37,400,000		2,900,000
Miscellaneous Revenue	126,000		126,000		166,000		40,000
Jurisdictional Subsidy	14,679,019	1,264,898	15,808,999	619,800	15,808,999	619,800	-
Other Jurisdictional Subsidy	-	-	-	-	-	-	-
Federal/State Subsidy	28,387,824	45,997,100	29,319,262	8,268,200	29,507,273	10,219,700	2,139,512
Other Local Funds	243,136	3,595,848	-	-	-	-	-
Interest Income	61,000		60,300		60,300		-
Total Revenue	**76,496,979**	**50,857,846**	**79,814,561**	**8,888,000**	**82,942,572**	**10,839,500**	5,079,512
Operating/Non-Operating Expenses:							
Insurance/Reserve/Mobilization	5,621,352		6,383,645		7,610,302		1,226,657
Executive Mgnt	615,008		631,689		823,000		191,311
Passenger Support Services	719,080		746,569		795,300		48,731
Public Affairs	162,236		177,773		191,000		13,227
Marketing	587,176		598,661		608,125		9,464
Planning	1,037,798		1,274,417		873,750		(400,667)
Operations and Communications	733,865		773,194		1,661,000		887,806
Budget and Finance	2,552,218		2,960,979		2,752,000		(208,979)
Communication and Infomation Technology	917,172		1,120,557		1,273,000		152,443
Construction and Capital Projects	705,354		778,252		892,500		114,248
Facilities Maintenance	3,035,397		3,549,447		3,870,000		320,553
Purchacing and Contract Administration	275,753		294,034		324,500		30,466
Equipment Operations	10,923,587		9,793,982		12,083,000		2,289,018
Safety, Security, and Emergency Preparedness	427,132		463,556		472,500		8,944
PRTC	117,000		144,000		102,000		(42,000)
NVTC	70,000		70,000		80,000		10,000
Keolis	17,546,044		18,008,591		19,947,020		1,938,430
Amtrak	3,652,000		4,097,000		4,459,000		362,000
Amtrak Access Fees	5,380,000		5,640,000		5,795,000		155,000
Norfolk Southern	2,940,000		2,950,000		3,090,000		140,000
CSXT	4,740,000		5,410,000		5,960,000		550,000
							-
Total Operating/Non-Operating Expenses	**62,758,172**	**-**	**65,866,346**	**-**	**73,662,997**	**-**	7,796,651
CIP Expenditures		50,857,848		8,888,000		11,133,000	2,245,000
Debt Service	13,738,807		13,948,215		13,714,795		(233,420)
Total CIP and Other Expenditures	**13,738,807**	**50,857,848**	**13,948,215**	**8,888,000**	**13,714,795**	**11,133,000**	2,011,581
Grand Total Expenses	**76,496,979**	**50,857,848**	**79,814,560**	**8,888,000**	**87,377,792**	**11,133,000**	9,808,232
Difference by Fund	**-**	**-**	**0**	**-**	**(4,435,220)**	**(293,500)**	(4,728,720)
Total Difference		**-**		**0**		**(4,728,720)**	(4,728,720)

At the end of FY 2012, VRE had surplus funds from operations of approximately $3.07M; the major factors that contributed to the surplus were higher than budgeted fare revenue and the carryover from prior years of grant funds for preventive maintenance. A request for the use of these funds will be presented with the proposed budget in December, based on the discussion at the Operations Board meeting in September and meetings with the CAO Task Force during budget development. Options include increasing the level of available funds in the capital reserve from the current level of $1.3M, and funding one-time items in the FY 2014 budget.

10/12/12

R:\Executive\Board Kits\2012 Board Kits\October 2012\[Info Item 11B - attachment.xls]SummaryBudget

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)

October 2, 2012

Doug Allen, Chief Executive Officer
Virginia Railway Express
1500 King Street, Suite 202
Alexandria, VA 22314

Dear Mr. Allen,

Thank you for your letter of September 20, 2012. I understand the funding predicament in which VRE finds itself. However, the Department of Rail and Public Transportation no longer has a separate source of funds for the track lease payments. These payments will be properly recognized as part of VRE's normal operations and will be considered for funding by the Commonwealth as an expense and funded as operating subsidy.

Please contact me with any questions.

Sincerely,

Thelma Drake

Thelma Drake

VIRGINIA RAILWAY EXPRESS
1500 King Street, Suite 202
Alexandria, VA 22314
P: (703) 684-1001
F: (703) 684-1313
www.vre.org

September 20, 2012

Thelma Drake, Director
Virginia Department of Rail and Public Transportation
600 East Main Street
Suite 2102
Richmond, VA 23219

Dear Director Drake,

While we haven't had a chance yet to meet, I wanted to introduce myself. I am the new CEO of the Virginia Railway Express (VRE). Much like you, I have a transportation background; serving the past three decades in Dallas and Austin, Texas. I look forward to working collaboratively with you to continue the partnership between VRE and VDRPT.

With the 2013 legislative session quickly approaching, I am writing to seek assistance in addressing technical changes to the federal government's highway, mass transit, and surface transportation safety programs that could have an adverse impact on the Virginia Railway Express (VRE). In year's past, the Commonwealth has been instrumental in providing funding that has helped VRE achieve its current success. Without this continued support, VRE faces major budget shortfalls during the FY 2014 budget cycle.

In November 2011, the Senate Environmental and Public Works Committee marked up and reported out S 1813, the Moving Ahead for Progress in the 21st Century Act (MAP-21). The House Transportation and Infrastructure Committee later moved their own initiative, HR 4348, under the same title. Ultimately HR 4348 was established as the comprehensive two-year reauthorization (FY2012-FY2013), with an effective date of October 1, 2012 for most highway provisions in MAP-21.

For the past decade, the Virginia General Assembly, along with the Governor, Secretary of Transportation, and Director of Rail and Public Transportation, have supported and authored budget language mandating that funding be made available for VRE track access fees through the Equity Bonus Program. The Appropriation Act under the Secretary of Transportation (Authority: Title 2.2, Chapter 2, Article 10 and Titles 33, 46 and 58, Code of Virginia) states that *"Funds apportioned under federal law for the Equity Bonus program shall be allocated as required by federal law, including that thirteen percent that is required to be allocated for public transportation purposes. Funds for contract fees paid*

by the Virginia Railway Express for access to the rights-of-way of CSX Transportation, Norfolk Southern Corporation, and the national Railroad Passenger Corporation shall be allocated from the public transportation's portion of federal Equity Bonus program funds."

Given that the Equity Bonus Program was one of two federal highway programs eliminated in MAP-21, VRE is seeking assistance in drafting substitute language for the upcoming legislative session to ensure VRE remains whole while MAP-21 is incorporated. I have reached out to several Congressional staff, each of them concurring that the loss of the Equity Bonus Program should not be allowed to harm VRE. They noted that the Equity Bonus Program added funds across each formula program to bring all states up to a minimum percentage return on tax payments. And while MAP-21 contains no overt equity program, it does have mechanisms in place to assure that states receive at least a 95% rate of return on their payments to the Highway Trust Fund. Using the base level model for SAFETEA (LU) from FY2005-FY2009, Congressional staff is confident that Virginia's funding levels will remain high. Following that prediction, it was also suggested that the track lease could instead be funded through Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) program funding.

In closing, we are requesting Commonwealth support in funding track lease payments now that the Equity Bonus Program has been eliminated. The loss of this funding would have grave consequences on VRE's FY 2014 budget which is currently being developed.

I appreciate the Commonwealth's continued support of VRE and look forward to hearing from you.

Sincerely,

Doug Allen
Chief Executive Officer

Cc: Kevin Page
Steve Pittard
Wally Covington, Chairman VRE

$9.6M Reduction in Track Access Funding

October 19, 2012

Track Access Funding

- In FY 2014, MAP-21 eliminates the equity bonus program, which provides the funding for the State share of access fees
- Total amount lost estimated at $9.6M
- Equity Bonus eliminated, but funding remains available
- With this track access grant source eliminated, total unfunded in FY 2014 budget is $14.7M
- The following slides show the order of magnitude of the loss of track access funding

2

Track Access Reimbursed from State Operating Funds

- Under current funding, local share of track access equals 18%
- If treated as operating, projected local share increases to 83%

Access Fee Funding

	Total Amt	Federal	State	Local	Local %
Current Funding	14,845,000	9,360,000	2,742,500	2,742,500	18%
State Treats as Operating	14,845,000	-	2,523,650	12,321,350	83%
Variance	-	(9,360,000)	(218,850)	9,578,850	

3

Elimination of Trains

- A cost savings of $9.6M would require the elimination of some combination of trains, such as:
  - Six of 16 Manassas revenue trains (total cost $4.2M or $1.4M per round trip)
  - Six of 14 Fredericksburg revenue trains (total cost $5.4M or $1.8M per round trip)
- Figures shown are expenses only; assumes no loss of fare revenue

4

Subsidy Increase

- Would require jurisdictional subsidy increase from FY 2013 amount of $16.4M to $26.0M (58%)

	Current Subsidy	Projected Subsidy
Fairfax County	5,155,355	8,167,834
Fredericksburg	421,616	667,983
Manassas	777,205	1,231,357
Manassas Park	526,460	834,091
Prince William County	5,687,222	9,010,492
Stafford County	2,347,707	3,719,565
Spotsylvania County	1,183,444	1,874,977
Alexandria	133,894	212,134
Arlington	195,897	310,367
	16,428,800	26,028,800

5

Increase in Fares

- Would require increase in fare revenue by 28%
  - Manassas to Union Station monthly ticket increases from $241.20 to $308.75
  - Fredericksburg to Union Station monthly ticket increases from $294.10 to $376.45
  - Assumes no loss of ridership and based on FY 2013 fare revenue

6

Elimination of Capital Projects

- Current annual capital budget, excluding CMAQ awards, approximately $9M
- Use of formula funds to make up for access shortfall is limited - many projects are contractual or statutory obligations
- Major capital projects include:
  - Positive Train Control – statutory obligation
  - 10-Year railtruck overhaul – FRA regulation
  - Replacement railcars
  - Heavy maintenance repair facility
- *Eliminates capital projects in perpetuity – access an annual need*

7

Next Steps

- Will continue to work with CAO Taskforce to balance remaining unfunded portion of FY 2014 budget through thorough examination of all expenses and revenues
- Will continue dialogue with state
- Requesting local jurisdictional assistance by adding this issue to their legislative agendas
- *Note: However, unless funding is restored prior to the December meeting, the budget will include a scenario based on the loss of $9.6M*

8

ITEM 430.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

OFFICE OF TRANSPORTATION

§ 1-124. SECRETARY OF TRANSPORTATION (186)

430.	Administrative and Support Services (79900)			$814,573	$814,573
	General Management and Direction (79901)	$814,573	$814,573		
	Fund Sources: General	$0	$0		
	Commonwealth Transportation	$814,573	$814,573		

Authority: Title 2.2, Chapter 2, Article 10, § 2.2-201, and Titles 33, 46, and 58, Code of Virginia.

A. The transportation policy goals enumerated in this act shall be implemented by the Secretary of Transportation, including the Secretary acting as Chairman of the Commonwealth Transportation Board.

1. The maintenance of existing transportation assets to ensure the safety of the public shall be the first priority in budgeting, allocation, and spending. The highway share of the Transportation Trust Fund shall be used for highway maintenance and operation purposes prior to its availability for new development, acquisition, and construction.

2. The efficient and cost-effective movement of people and goods will consider the needs in, and connectivity of, all modes of transportation, including bicycling, walking, public transportation, highways, freight and passenger rail, ports, and airports. The planning, development, construction, and operations of Virginia's transportation facilities will reflect this goal.

3. To the greatest extent possible, the appropriation of transportation revenues shall reflect planned spending of such revenues by agency and by program. The maximization of all federal transportation funds available to the Commonwealth shall be paramount in the budgetary, spending, and allocation processes. The secretary is hereby authorized to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth, whether such funds are authorized under P.L. 109-59 of the 109th Congress, or any successor or related federal transportation legislation.

B.1. The secretary shall ensure that the allocation of transportation funds apportioned and for which obligation authority is expected to be available under federal law shall be in accordance with such laws and in support of the transportation policy goals enumerated in this act. Furthermore, the secretary is authorized to take all actions necessary to allocate the required match for federal highway funds to ensure their appropriate and timely obligation and expenditure within the fiscal constraints of state transportation revenues. By June 1 of each year, the secretary, as Chairman of the Board, shall report to the Governor and General Assembly on the allocation of such federal transportation funds and the actions taken to provide the required match.

2. The board shall only make allocations providing the required match for federal Regional Surface Transportation Program funds to those Metropolitan Planning Organizations in urbanized areas greater than 200,000 that, in consultation with the Office of Intermodal Planning and Investment, have developed regional transportation and land use performance measures pursuant to Chapters 670 and 690 of the 2009 Acts of Assembly and have been approved by the board.

3. Projects funded, in whole or part, from federal funds referred to as congestion mitigation and air quality improvement, shall be selected as directed by the board. Such funds shall be federally obligated within 24 months of their allocation by the board and expended within 48 months of such obligation. If the requirements included in this paragraph are not met by such agency or recipient, then the board shall use such federal funds for any other project eligible under 23 USC 149.

4. Funds apportioned under federal law for the Surface Transportation Program shall be distributed and administered in accordance with federal requirements, including the seven percent that is required to be allocated for public transportation purposes.

Special Session I Sec 6 Transportation
Va. Acts of Assembly Ch. 3

ITEM 430.

Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second FY20

5. Funds made available to the Metropolitan Planning Organizations known as the Regional Surface Transportation Program for urbanized areas greater than 200,000 shall be federally obligated within 12 months of their allocation by the board and expended within 36 months of such obligation. If the requirements included in this paragraph are not met by the recipient, then the board may rescind the required match for such federal funds.

6. Funds apportioned under federal law for the Equity Bonus program shall be allocated as required by federal law, including the thirteen percent that is required to be allocated for public transportation purposes. Funds for contract fees paid by the Virginia Railway Express for access to the rights-of-way of CSX Transportation, Norfolk Southern Corporation, and the National Railroad Passenger Corporation shall be allocated from the public transportation's portion of federal Equity Bonus program funds.

7. Notwithstanding paragraph B.1. of this Item, the required matching funds for enhancement projects are to be provided by the recipient of the federal-aid funding.

8.a. Federal funds provided to the National Highway System, Surface Transportation Program, Equity Bonus Program, and Congestion Mitigation and Air Quality categories as well as the required state matching funds may be allocated by the Commonwealth Transportation Board for transit purposes under the same rules and conditions authorized by federal law. The Commonwealth Transportation Board, in consultation with the appropriate local and regional entities, may allocate to local and regional public transit operators, for operating and/or capital purposes, state revenues designated by formula for primary, urban, and secondary highways.

b. Federal funds apportioned as the Highway Bridge Program shall be allocated and obligated as required by federal law to eligible projects across the Commonwealth. The Commonwealth Transportation Board shall consider the sufficiency and deficiency ratings of such eligible projects in making their allocations.

9. If a regional area (or areas) of the Commonwealth is determined to be not in compliance with Clean Air Act rules regarding conformity and as a result federal and/or state allocations, apportionments or obligations cannot be used to fund or support transportation projects or programs in that area, such funds may be used to finance demand management, conformity, and congestion mitigation projects to the extent allowed by federal law. Any remaining amount of such allocations, apportionments, or obligations shall be set aside to the extent possible under law for use in that regional area.

10. Appropriations in this act related to federal revenues outlined in this section may be adjusted by the Director, Department of Planning and Budget, upon request from the Secretary of Transportation, as needed to utilize and allocate additional federal funds that may become available.

C. The secretary may ensure that appropriate action is taken to maintain a minimum cash balance and/or cash reserve in the Highway Maintenance and Operating fund.

D.1. The Commonwealth Transportation Board is hereby authorized to apply for, execute, and/or endorse applications submitted by private entities to obtain federal credit assistance for one or more qualifying transportation infrastructure projects or facilities to be developed pursuant to the Public-Private Transportation Act of 1995, as amended. Any such application, agreement and/or endorsement shall not financially obligate the Commonwealth or be construed to implicate the credit of the Commonwealth as security for any such federal credit assistance.

2. The Commonwealth Transportation Board is hereby authorized to pursue or otherwise apply for, and execute, an agreement to obtain financing using a federal credit instrument for project financings otherwise authorized by this Act or other Acts of Assembly.

E. Revenues generated pursuant to the provisions of § 58.1-3221.3, Code of Virginia, shall only be used to supplement, not supplant, any local funds provided for transportation programs within the localities authorized to impose the fees under the provisions of § 58.1-3221.3, Code of Virginia.

F. The Director, Department of Planning and Budget, is authorized to adjust the appropriation of transportation agencies in order to utilize proceeds from the sale of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds which were authorized in the prior

ITEM 440.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
§ 1-127. DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION (505)				
440. Ground Transportation Planning and Research (60200)...			$3,017,798	$3,017,798
Rail and Public Transportation Planning, Regulation, and Safety (60203).....	$3,017,798	$3,017,798		
Fund Sources: Commonwealth Transportation.....	$3,017,798	$3,017,798		

Authority: Titles 33.1 and 58.1, Code of Virginia.

The Commonwealth Transportation Board may allocate up to three percent of the funds appropriated in Item 441 and Item 442 to support costs of project development, project administration and project compliance incurred by the Department of Rail and Public Transportation in implementing rail, public transportation, and congestion management grants and programs set out in §§ 58.1-638, 33.1-221.1:1.1 and 33.1-221.1:1.2, Code of Virginia.

441. Financial Assistance for Public Transportation (60900)...			$313,725,346	$318,246,652
Public Transportation Programs (60901).....	$297,858,139	$302,379,445		
Congestion Management Programs (60902).....	$9,344,000	$9,344,000		
Human Service Transportation Programs (60903).....	$6,523,207	$6,523,207		
Fund Sources: Special.....	$790,156	$790,156		
Commonwealth Transportation.....	$312,935,190	$317,456,496		

Authority: Titles 33.1 and 58.1, Code of Virginia.

A.1. Except as provided in Item 440, the Commonwealth Transportation Board shall allocate all monies in the Commonwealth Mass Transit Fund, as provided in § 58.1-638, Code of Virginia. The total appropriation for the Commonwealth Mass Transit Fund is $152,552,684 the first year and $157,073,990 the second year from the Transportation Trust Fund. From these funds, the following estimated allocations shall be made:

a. $114,087,563 the first year and $117,334,290 the second year to statewide Formula Assistance as provided in § 58.1-638, Code of Virginia. The allocation of Formula Assistance to each recipient shall be limited to the recipient's maximum eligibility as defined in § 58.1-638, Code of Virginia. When the initial allocation to a recipient is greater than the recipient's eligibility to receive Formula Assistance, the Commonwealth Transportation Board may transfer the surplus funds to the statewide Capital Assistance program for distribution under that program. The Commonwealth Transportation Board may hold harmless from a reduction in state formula assistance any transit system that maintains service levels from the previous year.

b. $31,128,865 the first year and $32,233,194 the second year from the Commonwealth Mass Transit Fund to statewide Capital Assistance.

c. Notwithstanding the provisions of paragraph A.1.a and A.1.b. of this Item, prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate funding from the Commonwealth Mass Transit Fund to implement the transit and transportation demand management improvements identified for the I-95 corridor. Such costs shall include only direct transit capital and operating costs as well as transportation demand management activities. Costs associated with additional park and ride lots required to be funded by the Commonwealth under the provisions of the Comprehensive Agreement for the Interstate 95 High Occupancy Toll Lanes project shall be borne by the Department of Transportation as set out in Item 446 of this act.

2. Included in this Item is $1,500,000 the first year and $1,500,000 the second year from the Commonwealth Mass Transit Trust Fund. These allocations are designated for "paratransit" capital projects and enhanced transportation services for the elderly and disabled.

3. From the amounts appropriated in this Item from the Commonwealth Mass Transit Fund, $1,867,731 the first year and $1,933,991 the second year is the estimated allocation to statewide Special Programs as provided in § 58.1-638, Code of Virginia.

4. Not included in this appropriation is an amount estimated at $26,243,763 the first year and

DRPT Section of Budget

ITEM 441.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

$26,728,838 the second year allocated to transit agencies from federal sources for the Surface Transportation Program (STP) and the Minimum Guarantee program.

B. The Commonwealth Transportation Board shall operate a program entitled the Transportation Efficiency Improvement Fund (TEIF). The purpose of the TEIF program is to reduce traffic congestion by supporting transportation demand management programs and projects designed to reduce the movement of passengers and freight on Virginia's highway system. Using transportation revenues generally available to the Board, funds shall be apportioned as determined by the Board to designated transportation projects in addition to funds allocated pursuant to § 33.1-23.1, Code of Virginia. Total TEIF program funding shall not exceed $4,000,000 the first year and $4,000,000 the second year.

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.

E. All Commonwealth Mass Transit Funds appropriated for Financial Assistance for Public Transportation shall be used only for public transportation purposes as defined by the Federal Transit Administration or outlined in § 58.1-638.4, subparagraphs b. through g., or in § 58.1-638.5, Code of Virginia.

F. From the amounts provided for experimental transit in the Public Transportation Program, there is hereby provided $200,000 in the first year for the planning and development of a Hampton Roads Fast Ferry demonstration project in coordination with Hampton Roads Transit. In developing this plan, the Department shall assess the potential for designating a high speed ferry corridor within the Hampton Roads region with intermodal service to properties under the control of the Commonwealth as well as current transit properties operated by Hampton Roads Transit including, but not limited to, the Norfolk passenger light rail service.

G. It is the intent of the General Assembly that no transit formula assistance funding be used to support any new transit system or route at a level higher than such project would be eligible for under the allocation formula set out in § 58.1-638 A 4. e., Code of Virginia, beyond the first two years of its operation.

H. From such funds appropriated for public transportation purposes in this item, there is hereby allocated $68,000 in the first year for the continued operation of GRTC Express services between Chesterfield Town Centre in Chesterfield County and downtown Richmond, and $200,000 in the first year for the continued operation of GRTC Express services between Hull Street Road in Chesterfield County and downtown Richmond. Receipt of this funding is contingent upon the commitment of local matching funding of not less than a like amount. It is the intent of the General Assembly that any future commitment of state funding shall be provided only through the transit operating formula.

442.	Financial Assistance for Rail Programs (61000)		$57,587,000	$50,062,000
	Rail Industrial Access (61001)	$3,000,000	$3,000,000	
	Rail Preservation Programs (61002)	$7,987,000	$7,887,000	
	Passenger and Freight Rail Financial Assistance Programs (61003)	$46,600,000	$39,175,000	
	Fund Sources: Commonwealth Transportation	$57,587,000	$50,062,000	

Authority: Title 33.1, Code of Virginia.

Item #2E

Governor's Request for Review of VRE Governance Issues

In the attached letter, Governor McDonnell asks Virginia's Auditor of Public Accounts (APA) and Virginia's Inspector General to "discuss and coordinate a review of governance issues at the Virginia Railway Express." NVTC's Chairman and Executive Director were subsequently contacted by an APA Audit Director with a broad request for "available documentation regarding the formation of the VRE as well as any specific guidance the NVTC and NVTC Board follow in their oversight of VRE." Members of NVTC's Board and staff may be interviewed.

Notwithstanding questions about the legal authority and motives for the state to initiate such a review at this time, NVTC staff intends to fully cooperate. The following is a list of documents NVTC staff has offered to provide:

1. Original Executed VRE Master Agreement
2. Subsequent Amendments to the VRE Master Agreement
3. Commissions' Plan of Delegated Authority to the VRE Operations Board
4. Archived audits of VRE and NVTC from FY 1992 through FY 2011 (FY 2012 audit available in December, 2012).
5. NVTC Bylaws
6. NVTC Financial Policy and Procedures Manual
7. 2012 NVTC Handbook containing statutory references, NVTC's work program, and board and committee appointments (including VRE Operations Board).
8. Access to on-line NVTC business meeting agendas and minutes and archived meeting materials containing monthly reports on VRE performance, reports from VRE Board members and VRE's Chief Executive Officer, as well as action on VRE items not delegated to the VRE Board.
9. An annual chronology of key VRE events from before it began service to the present.
10. NVTC Administrative Regulations.

Northern Virginia Transportation Commission

AGENDA ITEM #3

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: October 25, 2012

SUBJECT: DRPT's SJR 297 Report

DRPT presented its draft final report to the Commonwealth Transportation Board on October 17th. Comments are now requested by DRPT.

NVTC staff has briefed the commission throughout the course of the two-year study, and at the commission's October 4th meeting Director Drake and DRPT staff were present to describe their recommendations. Because Northern Virginia receives about three-quarters of all statewide transit assistance, any changes to DRPT's methods must be viewed with concern.

Throughout the lengthy study process, NVTC staff has submitted comments to DRPT and participated actively on a stakeholders group.

The Virginia Transit Association favors the continued use of local performance standards but is strongly opposed to DRPT's proposed new method of allocating state operating assistance for the reasons described in the attachments. Northern Virginia's transit systems together would lose about $1.5 million annually if the new DRPT method had been used in FY 2013. Some jurisdictions appear as initial winners (Loudoun County Transit gains $698,000) and others are losers (Fairfax Connector -$2.3 million and all of NVTC's WMATA jurisdictions -$1.4 million). Because this region's transit systems are interconnected, it would be unwise for one jurisdiction to support DRPT's new approach at the expense of its neighbors. Further, DRPT is seeking complete discretion to alter its approach at will, which means that an apparent winner could quickly become a loser. For example, if DRPT were to adjust the weights on the four factors used in its new approach to emphasize ridership more heavily than cost recovery, Loudoun County Transit would lose $235,000 annually.

NVTC will be asked to approve comments and to consider a strategy for approaching the CTB and General Assembly members, in cooperation with VTA and other groups.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

DRAFT

November 1, 2012

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

Dear Director Drake:

On behalf of the Northern Virginia Transportation Commission, I am providing the following comments on your department's SJR 297 study. NVTC has followed the study with great interest and appreciated hearing your presentation on the draft report at our October 4, 2012 meeting.

As your study has progressed, our commission and jurisdiction staffs have brought to our attention several serious concerns of your own stakeholders group and the membership of the Virginia Transit Association (VTA). I have summarized those concerns below but first I do want to recognize aspects of DRPT's study that NVTC applauds.

You formed an excellent stakeholders advisory group consisting of knowledgeable transit and transportation demand management professionals throughout the Commonwealth. In your final report, you incorporated their suggestion to include a thorough description of transit funding needs and to highlight the state's responsibility to help meet those needs. You also listed some potential new state revenue sources that the Virginia General Assembly should consider. This is very valuable information to share with the General Assembly and public. We ask that you take an additional step and prepare specific legislative proposals to increase state revenue sources for transit and advocate those proposals in the General Assembly together with the members of VTA and other transit allies.

On the other hand, DRPT did not respond to the stakeholders' serious objections to your proposed new allocation approach. Among the more important issues are:

1. **Transit systems currently respond to performance mandates from their local sponsors.** While any set of state performance measures cannot adequately account for all of the differences among Virginia's transit operators, if state performance mandates are

imposed, they should be coordinated with existing performance requirements, be internally consistent, and reflect the fact that state aid comprises an important but relatively modest portion of total transit operating assistance.

2. **DRPT has not demonstrated a need for change based on actual performance data of Virginia's transit systems.** Data compiled by NVTC from the National Transit Database show that Virginia's transit systems are performing well with DRPT's current allocation method.

3. **DRPT's proposed approach is not predictable, transparent or simple. DRPT and the CTB have expressed strong interest in processes that are predictable, transparent and simple.** VTA has found that DRPT's proposed approach does not meet any of these criteria, and is so complicated and unpredictable that transit systems will be unable to plan and budget effectively. The six DRPT peer groups bring together transit systems that are too diverse and the four performance factors with associated weights are internally inconsistent and certainly are not "industry standard."

4. **By pushing for more competition among transit systems and favoring those with high density service territories DRPT risks violating federal requirements that protect populations most in need.** Transit systems are not profit-making entities and DRPT should recognize that they are designed to meet different local objectives reflecting local needs.

5. **We question the proposed shift of authority from the General Assembly to DRPT. DRPT would gain complete discretion to determine and alter, at will, the allocation procedures in the future, versus the General Assembly's straight forward and time-tested current statutory approach.**

6. **We have grave concerns that DRPT's new approach penalizes Northern Virginia's transit systems as a group** ($ 1.5 million annual loss overall). Our transit systems are carrying three quarters of the Commonwealth's total transit ridership, meeting local and regional performance standards and contributing to the economic well-being of the entire Commonwealth. The report does not address or justify this impact.

7. **VTA and DRPT's stakeholders have recommended an alternate allocation approach that new state funds be used to reward transit systems for meeting and exceeding locally determined performance measures.** DRPT should respond to this helpful recommendation.

I have attached comments prepared by NVTC staff that provide further detail on these and other concerns with DRPT's report. We believe it is very significant that the Virginia Transit Association, representing large and small transit systems throughout the entire Commonwealth, has expressed strenuous opposition to DRPT's proposed new allocation approach. We trust that DRPT's final report will seriously respond to our concerns and those of your own stakeholders group and the Virginia Transit Association.

Sincerely,

Jay Fisette
Chairman

cc: Amy Inman (DRPT)
Linda McMinimy (VTA)
Northern Virginia General Assembly Delegation

REPORT OF THE
DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Study of Transit-Related Issues in the Commonwealth

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

HOUSE DOCUMENT NO.[insert no.]

COMMONWEALTH OF VIRGINIA
RICHMOND
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)

October 17, 2012

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

Honorable Stephen D. Newman
Chairman, Senate Transportation Committee
General Assembly Building, Room 315
Richmond, Virginia 23219

Honorable Joe T. May
Chairman, House Transportation Committee
General Assembly Building
P.O. Box 406
Richmond, Virginia 23218

Gentlemen:

Attached for your review is the "Performance-Based Funding Distribution for Public Transportation" as requested by the 2011 General Assembly session in Senate Joint Resolution 297. This report is provided by the Virginia Department of Rail and Public Transportation on behalf of the Secretary of Transportation, and responds to the General Assembly's direction to examine Virginia's current transit funding practices with respect to performance, prioritization, stability, and allocation. This report responds to that directive.

Sincerely,

Thelma Drake

Thelma D. Drake
Director

cc: Honorable Sean T. Connaughton, Secretary of Transportation

PREFACE

Senate Joint Resolution 297 of 2011 directed the Virginia Department of Rail and Public Transportation (DRPT) to study key issues relating to the distribution of funding to transit agencies within the Commonwealth of Virginia. Specifically, this legislation called for the examination of Virginia's current transit funding practices with respect to performance, prioritization, stability, and allocation. This report responds to that directive.

This DRPT study involved technical assistance from Cambridge Systematics, Inc. (CS) and TransPro, a consultancy with expertise in building and implementing state aid performance models. Throughout the process, input was provided by a transit funding study advisory committee comprised of Virginia transit and planning professionals.

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

EXECUTIVE SUMMARY

Background

In February 2011, the General Assembly passed Senate Joint Resolution 297 (SJR 297), which directed the Virginia Department of Rail and Public Transportation (DRPT) to study key issues relating to the distribution of funding to transit agencies within the Commonwealth of Virginia. This report is in response to the legislative directive. A copy of SJR 297 can be found in Appendix A of this document.

Virginia's current funding model has been in place for more than 25 years (1986 Acts of Assembly). During its 1986 session, the General Assembly passed a set of statewide taxes and fees to provide dedicated funding for highway construction, transit, ports, and aviation. From this effort, 14.7 percent of the annual Transportation Trust Fund revenues were dedicated to mass transit.

Since 1986, the importance of transportation to the nation's economy has been amplified, and the demand for multimodal transportation investments has stressed the available limited resources both at the state and local level. SJR 297 called for the examination of current transit funding practices with respect to performance, prioritization, stability, and allocation. Specifically:

> *In conducting its study, the Department of Rail and Public Transportation (DRPT) shall study, but not be limited to, the following issues:*
>
> 1. *Performance – The study should determine if there should be a system in place to reward operator performance based upon specific performance criteria (e.g., farebox recovery, cost per passenger trip, passenger trips per vehicle revenue hour, etc.);*
> 2. *Prioritization – Currently, all capital requests are matched equally. The study should examine different funding categories;*
> 3. *Stability – Match ratios change every year based upon demand and available revenues. The study should examine holding systems harmless at existing levels and creating a reserve to stabilize funding for both capital and operating expenses; and*
> 4. *Allocation – Current funding formulas were established in the Code of Virginia about 25 years ago at a time when transit was not as important as today in the overall transportation network. The study should evaluate the allocation of the 14.7 percent of Transportation Trust Fund revenues among capital and operating expenses and special programs. The study also should address the current Code language that allows transit funding up to 95 percent of eligible capital and operating expenses. The study should determine an appropriate percentage.*
>
> *(2011 Acts of Assembly, SJR 297)*

The new federal transportation bill, Moving Ahead for Progress in the 21st Century Act (MAP-21), became effective October 1, 2012, and calls for the development and use of a performance-

based approach as a tool for guiding transportation investments. Recipients of federal funds will fall under the new federal performance-based provisions.

Study Overview

In response to the legislative mandate, DRPT employed professional planning consultants with expertise in the field of transit operations and funding to assist in the research and analysis required by SJR 297 and to assist in the development of a hybrid funding model. This second report to the General Assembly builds upon the SJR 297 Interim Report that was delivered to the 2012 General Assembly. It includes information presented in a Technical Report prepared by Cambridge Systematics (CS) as well as subsequent work completed by TransPro, a consultancy with expertise in building and implementing state aid performance models.

In conjunction with this study, DRPT engaged in dialogue and solicited input from the transit community and key stakeholders. A SJR 297 Funding Study Advisory Committee was formed to represent transit stakeholders. Members included transit systems, local governments, and metropolitan planning organizations (MPOs), as well as other interested parties. A complete list of the Committee members is included in Appendix B. The advisory committee met five times over the duration of the study period to discuss the current state funding system and gather feedback on proposed formula options. DRPT provided a study briefing to the Commonwealth Transportation Board (CTB) and held a statewide transit meeting in early September 2012 to present the findings and recommendations to the transit community at-large.

The study process also explored best practices, conducted a peer review, included data discussion, and developed of a variety of formula options for consideration by the SJR 297 Funding Study Advisory Committee.

While the SJR 297 effort specifically examines transit related issues, an interrelated component of transportation systems involves Transportation Demand Management (TDM). For this reason, DRPT and the working group concurrently discussed the Commonwealth's TDM programs and services. TDM funding needs identified will be further expanded outside of this document in the Statewide Transit and Transportation Demand Management Plan.

Currently, 14.7 percent, or $134.2 million in fiscal year 2013, of the Transportation Trust Fund (TTF) is allocated to the Mass Transit Trust Fund (MTTF). Additionally, beginning in fiscal year 2009, $0.02 of the recordation tax, approximately $25 million, is dedicated to transit operations each year. The vast majority of the MTTF funds, at least 73.5 percent, is distributed to transportation providers for operating assistance. Twenty-five percent of the MTTF is used for capital assistance. The Mass Transit Capital Fund (MTCF) funds is derived primarily from bond proceeds supported by a tax on insurance premiums and is expected to be exhausted by 2018. The revenue generated from the MTCF is allocated to specific capital projects approved by the CTB. This report introduces new funding allocation methods for both operating and capital fund distribution.

DRPT also conducted a needs assessment as part of a separate, but parallel, process of updating the Statewide Transit and TDM Plan. The needs assessment identifies three investment strategies ranging from a low investment strategy that could ultimately result in a reduction in the transit mode share of all transportation trips to a high investment strategy that could increase transit service level per capita and result in an increase in transit ridership of 92 percent by 2040. The examination of generating new revenues via various funding mechanisms has been part of

other DRPT study efforts and provides the General Assembly with a basis for discussion and decision making to determine how best to offset the anticipated funding gap for public transportation into the future.

Findings

This study focused on current DRPT operating and capital funding methods and the potential need for additional resources. In particular, testing of the policy implications of various allocation tools provided insight into the SJR 297 legislatively mandated target areas of performance, prioritization, stability, and allocation:

Performance

The current funding allocation model allocates state transit funds based on statewide transit system operating expenses, regardless of system type and performance. Based on the 1986 model, a peak performing transit system with a high system user recovery receives the same funding as a low performing transit system with the same total operating cost. In essence, the more a transit agency spends, the more they receive in future years. Based on the legislative mandate and study effort, DRPT has developed a hybrid performance-based funding model that establishes peer benching of like systems. Utilizing study inputs, it was determined that:

- Use of transit agency performance measures to directly support the CTB's policy goals will be challenging but can be accomplished by rewarding transit providers for improved performance outcomes.
- Utilizing nationally recognized and system-collected inputs, performance data that speak to cost effectiveness and system cost efficiency can demonstrate outcomes and reward providers accordingly. Local transit decisions can still be made to continue or develop transit services that do not perform well.
- The use of data that is received from transit providers in a funding allocation methodology is the most transparent and direct link between transit agency performance and the Commonwealth's financial support.
- MAP-21 calls for the development and use of a performance-based approach as a tool for guiding transportation investments.

Prioritization

Prioritization of state capital funding investments is critical as aging systems struggle to maintain a state of good repair while new systems or services come on line. Threshold levels of state capital funding participation could vary, such as having greater emphasis on state of good repair for bus replacements than bus stop benches or computer software.

- Prioritization of capital investments should be more directly linked to and supportive of the CTB's policy goals.

Stability

State funding for mass transportation continues to fluctuate over time. The current system utilizes data that is two years old and does not necessarily reflect current or anticipated changes in system operations, service cuts resulting from economic downturn, or increased operational expenses because of normal cost escalation. Fluctuations in federal, state, and local funding levels also contribute to the instability of funding. Over the past 15 years, state participation in funding for transit operations has remained stable at around 20 percent, while the largest fluctuations have occurred in capital funding.

- The SJR 297 Funding Study Advisory Committee's input showed that it is important to transit providers to know with confidence and sufficient lead time how much financial support a transit provider will receive and that consistency of support is helpful for their budget development and planning purposes.
- Tier threshold levels of state funding could be established that will facilitate better long-term capital budgeting for transit systems and provide the Commonwealth with greater confidence in its capital cost forecasting to guide the allocation of funds.

Allocation

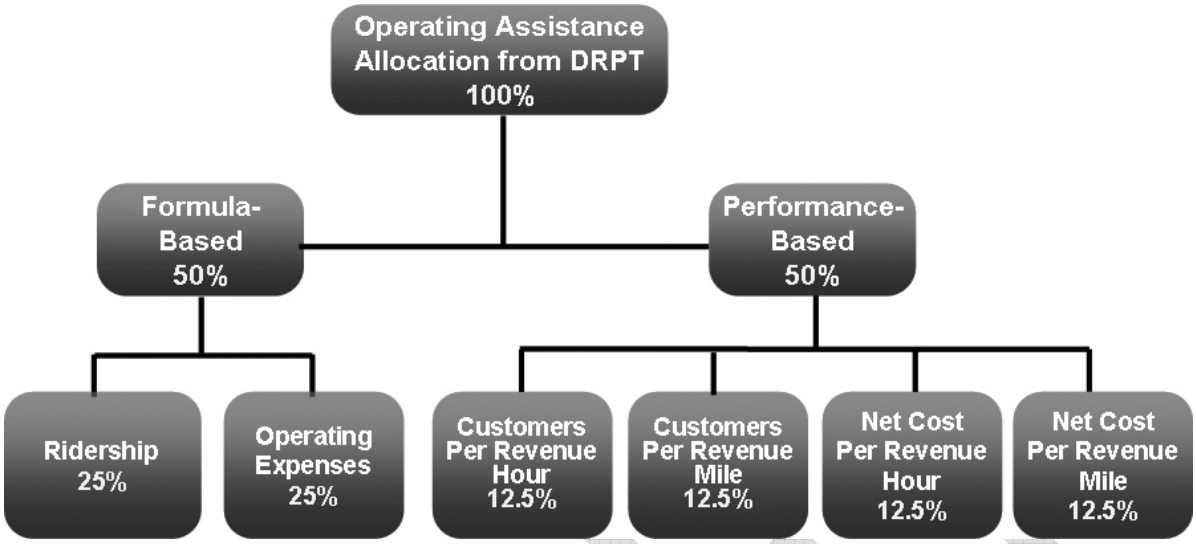
Analysis of the current funding model and a review of Virginia's transit systems show that transit operations provide services for an array of purposes, such as the movement of people to work; reducing traffic congestion and the number of single occupant vehicles; providing mobility options; and economic development. In the allocation of limited state transit resources, the following should be considered:

- Numerous improvements could be considered to improve the correlation between allocation of funds and progress towards achieving the CTB policy goals.
- Current and new funding distribution should be guided by a hybrid allocation model that includes 50 percent funding by system size and 50 percent funding by system performance. The model should allow for the peer evaluation of systems instead of the one-size-fits-all allocation system. This proposed hybrid performance-based funding model is illustrated in Figure 1. Transit systems should be evaluated in peer groups of similar systems, and not be compared with all of the transit systems combined. Utilizing a new system of this type will eliminate the winner and loser approach of the current process and establish an allocation model of high, middle, and low peer performers as a tool for guiding the allocation of limited state transit resources.
- Key issues to be addressed before using performance data in an allocation system are consistency of data reporting and data definitions, testing of data, development of an understanding as to how data variation causes shifts in the allocation of funds, and identification of additional funds to support transitional assistance.
- The new allocation model should be implemented over a transition period with a diminishing hold harmless phase-in over several years. The model should be re-evaluated by the CTB, with public input, every three years, followed by a one year notice prior to implementation of any changes.

Allocation Models

Of the funding models explored, a hybrid performance-based funding model provides the best elements of the current formula program that transit service providers understand and enables some level of stability while concurrently rewarding increased performance. MAP-21 calls for the development and use of a performance-based approach as a tool for guiding transportation investments.

Figure 1. Hybrid Performance-Based Funding Model



Needs Assessment

DRPT conducted a statewide transit needs assessment as part of the Statewide Transit and TDM Plan, which was developed as a separate but parallel study process. The needs assessment provides input to the SJR 297 Study and Report to demonstrate the anticipated funding needs for public transportation between 2013 and 2040. The Statewide Transit and TDM Plan should be finalized by the end of 2012. The needs assessment quantifies the needs according to three investment categories: state of good repair, transit and TDM capacity enhancements, and major transit capital projects. The identified needs include both physical capital improvements and the ongoing cost to operate and maintain the increased services that are recommended to enhance mobility and increase transit and TDM modal share.

- **State of Good Repair (SGR)** needs consist of the backlog of existing equipment and facilities beyond their useful lifecycles; preventive maintenance and rehabilitation of existing equipment and facilities; and state of good repair on new assets added to the inventory (e.g., new service expansion buses).
- **Capacity Enhancement** needs address expanding transit and TDM services through both capital investment and operating and maintenance expenses to meet increasing demand and economic opportunity. Service capacity enhancements include extension of transit and TDM services into regions of the Commonwealth that do not currently have service but have an identified need for it; improvement of existing services in areas that currently receive service but not at a level that meets community needs; and expansion of service to reflect anticipate population growth or evolution of some regions to area types that would benefit from more intensive levels of transit service.
- **Major Transit Capital Project** needs include capital costs of construction, right of way acquisition, and equipment purchase (both rolling stock and supporting systems), plus continued operating and maintenance costs, to address high-capacity needs in heavily developed areas of the Commonwealth.

The transit and TDM needs that have been identified were used to develop capital and operating costs according to three investment scenarios:

- **Low Investment:** This scenario assumes minimal investment in transit and TDM services. Transit capacity expansion consists of improvements identified in each transit operator's 6-year Transit Development Plan (TDP) through 2018. No additional transit expansion is assumed beyond 2018. This scenario addresses State of Good Repair (SGR) needs for existing facilities and vehicles and any new facilities and vehicles associated with new service that is identified in TDPs. It also includes Major Capital Projects currently under development. For TDM, it continues existing programs, and growing existing TDM agency budgets to reflect expected inflation rates.
- **Moderate Investment:** This scenario includes expansion of transit capacity to meet service needs associated with population growth and increasing urbanization through 2040. It addresses SGR for all existing and future vehicles and facilities. It also includes Major Capital Investment Projects, assuming lower cost solutions where applicable. For TDM, it includes extension of services into geographic areas not currently receiving TDM service, at levels consistent with average services of existing programs.
- **High Investment:** This last scenario includes all investments in the Moderate Scenario, plus additional capacity enhancements that are designed to increase transit modal share. Major Capital Investment Projects assume higher cost alternative solutions where applicable. For TDM, the high investment scenario closes geographic gaps as in the Moderate Scenario and funds new or improved strategies consistent with recommended area-type programs.

Transit operating and capital needs are supported through a variety of financial resources, including farebox and other operating revenues, as well as local, state, and federal funding. Overall, farebox collections and local subsidy are the predominant sources of revenue for the operations of public transportation services. The state operating and capital assistance programs contributes a minority portion of funding, which historically has comprised approximately 20 percent of total operating costs; however, the state's participation in capital costs has been slightly higher at 50 to 55 percent of the non-federal share. Without a significant increase in state funding for public transportation, the legislative maximum of 95 percent creates an expectation that the state can participate at a much higher level. Further, unlike the roadway system that is predominantly owned and maintained by the Commonwealth, the delivery and ownership of public transportation service is primarily a decision made at the local level. If the state participated at 95 percent, combined with a reasonable farebox recovery rate, service would be over funded and there would be no local financial responsibility to maintain accountability.

Results of the transit capital and operating needs assessment by investment theme (i.e., state of good repair, transit capacity enhancements, and major capital projects) and investment scenario (i.e., low, medium, and high) are shown in Table 1 below. The needs analysis and estimated total funding gap are based on anticipated revenues. The state funding gap identified in Table 1 illustrates the state funding needed to achieve and maintain the historic state share for capital assistance at 16 percent total cost (80 percent of the non-federal costs), operating assistance at 20 percent total operating costs, and TDM operating assistance at 80 percent of eligible, non-federal costs.

Without an increase in state funding for capital and operating assistance, the state's participation in operating assistance is projected to decline to 10 percent under the low-investment scenario and 5.4 percent under the high-investment scenario by 2040. Likewise, the capital assistance is anticipated to decline to 13 percent under the low investment scenario and 4 percent under the high investment scenario by 2040.

The projected state funding gap for operating assistance to achieve and maintain the historic 20 percent state share ranges from $3.96 billion (YOE$) under the low investment scenario to $8.75 billion (YOE$) under the high investment scenario. The state funding gap for capital assistance to achieve and maintain the historic state share of 16 percent of total eligible costs ranges from $1.21 billion (YOE$) under the low investment scenario to $10.82 billion (YOE$) under the high investment scenario. The state funding gap between for TDM to achieve and maintain an 80 percent historic state share is $177 million (YOE$) under the low investment scenario and $896 million (YOE$) under the high investment scenario.

Table 1. Projected 2013-2040 State Transit and TDM Capital and Operating Assistance Funding Gap (Millions YOE $)

Investment Scenario	Funding Needs/Revenues	Capital Funds	O&M Funds	
			Transit	TDM
Low	Total Funding Needs	$ 15,892	$ 43,668	$ 739
	Total Anticipated Revenues	$ 13,439	$ 31,157	$ 482
	Total Funding Gap	$ 2,453	$ 12,511	$ 257
	State Funding Gap (to reach historic State share)	**$ 1,210**	**$ 3,963**	**$ 177**
Moderate	Total Funding Needs	$ 42,515	$ 61,293	$ 897
	Total Anticipated Revenues	$ 13,439	$ 31,157	$ 482
	Total Funding Gap	$ 29,076	$ 30,136	$ 415
	State Funding Gap (to reach historic State share)	**$ 7,717**	**$ 7,489**	**$ 304**
High	Total Funding Needs	$ 55,028	$ 67,606	$ 1,637
	Total Anticipated Revenues	$ 13,439	$ 31,157	$ 482
	Total Funding Gap	$ 41,589	$ 36,449	$ 1,155
	State Funding Gap (to reach historic State share)	**$ 10,815**	**$ 8,751**	**$ 896**

Recommended Action Plan

In response to the legislative mandate, DRPT has developed a series of recommendations for the General Assembly's consideration regarding state public transportation funding decisions. DRPT recommends a system that establishes benchmarks and funding allocations based on performance and the delivery of efficient and effective public transportation service to its customers. Transit systems under a hybrid performance-based funding approach will be funded with a level of formula assistance and performance-based assistance. Taxpayers will benefit from the increased value provided by the transit providers, and transit users will benefit from improved service. With respect to the four major study areas of the SJR 297 legislation, DRPT recommends the following:

Performance

The Code of Virginia should be revised to call for the implementation of a hybrid allocation system that incorporates both a formula and a peer performance-based component.

Prioritization

An allocation process should be developed that links capital investment decisions to CTB priorities.

Stability

A reserve fund should be created to stabilize match ratios for capital expenses. There should be flexibility to allow capital funds to be flexed into operating assistance. Additionally, a funding source should be identified to provide transitional assistance to transit providers as the new state funding model is implemented.

Allocation

The codified 95 percent cap on eligible capital and operating expenses should be eliminated as it creates an unrealistic expectation. The new funding model shifts allocations to those based on total operating costs, not categorical eligibility. Funds allocated must require a local match from the transit provider recipient. Any new funds should be allocated based on a declaration of maintenance of effort by the transit recipient.

Capital and Operating Needs

In considering potential options to provide additional funds to support public transportation in Virginia, the General Assembly may wish to examine the feasibility of generating additional revenue from the following mechanisms:

- Appropriating available revenues to support transitional assistance for two years through an annual allocation from the General Fund
- Increased allocation from the Transportation Trust Fund (TTF)
- Creation of a statewide index sales tax on gasoline
- General sales and use tax increase
- Direct the CTB to reserve a percentage of Congestion Mitigation and Air Quality (CMAQ) funds to support major transit capital improvements and the ongoing State of Good Repair in eligible areas of the state
- Creating a dedicated revenue source that is sustainable and will provide for the maintenance and expansion of the WMATA Metro service into Virginia. This would shift WMATA service costs to other revenue sources, allowing for the residual funds to be used for mass transit operating and capital assistance throughout the Commonwealth.

Three-Year Transition Period

DRPT is recommending a three-year transition period to provide transit operators an opportunity to improve their performance and data integrity leading up to full implementation of the recommended hybrid operating assistance allocation model. In order to provide each transit agency with a three-year transition period, a new one-time source of funding will be required in the amount of $18 million. The first year of implementation (FY2015) all transit systems would be made 100 percent whole by receiving transition assistance; the second year (FY2016) all transit systems would be made 50 percent whole by receiving transition assistance; and the third year (FY2017) the recommended hybrid operating assistance allocation methodology would be in place.

Conclusion

In response to the legislative directive, DRPT conducted a study and developed recommendations that address the performance, prioritization, stability, and allocation of state funds for mass transit. Deliberate actions of the General Assembly will be necessary to implement the recommended hybrid operating assistance allocation methodology, secure reserve funds to promote stability, require local match from all transit providers, allow for a tiered approach to funding capital investments, and identify transitional assistance funding. Based on research and input from transit stakeholders, key findings of this report include the following:

- ***The study recognizes the need for stability with regard to funding and makes several recommendations to provide stability and reliability.***
  - The recommended approach to capital assistance introduces a tiered approach to state match ratios based on CTB priorities to replace the current approach, which defines state match ratios based on the requests that are received each year.
  - The recommended approach to operating assistance includes a performance-based approach to provide an incentive for efficient service as well as a formula-based component to ensure year-to-year stability in operating assistance to support the important role public transportation plays in providing access to job, supporting economic development, providing mobility options, and reducing congestion.
  - The study recommends establishment of a reserve fund to stabilize match ratios for capital and operating expenses and flexibility to allow capital funds to be flexed into operating assistance to stabilize fluctuations that may occur from time to time.
  - The study recommends a three-year transition period to provide transit operators an opportunity to improve their performance and data integrity leading up to full implementation of the recommended hybrid operating assistance allocation model. A new one-time source of funding will be required in the amount of $18 million to complete a three-year transition to the new allocation model by Fiscal Year 2017.
- ***DRPT is taking a two-pronged approach to addressing the Commonwealth's critical public transportation needs.***
  - First, this report addresses the SJR 297 mandate to evaluate Virginia's current transit funding practices with respect to performance, prioritization, stability, and allocation. The intent is to implement a funding methodology that builds accountability and confidence in the delivery of public transportation and encourages peak performance and efficiency.

- Second, the Department is completing an update to the State Transit and TDM Plan that includes a comprehensive evaluation of public transportation capital and operating needs, an assessment of the impact of various investment levels, and the anticipated funding shortfall. Quantification of public transportation funding needs is meaningless without establishment of a sound allocation methodology that supports statewide priorities and encourages peak performance.

- ***With implementation of the recommended changes to current funding formulas and methods, local governments and local transit operators will continue to make their own decisions with respect to their operations.***
  - The delivery and ownership of public transportation service is primarily a decision made at the local level. State operating and capital assistance programs contribute a minority portion of funding for public transportation.

- ***The key criterion for evaluating the success of a new funding model is not the degree to which agencies receive different amounts of funding, but whether the source of that differentiation is consistent with the goals and principles of the funding entity.***
  - The recommended hybrid operating assistance allocation model has a relatively low impact on the funding that public transportation providers will receive - the average change in total operating funding is 5 percent of total budget.
  - Public transit agencies that operate efficient service will now be rewarded under the proposed allocation methodology, ultimately resulting in greater benefits to the Commonwealth.
  - The recommended approach is consistent with the policy goals of the CTB.

- ***The current funding model creates winners and losers because it bases funding variations between agencies solely on size.***
  - Currently the only way for a transit provider to receive a greater amount of state operating assistance is to significantly increase their operating costs.
  - The recommended allocation methodology levels the playing field by evaluating the performance of agencies of similar size.

- ***Six standard industry performance metrics were identified for use in the funding allocation model.***
  - The use of six metrics reduces the sensitivity of the funding model to any one measure and recognizes the variability of the transit operators serving Virginia while still providing meaningful, objective criteria for use in allocating funds to each state-funded public transportation agency.
  - The six metrics are standard industry metrics that are readily available and auditable, as acknowledged by the SJR 297 Funding Study Advisory Committee.

Table 6. Projected 2013-2040 State Transit and TDM Funding Gap (Millions YOE $)

Investment Scenario	Funding Needs/Revenues	Capital Funds	O&M Funds	
			Transit	TDM
Low	Total Funding Needs	$ 15,892	$ 43,668	$ 739
	Total Anticipated Revenues	$ 13,439	$ 31,157	$ 482
	Total Funding Gap	$ 2,453	$ 12,511	$ 257
	State Funding Gap (to reach historic State share)	**$ 1,210**	**$ 3,963**	**$ 177**
Moderate	Total Funding Needs	$ 42,515	$ 61,293	$ 897
	Total Anticipated Revenues	$ 13,439	$ 31,157	$ 482
	Total Funding Gap	$ 29,076	$ 30,136	$ 415
	State Funding Gap (to reach historic State share)	**$ 7,717**	**$ 7,489**	**$ 304**
High	Total Funding Needs	$ 55,028	$ 67,606	$ 1,637
	Total Anticipated Revenues	$ 13,439	$ 31,157	$ 482
	Total Funding Gap	$ 41,589	$ 36,449	$ 1,155
	State Funding Gap (to reach historic State share)	**$ 10,815**	**$ 8,751**	**$ 896**

Transit operating and capital needs are supported through a variety of financial resources, including farebox and other operating revenues, as well as local, state, and federal funding. Overall, farebox collections and local subsidy are the predominant sources of revenue for the operations of public transportation services. The state operating and capital assistance programs contributes a minority portion of funding, which historically has comprised approximately 20 percent of total operating costs; however, the state's participation in capital costs has been slightly higher at 50 to 55 percent of the non-federal share. Without a significant increase in state funding for public transportation, the legislative maximum of 95 percent creates an expectation that the state can participate at a much higher level. Further, unlike the roadway system that is predominantly owned and maintained by the Commonwealth, the delivery and ownership of public transportation service is primarily a decision made at the local level. If the state participated at 95 percent, combined with a reasonable farebox recovery rate, service would be over funded and there would be no local financial responsibility to maintain accountability.

Northern Virginia Transportation Commission

NVTC Staff Comments on the Executive Summary to
DRPT's SJR 297 Draft Final Report
--October 25, 2012--

Page	Comment
i	The 14.7 percent share for transit was enacted by the Virginia General Assembly in 1998, not 1986 as DRPT incorrectly states. In 1998 transit's share of the Transportation Trust Fund was increased to 14.7% from 8.4% and transit's $35 million portion of the Highway Maintenance and Operating Fund was eliminated.
ii	DRPT refers to DRPT's examination of generating new revenues via various funding mechanisms. Please provide a link to those "other DRPT study efforts." Most likely this refers to DRPT's aggressive efforts to increase funding for intercity and freight rail projects.
iii	DRPT refers to a generic "low performing transit system" based solely on farebox cost recovery. DRPT should recognize that transit systems are designed to meet different objectives and not to maximize profits. By stating "local transit decisions can still be made to continue or develop transit services that do not perform well," DRPT reveals that it does not understand that transit systems with low farebox recovery can still be performing well in meeting the objectives for which they are designed. As just one example, WMATA's MetroAccess meets federal mandates to provide mobility to persons with disabilities and although it has a much lower farebox cost recovery than Metrorail nonetheless it cannot be said to be performing poorly for that reason alone. **DRPT should be wary of violating FTA's Title VI requirements with a new allocation system that unduly penalizes transit services for populations most in need.**
iii	DRPT refers repeatedly to a federal performance-based approach mandated by MAP-21, but does not reveal that those standards have yet to be devised so that DRPT cannot know whether its own recommended approach is or is not in conflict with the upcoming federal approach.
iv	DRPT refers to the General Assembly's current method of allocating funds as "one size fits all" and a "winner or loser approach." Rather than resorting to name calling, DRPT should produce actual evidence, if it can, that the current system has created poorly performing transit systems. In fact, the National Transit Database shows Virginia's transit systems do currently perform well.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

v-vii DRPT describes its needs assessment, levels of desirable transit investments and projected shortfalls. A very instructive table illustrating the funding gaps is provided (p vii). **This is excellent information.**

vi DRPT states that the current 95 percent statutory target for state transit assistance, put in place by the General Assembly to level the playing field with highways, creates an unreasonable expectation (repeated on page vii). DRPT states that if the Commonwealth did contribute 95% combined with a "reasonable farebox recovery rate, service would be overfunded and there would be no local financial responsibility to maintain accountability." DRPT again reveals its bias toward forcing all transit systems to strive to maximize "profits" from the farebox. However, by acknowledging the concept of local accountability driven by financial responsibilities, DRPT implicitly recognizes that local sponsors, who currently pay the bulk of transit costs, do maintain accountability (to meet local performance standards). DRPT's misguided interjection calling for lowering expectations mars an otherwise excellent section illustrating transit system needs.

vii As stated above, DRPT should be applauded for including the results of its statewide transit/transportation demand management plan update. The results shine a spot-light on the serious underfunding of Virginia's transit systems, with investment gaps identified amounting to billions of dollars through 2040. Failure to close those gaps is acknowledged by DRPT to lead to the inability to maintain a state of good repair and declining market shares. **To its credit, DRPT has actually suggested potential options for the General Assembly to consider to generate additional revenue, including increasing General Fund contributions, providing a higher share of the Transportation Trust Fund, levying an indexed tax on motor fuels and general sales and use tax increases.**

Two other sources of revenue suggested by DRPT require further clarification. Asking the CTB to earmark more CMAQ funding is useful if taken from the state's CMAQ funds, but not if diverted from Northern Virginia's portion. Similarly, a sustainable, dedicated revenue source for WMATA would be very desirable, but not as a substitute for increased state revenues.

DRPT should take the next step and produce specific legislative proposals to increase state revenue for transit and join the Virginia Transit Association and other allies in advocating such legislation.

ix **DRPT states that its recommendations are based on input from transit stakeholders, but it does not reveal that those stakeholders consistently argued that DRPT's proposed allocation approach is fatally flawed.**

ix DRPT reveals that it needs $18 million to mitigate the financial harm to losing transit systems as its new allocation is phased in. This money would be more productive if spent on operating new and existing buses using the existing allocation formula.

x DRPT states that the average change in operating funding from its new allocation method is plus or minus five percent of transit system budgets and calls that a “relatively low impact.” Such variable and unpredictable losses affect especially smaller transit systems that should not be dismissed by DRPT as collateral damage. For example, Lake Area would lose 55% of its state aid, JAUNT would lose 36% and the city of Petersburg 30%. Larger systems are not immune from substantial losses either, as WMATA Bus, PRTC and the Fairfax Connector would each lose about 20%.

x DRPT labels its six performance factors as “standard industry metrics that are readily available and auditable, as acknowledged by the SJR 297 Funding Study Advisory Committee.” **DRPT cannot point to one state that uses the combination of metrics and weights DRPT labels “industry standard.”** Further, members of the advisory committee have argued consistently and strenuously against DRPT employing its new allocation method.

REVIEW OF THE VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION'S SJR 297 REPORT

A Fatally Flawed Proposal that Seriously Disadvantages Northern Virginia's Transit Systems

--Draft: October 25, 2012--

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Overview

At the request of the Virginia Department of Rail and Public Transportation (DRPT), SJR 297 was enacted by the 2011 Virginia General Assembly. SJR 297 asked DRPT to study four elements of the state transit assistance program:

1. Performance -- The study should determine if there should be a system in place to reward operator performance based upon specific performance criteria (e.g. farebox recovery, cost per passenger trip, passenger trips per vehicle revenue hour, etc.);

2. Prioritization -- Currently all capital requests are matched equally. The study should examine different funding categories;

3. Stability -- Match ratios change every year based upon demand and available revenues. The study should examine holding systems harmless at existing levels and creating a reserve to stabilize funding for both capital and operating expenses; and

4. Allocation -- Current funding formulas were established in the Code of Virginia about 25 years ago at a time when transit was not as important as today in the overall transportation network. 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 percent of eligible capital and operating expenses. The study should determine an appropriate percentage.

On October 17, 2012 DRPT presented its final report to the Commonwealth Transportation Board. DRPT's report contained several recommendations, the most substantial of which called for phasing in a complex new method of allocating state operating assistance that could be changed at the discretion of DRPT. The current method was determined by the General Assembly and is set in statutes.

To perform its study, DRPT retained two successive consulting firms and created a stakeholder group consisting of transit operators and others who met several times during the course of the study to provide advice.

While DRPT's SJR 297 report implies that the stakeholders contributed to and endorsed the report, in fact the stakeholders urged DRPT to scrap many of the recommended elements contained in DRPT's SJR 297 report. The Virginia Transit Association (VTA) has also strongly objected to DRPT's proposals on behalf of its members (located throughout the Commonwealth in large and small urban, suburban and rural areas). DRPT did not respond to the great majority of those requests.

VTA and the stakeholders group favor performance standards and in fact Virginia's transit systems must meet their own locally determined standards. The result is generally excellent performance among Virginia's diverse transit systems. But, if the General Assembly chooses to enact DRPT's recommendations, many serious consequences will result:

1. The General Assembly will cede control of the Commonwealth's transit assistance program currently defined in the Virginia Code and reduce the transparency and predictability of the allocation process.

2. Northern Virginia's transit systems will initially lose millions of dollars annually when the new program is fully operational, and will lose even sooner if DRPT is not able to divert resources from elsewhere to deliver the promised hold harmless protections.

3. While there are winners and loser throughout the Commonwealth even the winners cannot be confident that their apparent gains will be permanent, since DRPT recommends that it should be free to change its methods at will.

4. Transit systems throughout the Commonwealth will face serous uncertainty as they try to budget for future state aid.

5. Those transit systems will face perverse and conflicting incentives as they try to respond to DRPT's performance mandates that in many cases will conflict with existing local performance standards.

6. Services for seniors, rural residents and persons with disabilities that are mandated by the federal government could face sharply reduced state assistance and subject DRPT to claims that it is violating Title VI requirements.

7. DRPT risks diverting attention from real transit funding shortfalls by focusing on its complex allocation approach rather than practical ways to increase state revenues to assist the Commonwealth's vital but struggling transit systems.

Is the Current System Broken?

The first element of SJR 297 required DRPT to determine if there should be a performance-related allocation system. DRPT merely asserted that the current system is badly flawed, without examining any evidence, and argued that DRPT needs more policy control.

Looking at the facts:

1. The current system is embedded in the Virginia Code, has functioned effectively for decades and is widely understood.

2. Local sponsors and customers now cover the bulk of transit operating costs (currently 76%), while the state pays 17% and the federal government pays 7%. Therefore, local transit systems must respond to local performance requirements. It would be illogical for a transit system to spend an extra dollar merely to capture 17-cents from DRPT, but that is what DRPT alleges (without any supporting data) is happening.

3. The performance of Virginia's transit systems under the current system compares very favorably with their peers in other states (see the Appendix for documentation from the National Transit Database).

4. Shares of state aid for each transit system are relatively stable over time making the current system very predictable and the use of readily available and well defined data make the current system transparent.

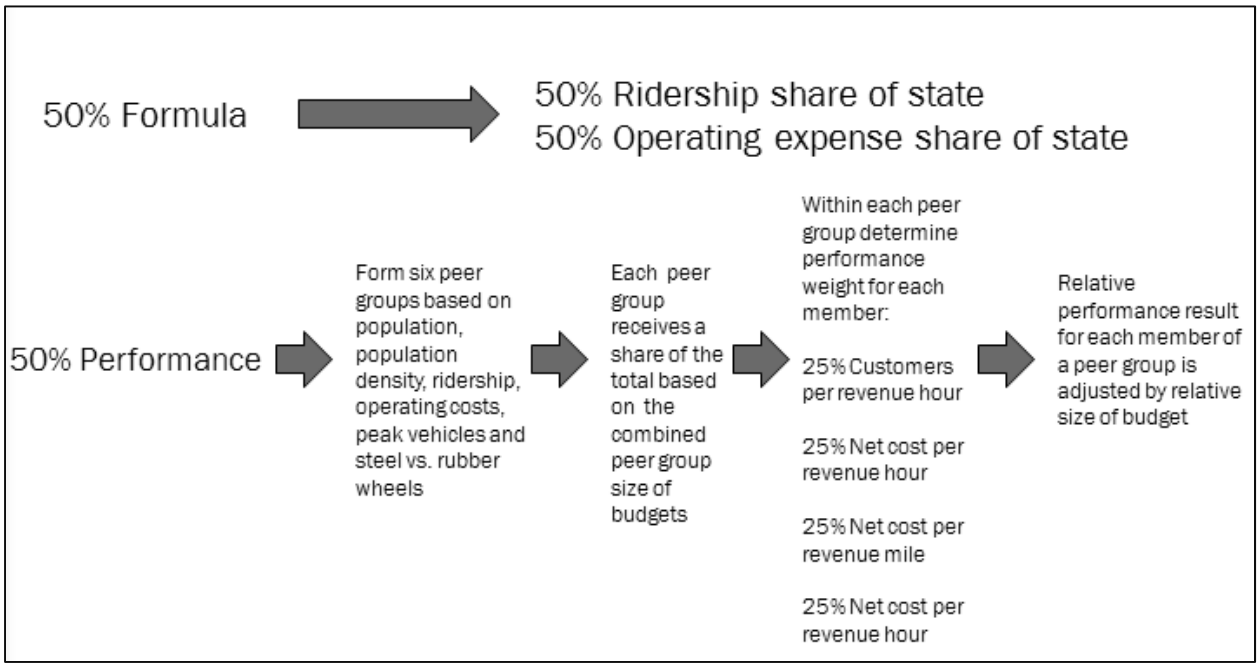
DRPT's Proposal for a New Allocation Approach

As illustrated in the following chart, DRPT intends to create a "hybrid system," in which initially half of state operating assistance is distributed by a revised formula and the other half by a new performance-based process. As a result, only 25% of state operating assistance would be distributed initially using the existing stable method. Detailed descriptions of DRPT's existing and proposed new approaches are attached in the Appendix.

DRPT would be free to alter the new approach in the future at its discretion to pursue its own policy objectives.

DRPT's initial revised formula features ridership and operating expenses whereas the existing statutory method utilizes only operating expenses.

DRPT's New Approach



Currently total actual expenses are used to determine the share of total statewide assistance for each system and eligible operating costs serve as an upper limit on state funding, with a 95% cap.

As shown in the Appendix, the current operating assistance program is defined in the Virginia Code, Section 58.1-638.A.4.e. "At least 73.5 percent of the [Commonwealth Mass Transit] Fund shall be distributed to each transit property in the same proportion as its operating expenses bear to the total statewide operating expenses…." This code language has been in place for decades and provides a simple, well understood mechanism to distribute state operating assistance that is predictable and transparent.

The remaining 50 percent of state operating assistance would be allocated using a complicated performance-based approach.

Peer Group Problems

For its new approach DRPT has split Virginia's transit systems into six groupings, using such factors as service area population and population density, ridership, operating cost and peak vehicles. A separate group was established for Virginia's three diverse rail transit systems (Metrorail, VRE, HRT's The Tide).

Among the many serious flaws with this approach are:

1. Within peer groups, the individual systems display enormous diversity, especially within the rail group.

2. Transit systems within the same region that currently are cooperating would be placed in competition with each other for funding.

3. Some operators within a common geographic territory are separated (Loudoun County Transit and Virginia Regional Transit) while others are lumped together (OmniRide and OmniLink).

4. No account is taken of sharp differences in regional costs of living and relative wage levels in forming the peer groups.

5. Members of a common peer group have greatly differing local objectives and performance targets which conflict to varying degrees with the proposed new state performance factors.

6. Because the amount of money available for allocation within each peer group is determined by combined sizes of budgets, DRPT's peer groups are in effect competing against each other on roughly the same terms as the current, much more stable and predictable, approach.

7. Peers chosen by DRPT for this exercise differ completely from those identified in the Transit Development Plans created by DRPT's own consultants.

8. The service territories of peer group members vary drastically. For example, in Group A, PRTC's territory has 1,259 persons per square mile while Alexandria's DASH has 9,053.

Performance Factor Problems

DRPT has proposed to use four performance factors with equal weights to allocate half of available operating assistance:

1. Customer per revenue hour (25% weight)
2. Customer per revenue mile (25% weight)
3. Net cost per revenue hour (25% weight)
4. Net cost per revenue mile (25% weight)

DRPT asserts that its four performance factors and associated weights are "industry standard" and are supported by the stakeholder group. To the contrary, DRPT has picked a subset of internally inconsistent measures from a large array of possibilities. DRPT has not shown that its model is in use anywhere. Further, DRPT has not

responded to the extensive list of problems repeatedly raised by the members of the stakeholder group and VTA, most importantly the fact that any one set of performance measures cannot adequately recognize the diversity of local transit objectives, service territories and local performance measures.

Among the problems are:

1. Each transit system currently responds to the performance mandates of its own owners and customers in order to provide quality service and control costs. Among the many such factors currently in use by various Virginia transit systems are:

    - Minimum farebox cost recovery
    - Route evaluations
    - Bus stop location warrants
    - On-time performance measures
    - Over-time pay as a percentage of total operators pay
    - Revenue miles per major mechanical road call
    - Revenue miles per employee
    - Budget compliance
    - Progress on capital projects
    - Human resource vacancies
    - Reasons for delays
    - Fare evasion metrics
    - Seat utilization
    - Parking lot available capacity
    - Access to stations by bicycle
    - Bus fleet idle time
    - Preventable and total accidents
    - Valid customer complaints
    - Completed preventive maintenance inspections
    - Operator rule violations
    - Volume of Facebook and Twitter interactions
    - Media coverage
    - Missed trips

    DRPT's approach in many instances conflicts with these local mandates, as is inevitable with one set of state performance factors stressing only high farebox cost recovery and heavy ridership.

2. Transit systems must also comply with federal requirements that can conflict with DRPT's proposed performance factors. For example, Title VI requires consideration of impacts of transit service on low income and minority persons which limits the ability of transit systems to select only those routes with the highest cost recovery. Similarly, the Americans with Disabilities Act mandates

services that by definition are costly with very low farebox recovery rates. DRPT's approach has the unintended consequences of discouraging transit systems from meeting these federal mandates.

3. Federal performance standards are also being developed as a result of recently enacted MAP-21. They will focus on infrastructure condition, congestion reduction, system reliability, economic vitality and faster project delivery. Again, DRPT's performance measures are being offered with no regard for potential conflict with these federal standards, in the event that future federal standards are applied to the allocation of state transit assistance.

4. DRPT's performance measures are internally inconsistent as they offer contradictory incentives and work at cross-purposes. Passengers and costs per hour favor suburban bus operators traveling long distances over less congested roads. The same factors measured on a per mile basis favor systems operating in dense urban areas. DRPT includes both. What is the resulting incentive? Another example is the use of net costs. To drive up ridership transit systems should cut fares, but to do so would penalize their net cost factors in DRPT's new formula.

5. DRPT has offered no explanation of why it selected the equal weights assigned to each of its four performance factors. Further, DRPT can reset the weights, as well as the factors, to achieve whatever resulting allocation of funds among transit systems that DRPT desires at the time.

6. DRPT's approach measures transit <u>outputs</u>, while a more enlightened approach would measure transit <u>outcomes</u>, such as access to jobs, improved mobility, reduced congestion, better air quality and improved quality of life.

<u>Testing DRPT's Model's Sensitivity to Change</u>

DRPT's new approach will result in additional complexity, less transparency and inability to predict future state aid for each transit system.

Among the examples are:

1. The model produces counter-intuitive results.
    - VRE has the second best farebox recovery ratio among the nation's commuter rail systems. Yet, if DRPT were to increase the weights for the cost recovery factors, VRE would be severely penalized. With DRPT's initial proposed method, VRE would gain over $200,000. However, VRE would lose $2.2 million in state operating assistance if DRPT chooses to increase the weights on net cost per revenue hour and mile to 17.5% from 12.5% and customers per revenue hour and mile are reduced to 7.5% from 12.5%.

2. DRPT's new method initially would cost Northern Virginia's transit systems $1.5 million annually in lost state operating assistance. As DRPT shifts more funding to the new model, Northern Virginia's transit systems as a whole lose more state operating funding. For example, if 75% of funds are allocated using the new model rather than 50%, Northern Virginia's transit systems lose $3.0 million. If the new model is used to allocate all of the funds, Northern Virginia loses $4.4 million annually.

3. DRPT has frequently corrected the data it uses to simulate its model's application in the real world, resulting in sharp shifts in allocations. Further, DRPT's calculations of such factors as population density have been shown to be inconsistent with standard data sources (e.g. National Transit Database). This calls into question the practicality, accuracy and transparency of DRPT's new approach.

Summary of Stakeholder and VTA Concerns with DRPT's New Operating Assistance Allocation Approach

- Stakeholders embrace performance measures for their systems, but point out that local government owners already provide performance objectives and require their systems to adhere to those locally determined standards. This is appropriate because local governments and customers provide the bulk of required funding. No matter how well intentioned, state performance measures are likely to conflict with local measures and create inconsistent incentives.

- While DRPT is quick to criticize the current formula method of distribution, DRPT fails to recognize that its proposed substitute will have serious negative consequences that must be recognized, examined and mitigated before implementing a complicated new approach.

- If new state sources of transit assistance are provided, then some or all of the new funds could be distributed in a new manner without creating winners and losers among cash-strapped systems.

- A simple way to distribute new funds would be to establish a bonus fund for local systems that demonstrate they are improving their performance using measures established for them by their local owners.

- Stakeholders are concerned that DRPT's emphasis on reallocating existing funding will have the effect of delaying a direct approach to solve the real problem of insufficient state funding.

- Stakeholders have expressed the strong desire to have their views in opposition to DRPT's recommendations reflected in the SJR 297 report. DRPT did not do so.

- Stakeholders fear that DRPT intends to replace a relatively simple method of aid allocation with a method that is complex and untested. DRPT has not made any discernible effort to objectively document that its proposed system will lead to better overall performance than the current system.

- DRPT's intention to obtain complete flexibility to alter the methods used to distribute the funds is of great concern as it is counter to the predictability and stability that has existed for decades using the General Assembly's statutory approach.

- Survival of the fittest is not the best approach for transit systems that, like libraries, police and fire services, are not designed as profit-making enterprises. DRPT risks violating federal regulations protecting populations most in need.

DRPT'S Capital Grant Proposals

SJR 297's second requirement states incorrectly that currently all capital grants are matched equally by DRPT. In fact, DRPT has altered the matching ratio for separate categories of funds to favor its policy objectives such as replacing rolling stock and has given preference to federally funded projects. It has also established requirements that allow DRPT to rule out projects submitted by applicants. While the Mass Transit Fund has more rigid requirements than the Mass Transit Capital Fund, DRPT has been able to select which source to use for particular categories of projects, thereby enhancing its policy discretion. (See the Appendix for the Virginia Code sections defining DRPT's current capital program.)

DRPT is proposing that it be permitted to prioritize funding further using a tiered approach, such as setting aside 20% of available funds for bus replacement and overhauls, 10% for bus shelters and bike racks and 5% for computers and landscaping. The priority categories would be reset every three to five years.

Stakeholders have not objected to this approach although it does substantially increase DRPT's discretion. They have asked that DRPT be required to identify its priorities in advance via a formal rulemaking. This will guard against DRPT changing its priorities and matching ratios after transit systems have applied for funds (as has occurred in the past).

Stability

SJR 297's third element is to examine hold harmless mechanisms and reserves for stabilizing capital and operating assistance.

DRPT has not addressed this element with its stakeholders except for references to finding new temporary funding to hold harmless transit systems only during a short transition period to the new performance-based allocation.

Stakeholders noted that if DRPT were to achieve increased overall funding, the reserve fund concept could have appeal as a means to smooth annual fluctuations as well as mitigate downward trends. Without new funding, reserving a portion of a shrinking pie is counterproductive.

Allocation

The fourth element of SJR 297 speaks to the appropriate share for transit of the Transportation Trust Fund (currently 14.7%). (See the Appendix for the Virginia Code sections defining these shares).

DRPT has determined that it wishes to eliminate what it calls the "unreasonable expectation" that DRPT should provide up to 95% of eligible transit costs. Clearly the General Assembly has not provided sufficient funding to meet this target. DRPT typically covers about 40% of eligible operating costs, but eligible costs exclude labor, so actually DRPT is covering only about 20% of total transit operating costs. The target of 95% was added to the Code by the General Assembly decades ago to even the playing field with highways, for which the Commonwealth pays almost 100% of costs. It is ironic that DRPT, presumably a transit advocate, is calling for the target to be lowered rather than the amount of funding to be raised.

DRPT has usefully included in its SJR 297 report the findings from its statewide transit and transportation demand management plan update. Using optimistic assumptions about the financial capacity of federal, state and local transit sponsors, DRPT and its consultants found enormous deficiencies in transit systems' abilities to maintain a state of good repair. For example, an average operating funding gap of $450 million per year through 2040 would be experienced even under DRPT's optimistic assumptions. The state operating assistance share of net operating expenses would be cut in half from its already inadequate level of close to 20 percent. And state transit systems would lose market share. Despite this enormous funding gap, DRPT is diverting attention by reallocating the existing inadequate levels of state operating assistance.

Alternative Stakeholder Recommendations

- More state funding needed.
- Fully explore possible unintended consequences of any new allocation method.
- Consider a partial new method only with all new funding.
- Require transparency and accurate data for any new method.
- Avoid complexity and unpredictability.
- Do not implement survival of the fittest allocation methods that risk violating federal protections for populations in need.
- Limit DRPT's discretion to alter allocations of operating assistance and retain the General Assembly's statutory approach.
- DRPT should reward improvements in locally set performance targets.
- Fully reflect stakeholder views in final SJR 297 report.

ENROLLED

SENATE JOINT RESOLUTION NO. 297

Requesting the Department of Rail and Public Transportation to study transit-related issues in the Commonwealth. Report.

Agreed to by the Senate, February 2, 2011
Agreed to by the House of Delegates, February 22, 2011

WHEREAS, the mission of the Department of Rail and Public Transportation (DRPT) is to improve the mobility of goods and people while expanding transportation choices in the Commonwealth; and

WHEREAS, in the last six years alone, DRPT has started six new transit systems in 16 communities; and

WHEREAS, DRPT has also been instrumental in implementing some of the largest transit projects in decades including the Dulles Corridor Metrorail Project and the Norfolk Light Rail Project (the Tide), as well as numerous bus service expansions; and

WHEREAS, the economic downturn and increasing demand for services has caused a reduction in operating and capital grants; and

WHEREAS, historically the transit operating expenses match has been 20 percent; it has now been reduced to 15 percent and the new transit systems and the large projects beginning in 2011 (Norfolk Tide) and 2013 (Dulles Rail phase1) will push down that ratio even more; and

WHEREAS, the capital program changes year to year based upon the revenues available and the capital needs of the transit system; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Department of Rail and Public Transportation be directed to study transit-related issues in the Commonwealth.

In conducting its study, the Department of Rail and Public Transportation (DRPT) shall study, but not be limited to, the following issues:

1. Performance. The study should determine if there should be a system in place to reward operator performance based upon specific performance criteria (e.g., farebox recovery, cost per passenger trip, passenger trips per vehicle revenue hour, etc.);

2. Prioritization - currently all capital requests are matched equally. The study should examine different funding categories;

3. Stability - match ratios change every year based upon demand and available revenues. The study should examine holding systems harmless at existing levels and creating a reserve to stabilize funding for both capital and operating expenses; and

4. Allocation - current funding formulas were established in the Code of Virginia about 25 years ago at a time when transit was not as important as today in the overall transportation network. The study should evaluate the allocation of the 14.7 percent of 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 percent of eligible capital and operating expenses. The study should determine an appropriate percentage.

This study is to be conducted by DRPT in cooperation with transit stakeholders, transit systems, local governments, and metropolitan planning organizations as well as other interested parties. The study shall be conducted by DRPT using existing agency staff and resources and be completed for the 2012 Regular Session of the General Assembly. All agencies of the Commonwealth shall provide assistance to DRPT for this study, upon request.

The Department of Rail and Public Transportation shall complete its meetings by November 30, 2011, and shall submit to the Governor and the General Assembly an executive summary and a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2012 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

Operating Assistance Performance-Based Allocation
Draft Peer Group

A

WMATA Rail Arlington
WMATA Rail Fairfax County
WMATA Rail Alexandria
VRE
WMATA Rail Fairfax City
WMATA Rail Falls Church
Hampton Roads Transit - Rail

B

Greater Richmond Transit Company
WMATA Bus Arlington
NVTC - Fairfax County
Hampton Roads Transit - Bus
WMATA Bus Fairfax County
PRTC
WMATA Bus Alexandria
NVTC - City of Alexandria Office of Transit Services and Programs

Operating Assistance Performance-Based Allocation
Draft Peer Group

C

NVTC - Arlington County
Loudon County Office of Transportation Services
Greater Roanoke Transit Company
Charlottesville Transit Service
Blacksburg Transit
Greater Lynchburg Transit Company
Williamsburg Area Transit Authority
VRT

D

City of Harrisonburg Dept. of Public Transportation
JAUNT
FRED
NVTC - City of Fairfax
City of Petersburg
WMATA Bus Falls Church
WMATA Bus Fairfax City

Operating Assistance Performance-Based Allocation
Draft Peer Group

E	F
Bay Aging	City of Bristol Virginia
City of Winchester	Farmville Area Bus
AASC/Four County Transit	Lake Area
City of Radford	STAR Transit
Danville Transit System	Blackstone Area Bus
RADAR	Town of Bluefield-Graham Transit
Mountain Empire Older Citizens, Inc.	County of Rockbridge
Pulaski Area Transit	Town of AltaVista
Greene County Transit, Inc.	Town of Chincoteague

DRAFT

CTB Workshop Presentation

SJ 297 Committee of Stakeholders

Name	Company	Email	Phone
Curtis Andrews	Radar	curtis@radartransit.org	540-343-1721
Noelle Dominguez	Fairfax County	Noelle.Dominguez@fairfaxcounty.gov	703-877-5685
Larry Hagin	GRTC	lhagin@ridegrtc.com	804-358-3871
Al Harf	PRTC	aharf@omniride.com	703-580-6121
Howard Jennings	Arlington	hjennings@transpartners.com	571-214-2974
Arnie Levine	Fredericksburg	allevine@fredericksburgva.gov	540-372-1222 ext. 209
Henry Li	HRT	hli@hrtransit.org	757-222-6164
Dan Lysy	RRPDC	dlysy@richmondregional.org	804-323-2033, ext 101
Mark McGregor	VRT	mark@vrtransit.org	703-431-2583
Diana Morris	Blacksburg	dmorris@blacksburg.gov	540-443-7100 ext. 2301
Mark Rickards	WATA	mrickards@james-city.va.us	757-220-6290
Donna Shaunessey	Jaunt / CTAV	Donnas@ridejaunt.org	434-296-3184
Rick Taube	NVTC	Rick@nvtdc.org	703-524-3322 x105
Bill Watterson	Charlottesville	watterson@charlottesville.org	434-970-3849

Comparison of Trips, Passenger Miles, and Operating Costs for Heavy Rail Systems Nationwide
(FY2010 Data as Reported to the NTD)

Provider	Trips			Passenger Miles			Operating Cost		
	Annual Total	Per Revenue Hour	Per Revenue Mile	Annual Total	Per Revenue Hour	Per Revenue Mile	Net Operating Cost	Per Revenue Hour	Per Revenue Mile
Washington Metropolitan Area Transit Authority (WMATA)	287,304,340	108.3	4.3	1,635,967,269	616.5	24.5	$ 299,466,823	$ 112.86	$ 4.49
MTA New York City Transit (NYCT) New York, NY	2,439,158,966	126.9	7.0	9,709,823,226	505.1	27.7	$ 947,468,537	$ 49.29	$ 2.71
Port Authority Trans-Hudson Corporation (PATH) Jersey City, NJ	82,994,189	124.7	6.8	351,594,115	528.5	28.6	$ 193,216,695	$ 290.42	$ 15.73
Southeastern Pennsylvania Transportation Authority (SEPTA) Philadelphia, PA	95,229,240	110.2	5.7	422,123,654	488.4	25.1	$ 81,187,992	$ 93.93	$ 4.82
Massachusetts Bay Transportation Authority (MBTA) Boston, MA	139,039,529	103.5	6.0	482,503,335	359.3	20.8	$ 153,292,606	$ 114.14	$ 6.62
Chicago Transit Authority (CTA) Chicago, IL	210,849,074	60.6	3.2	1,296,492,619	372.6	19.9	$ 211,689,675	$ 60.83	$ 3.26
Metropolitan Atlanta Rapid Transit Authority (MARTA) Atlanta, GA	77,732,006	93.7	3.5	493,205,583	594.7	22.4	$ 112,734,258	$ 135.94	$ 5.11
Los Angeles County Metropolitan Transportation Authority (LACMTA) Los Angeles, CA	47,905,917	186.7	8.1	231,935,841	904.0	39.4	$ 55,336,930	$ 215.69	$ 9.40

Comparison of Trips, Passenger Miles, and Operating Costs for Bus Systems Nationwide
(FY2010 Data as Reported to the NTD)

Provider	Service area population	Service area (sq miles)	Size of Fleet	Trips			Passenger Miles			Operating Cost		
				Annual Total	Per Revenue Hour	Per Revenue Mile	Annual Total	Per Revenue Hour	Per Revenue Mile	Net Operating Cost	Per Revenue Hour	Per Revenue Mile
Fairfax Connector	1,056,435	399	253	9,629,993	18.2	1.2	78,925,974	149.3	10.2	$ 54,984,781	$ 104.04	$ 7.13
Hampton Roads Transit (HRT) Hampton, VA	1,210,588	369	290	15,048,107	18.7	1.4	98,754,062	123.0	9.0	$ 48,536,743	$ 60.47	$ 4.42
Greater Richmond Transit Company (GRTC) Richmond, VA	449,572	227	174	13,583,303	32.5	2.6	43,334,584	103.8	8.3	$ 31,045,318	$ 74.37	$ 5.96
City of Tucson (COT) Tucson, AZ	544,000	230	241	20,383,630	34.3	2.6	76,200,599	128.3	9.6	$ 39,510,345	$ 66.54	$ 4.97
Westchester County Bee-Line System Mount Vernon, NY	923,459	450	347	32,273,641	44.6	4.0	148,321,810	204.9	18.5	$ 72,053,050	$ 99.54	$ 8.99
Central Ohio Transit Authority (COTA) Columbus, OH	1,057,915	325	306	17,034,878	23.2	1.9	63,278,446	86.3	7.0	$ 63,798,481	$ 87.05	$ 7.03
Snohomish County Public Transportation Benefit Area Corporation (Community Transit) Everett, WA	700,840	269	288	8,979,937	18.0	1.1	89,062,456	178.5	10.6	$ 57,774,999	$ 115.77	$ 6.86
Bi-State Development Agency (METRO) St. Louis, MO	1,565,000	580	340	24,197,024	20.7	1.5	108,371,786	92.8	6.7	$ 94,478,500	$ 80.88	$ 5.88
Transit Authority of River City (TARC) Louisville, KY	754,756	283	249	15,788,409	27.4	2.1	60,944,220	105.7	8.1	$ 43,456,317	$ 75.38	$ 5.80
Omnitrans (OMNI) San Bernardino, CA	1,450,000	456	177	14,306,566	22.4	1.7	66,789,651	104.6	8.1	$ 42,790,060	$ 67.03	$ 5.17
Foothill Transit West Covina, CA	1,515,836	327	316	14,280,609	19.2	1.3	109,648,362	147.1	9.7	$ 48,144,096	$ 64.58	$ 4.27
Greater Dayton Regional Transit Authority (GDRTA) Dayton, OH	559,062	274	117	6,355,685	19.9	1.3	33,104,502	103.8	6.7	$ 25,149,205	$ 78.83	$ 5.06
Sacramento Regional Transit District (Sacramento RT) Sacramento, CA	1,097,932	277	195	17,579,268	28.0	2.5	61,417,090	97.8	8.7	$ 58,661,115	$ 93.38	$ 8.34
Mass Transit Department (Sun Metro) El Paso, TX	609,415	205	159	14,733,227	26.5	2.0	76,333,986	137.1	10.4	$ 39,101,438	$ 70.22	$ 5.34
Memphis Area Transit Authority (MATA) Memphis, TN	888,627	288	152	10,114,033	24.7	1.7	54,460,560	132.8	9.1	$ 34,808,389	$ 84.88	$ 5.80

prev | next

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section; and an aggregate of 14.7 percent shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

Any new funds in excess of $12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to MWAA, up to a maximum annual amount of $2 million, and 40 percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-1995.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however, shall receive less than $50,000 nor more than $2 million per year from this provision.

b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWAA.

c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports on a discretionary basis.

18

3a. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Commonwealth Space Flight Fund. The Commonwealth Space Flight Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

a. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.1-23.03:2 shall be allocated by the Commonwealth Transportation Board to the Board of Directors of the Virginia Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

b. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the commercial space flight industry in Virginia.

4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass Transit Fund.

a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be paid to any local governing body, transportation district commission, or public service corporation for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be used to support the public transportation administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and maintenance parts and supplies for public transportation at a state share of 80 percent in 2002 and 95 percent in 2003 and succeeding years. These amounts may be used to support up to 95 percent of the local or nonfederal share of capital project costs for public transportation and ridesharing equipment, facilities, and associated costs. Capital costs may include debt service payments on local or agency transit bonds. The term "borne by the locality" means the local share eligible for state assistance consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance received by the locality.

c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth Transportation Board as follows:

(1) Funds for special programs, which shall include ridesharing, experimental transit, and technical assistance, shall not exceed 1.5 percent of the Fund.

(2) The Board may allocate these funds to any locality or planning district commission to finance up to 80 percent of the local share of all costs associated with the development, implementation, and continuation of ridesharing programs.

(3) Funds allocated for experimental transit projects may be paid to any local governing body, transportation district commission, or public corporation or may be used directly by the Department of Rail and Public Transportation for the following purposes:

(a) To finance up to 95 percent of the capital costs related to the development, implementation and promotion of experimental public transportation and ridesharing projects approved by the Board.

(b) To finance up to 95 percent of the operating costs of experimental mass transportation and ridesharing projects approved by the Board for a period of time not to exceed 12 months.

(c) To finance up to 95 percent of the cost of the development and implementation of any other project designated by the Board where the purpose of such project is to enhance the provision and use of public transportation services.

d. Funds allocated for public transportation promotion and operation studies may be paid to any local governing body, planning district commission, transportation district commission, or public transit corporation, or may be used directly by the Department of Rail and Public Transportation for the following purposes and aid of public transportation services:

(1) At the approval of the Board to finance a program administered by the Department of Rail and Public Transportation designed to promote the use of public transportation and ridesharing throughout Virginia.

(2) To finance up to 50 percent of the local share of public transportation operations planning and technical study projects approved by the Board.

e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for the purposes specified in 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 the 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 charitable institutions or who are dependents living on any federal military or naval reservation or other federal property within the school division in which the institutions or federal military or naval reservation or other federal property is located. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for members of the military services who are under 20 years of age within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for individuals receiving services in state hospitals, state training centers, or mental health facilities, persons who are confined in state or federal correctional institutions, or persons who attend the Virginia School for the Deaf and the Blind within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who attend institutions of higher education within the school division in which the student's parents or guardians legally reside. To such estimate, the Department of Education shall add the population of students with disabilities, ages two through four and 20 through 21, as provided to the Department of Education by school divisions. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last estimate of school population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such estimate and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of $13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.01, is equal to or in excess of $35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than $35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. For the purposes of the Comptroller making the required transfers under subdivision 1, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

H. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

(Code 1950, § 58-441.48; 1966, c. 151; 1976, c. 680; 1978, c. 773; 1980, c. 559; 1984, c. 675; 1986, Sp. Sess., c. 12; 1991, cc. 666, 713; 1992, c. 167; 1993, c. 793; 1995, cc. 539, 542; 1998, cc. 320, 905, 907; 1999, cc. 281, 397, 898; 2000, cc. 694, 707; 2001, c. 171; 2004, Sp. Sess. I, c. 3; 2010, cc. 113, 386, 629; 2012, cc. 476, 507, 779, 817.)

---

prev | next | new search | table of contents | home

Schedule showing those systems that win under the new operating formula proposed in DRPT's SJ297 report, using FY13 actual assistance compared to the new formula.

Recipient	Deviation from Actual	% Deviation from Actual
Blacksburg Transit	$ 917,933	92%
City of Harrisonburg Dept. of Public Trans	$ 396,348	65%
Loudoun County Office of Transportation	$ 698,349	44%
Town of Chincoteague	$ 5,851	39%
Danville Transit System	$ 68,094	34%
FRED	$ 146,407	25%
Charlottesville Area Transit	$ 157,375	14%
WMATA Rail	$ 5,883,902	13%
Williamsburg Area Transit Authority	$ 160,217	13%
Town of Altavista	$ 1,335	10%
GRTC	$ 781,762	9%
Greater Lynchburg Transit Company	$ 129,546	9%
Hampton Roads Transit - Bus	$ 1,276,183	9%
Pulaski Area Transit	$ 6,369	8%
Farmville Area Bus	$ 9,849	8%
City of Alexandria Office of Transit Servic	$ 205,158	7%
VRE	$ 220,899	2%

Schedule showing those systems that lose under the new operating formula proposed in DRPT's SJ297 report, using FY13 actual assistance compared to the new formula.

Recipient	Deviation from Actual	% Deviation from Actual
Lake Area	$ (12,836)	-55%
Hampton Roads Transit - Rail	$ (1,187,971)	-48%
Blackstone Area Bus	$ (38,013)	-41%
JAUNT	$ (337,309)	-36%
RADAR	$ (57,234)	-33%
District Three Public Transit	$ (107,107)	-33%
Mountain Empire Older Citizens, Inc.	$ (88,807)	-31%
City of Radford	$ (98,926)	-31%
City of Petersburg	$ (199,771)	-30%
Bay Aging	$ (143,972)	-28%
City of Winchester	$ (41,008)	-26%
Greene County Transit, Inc.	$ (29,105)	-23%
WMATA Bus	$ (5,190,528)	-20%
PRTC	$ (944,307)	-19%
Fairfax County	$ (2,252,536)	-19%
AASC / Four County Transit	$ (63,247)	-19%
City of Suffolk	$ (19,834)	-17%
Town of Bluefield-Graham Transit	$ (4,326)	-9%
STAR Transit	$ (5,380)	-6%
Greater Roanoke Transit Company	$ (90,779)	-6%
VRT	$ (70,384)	-5%
Arlington County	$ (69,687)	-4%
City of Fairfax	$ (11,343)	-2%
City of Bristol Virginia	$ (1,167)	-1%

NVTC

SJ297 COMPARISON OF ALTERNATIVE WEIGHTING, using 10-16-12 DRPT data

	FY13 "Actual"	SJ297 Weighting	Increase (Decrease) w/ SJ297	Alternative Weighting	Increase (Decrease) w/ Alternative	Alternative Weighting	Increase (Decrease) w/ Alternative	Alternative Weighting	Increase (Decrease) w/ Alternative
WMATA Rail (group A)	45,405,831	51,289,734	5,883,903	53,818,740	8,412,909	47,275,273	1,869,442	43,260,812	(2,145,019)
WMATA Bus (group B)	26,413,589	21,223,061	(5,190,528)	19,921,355	(6,492,234)	21,404,009	(5,009,580)	21,584,956	(4,828,633)
WMATA Total	71,819,420	72,512,795	693,375	73,740,095	1,920,675	68,679,282	(3,140,138)	64,845,768	(6,973,652)
Arlington (group B)	1,941,147	1,871,460	(69,687)	1,715,979	(225,168)	1,901,976	(39,171)	1,932,491	(8,656)
Alexandria (group B)	2,833,183	3,038,341	205,158	2,762,792	(70,391)	3,159,904	326,721	3,281,466	448,283
Fairfax County (group B)	11,699,306	9,446,770	(2,252,536)	8,919,480	(2,779,826)	9,431,681	(2,267,625)	9,416,593	(2,282,713)
Fairfax City (group C)	549,735	538,392	(11,343)	520,851	(28,884)	502,424	(47,311)	466,457	(83,278)
NVTC WMATA jurisdictions	88,842,791	87,407,758	(1,435,033)	87,659,198	(1,183,593)	83,675,267	(5,167,524)	79,942,775	(8,900,016)
VRT (group D, (Loudoun est.)	802,732	764,725	(38,007)	738,554	(64,178)	830,008	27,276	895,291	92,559
Loudoun LCT (group B)	1,593,484	2,291,833	698,349	2,665,275	1,071,791	2,821,122	1,227,638	3,350,412	1,756,928
Total NVTC	91,239,007	90,464,316	(774,691)	91,063,027	(175,980)	87,326,397	(3,912,610)	84,188,478	(7,050,529)
VRE (group A)	9,291,406	9,512,305	220,899	7,074,093	(2,217,313)	11,063,663	1,772,257	12,615,021	3,323,615
	100,530,413	99,976,621	(553,792)	98,137,120	(2,393,294)	98,390,061	(2,140,353)	96,803,500	(3,726,913)
PRTC (group B)	4,848,156	3,903,849	(944,307)	3,846,482	(1,001,674)	4,030,940	(817,216)	4,158,030	(690,126)
Total NOVA	105,378,569	103,880,470	(1,498,099)	101,983,602	(3,394,967)	102,421,000	(2,957,569)	100,961,530	(4,417,039)
ROS	38,693,047	40,191,146	1,498,099	42,088,014	3,394,967	41,650,616	2,957,569	43,110,086	4,417,039
	144,071,616	144,071,616	-	144,071,616	-	144,071,616	-	144,071,616	-

Formula Funds				
Percent of Peer Group Ridership	25.0%	25.00%	12.50%	0.00%
Operating Expenses	25.0%	25.00%	12.50%	0.00%
	50.0%	50.0%	25.0%	0.0%
Performance Funds				
Customers per Revenue Hour	12.5%	7.50%	18.75%	25.00%
Customers per Revenue Mile	12.5%	7.50%	18.75%	25.00%
Net Cost per Revenue Hour	12.5%	17.50%	18.75%	25.00%
Net Cost per Revenue Mile	12.5%	17.50%	18.75%	25.00%
	50.0%	50.0%	75.0%	100.0%
	100.0%	100.0%	100.0%	100.0%

NVTC

SJ297 COMPARISON OF ALTERNATIVE WEIGHTING, using 10-16-

	FY13 "Actual"	SJ297 Weighting	10% increase for Connector	Increase (Decrease) w/ Connector 10%	Alternative Weighting	Increase (Decrease) w/ Alternative
WMATA Rail (group A)	45,405,831	51,289,734	50,933,842	5,528,011	44,967,218	(438,613)
WMATA Bus (group B)	26,413,589	21,223,061	21,085,260	(5,328,329)	24,477,326	(1,936,263)
WMATA Total	71,819,420	72,512,795	72,019,102	199,682	69,444,544	(2,374,876)
Arlington (group B)	1,941,147	1,871,460	1,859,240	(81,907)	2,260,163	319,016
Alexandria (group B)	2,833,183	3,038,341	3,018,598	185,415	3,727,215	894,032
Fairfax County (group B)	11,699,306	9,446,770	10,324,374	(1,374,932)	10,764,995	(934,311)
Fairfax City (group C)	549,735	538,392	534,586	(15,149)	582,242	32,507
NVTC WMATA jurisdictions	88,842,791	87,407,758	87,755,900	(1,086,891)	86,779,160	(2,063,631)
VRT (group D, (Loudoun est.)	802,732	764,725	758,968	(43,764)	830,151	27,419
Loudoun LCT (group B)	1,593,484	2,291,833	2,282,419	688,935	1,358,229	(235,255)
Total NVTC	91,239,007	90,464,316	90,797,287	(441,720)	88,967,540	(2,271,468)
VRE (group A)	9,291,406	9,512,305	9,439,060	147,654	15,607,835	6,316,429
	100,530,413	99,976,621	100,236,347	(294,066)	104,575,375	4,044,962
PRTC (group B)	4,848,156	3,903,849	3,880,021	(968,135)	4,047,265	(800,891)
Total NOVA	105,378,569	103,880,470	104,116,368	(1,262,201)	108,622,640	3,244,071
ROS	38,693,047	40,191,146	39,955,248	1,262,201	35,448,976	(3,244,071)
	144,071,616	144,071,616	144,071,616	-	144,071,616	-

Formula Funds			
Percent of Peer Group Ridership	25.0%	25.00%	25.00%
Operating Expenses	25.0%	25.00%	25.00%
	50.0%	50.0%	50.0%
Performance Funds			
Customers per Revenue Hour	12.5%	12.50%	25.00%
Customers per Revenue Mile	12.5%	12.50%	25.00%
Net Cost per Revenue Hour	12.5%	12.50%	0.00%
Net Cost per Revenue Mile	12.5%	12.50%	0.00%
	50.0%	50.0%	50.0%
	100.0%	100.0%	100.0%

26

VIRGINIA TRANSIT ASSOCIATION
1108 East Main St., Suite 1108, Richmond, VA 23219 (804) 643-1166 Fax: (804) 643-1155

STATEMENT of VIRGINIA TRANSIT ASSOCIATION
ON DRPT's SJR-297 RECOMMENDATIONS
September 20, 2012

Public transportation is more important to Virginia now than ever before; it is essential to Virginia's economy and future. Virginians take 193 million trips a year on transit relying on their bus, train or vanpool to get them to work (the majority of transit trips), shopping, school, medical services and tourist sites. Ridership has climbed 31% over the last decade while Vehicle Travel (VMT) grew 10%. Important high quality transit service continues to be added across the state (resources permitting), and public support for still more transit/TDM service continues to grow. Clearly a lot is going right in public transportation in Virginia, but needed service expansion is inhibited by limited resources—in part because state funding has not kept pace with increased service. Mindful of all this, the General Assembly directed DRPT to assess the adequacy of the existing state transit/TDM assistance programs, and to develop recommendations for the General Assembly's consideration.

The Virginia Transit Association (VTA) believes that changes to the state's transit/TDM assistance programs should foster continued transit/TDM expansion and continue to support outcomes that the transit/TDM providers' multiple funding partners have embraced such as reduced road congestion, regional access to employment and education and improved mobility, in keeping with the General Assembly SJR-297 resolution. VTA held out great hope that the DRPT assessment would deliver the product the General Assembly sought, but sadly what we've seen is a major disappointment that raises serious concerns.

Instead of a proposal that would foster continued transit/TDM expansion and the desired outcomes, DRPT's SJR-297 recommendations focus principally on the ***reallocation of existing state resources***—resources universally recognized to be inadequate. The recommended changes are presented as necessary to improve efficiency, without any compelling evidence that service now supported by the current allocation formula is defective in these ways. To the contrary, VTA contends that existing service providers are highly motivated to be accountable and to perform well and ***are already doing both***. That is as it must be because these services are being publicly supported by multiple levels of government, with the majority of funds coming from the local governments and riders, shaped by goals and objectives tailored to each system.

The recommended "reallocation" proposal is a "one-size-fits-all" model which supplants local conditions and priorities. It pits providers against one another by assigning them to peer groups in which differences among the peers are glossed over, reducing the reliability and increasing the volatility of state funds.

SPECIFIC CONCERNS

- **The proposal fails to account for and provide a plan for what DRPT acknowledges are unmet needs.** The DRPT needs assessment is a separate companion product to the "program change recommendations" product. DRPT fails to provide an integrated plan for how the state will fund an expanding program.

- **State agency priorities would supplant providers' already-defined performance measures and priorities of other funders and centralize management control.** State funding comprises a minority portion of total funding to sustain and expand services[1]. The existing programs allow for this variation by pegging state assistance to overall expenditures, a truer partnership in which state support is provided in pursuit of collectively defined, desired outcomes.

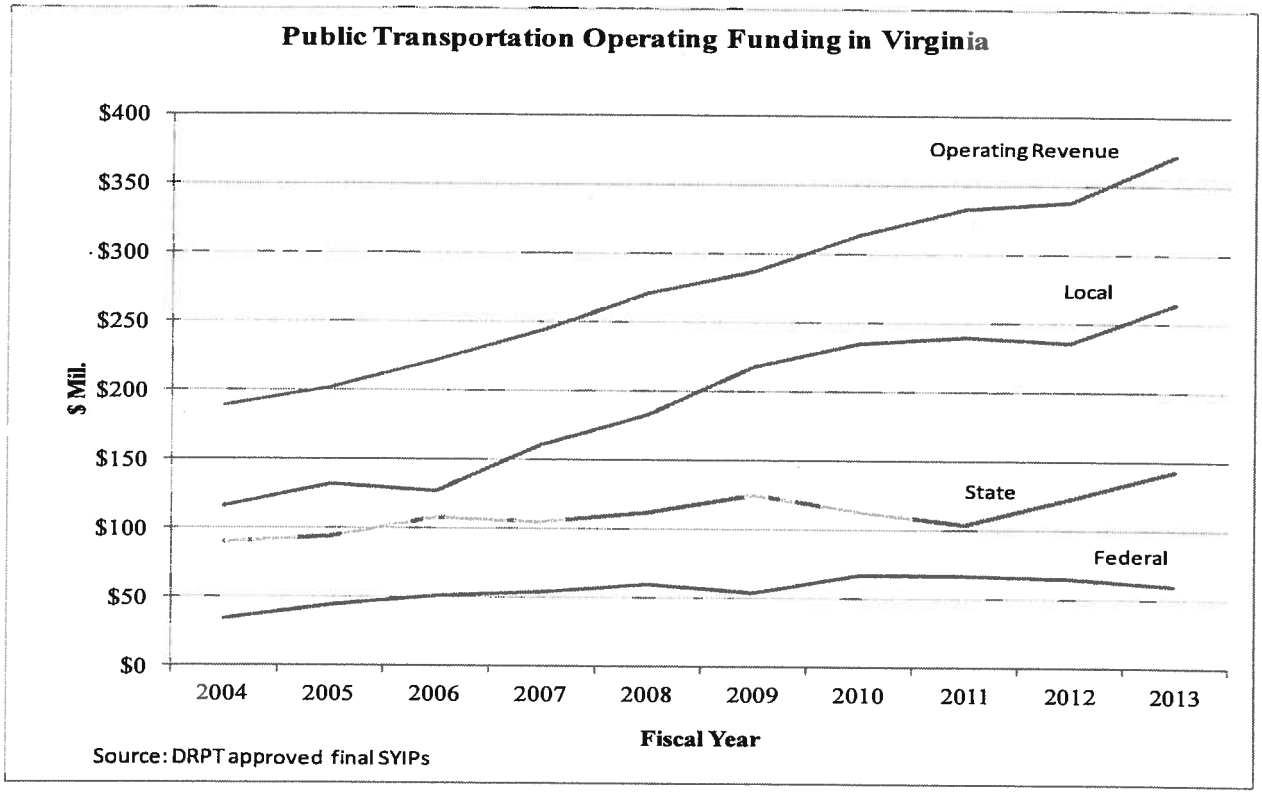
- **State funding reliability would be reduced, volatility increased.** Proposed changes subject 75% of existing operating funds to yearly fluctuation based on annual variations in comparative rankings among transit providers. The changes will inject significant uncertainty into each provider's annual state assistance amount, ignoring the very different local circumstances and accountability aims driving each provider's service decisions. This is a recipe for instability for all providers. Placement of providers into ill-fitting peer groups to compete for a majority of their operating funds is destructive rather than healthy competition for providers who don't have the luxury of being focused only on state performance measures.

- **The recommended performance measures are inherently more difficult to collect, track and validate, adding to the complexity and expense of program management and administration.** A broad cross section of transit providers from across Virginia served on the DRPT's SJR 297 advisory committee. At the end of their 18-month service there remained many uncertainties about the Department's proposal and they expressed very serious concerns about the efficacy of DRPT's sweeping changes to the program and saw only limited evidence that their input was reflected in the final proposal. DRPT has spent over two years and worked with two consultant groups to generate these recommendations. The General Assembly's SJR-297 resolution began a diagnosis of problems with the state's existing transit/TDM assistance programs. The DRPT recommendations are not an effective prescription to repairing these problems.

- **VTA opposes recommendations to remove Code language for mode neutrality, a state goal.** The Code has identified a goal of 95% state assistance of eligible expenses for transit/TDM. This is a rough parallel to the state responsibility for street maintenance funding on the highway side: 95% of gross street maintenance costs. The goal was to make local transportation decisions mode neutral and eliminate disincentives for localities to choose road building options over transit service. Actual state assistance is well below the cap. The goal remains valid. The language should not be eliminated merely because it is "an inconvenient reminder" of an aim not realized.

What began with such great promise ended with great disappointment, thus the Virginia Transit Association intends to express our strong opposition to these recommendations being codified.

Public Transit Operating Funding Is Primarily Local and Farebox Revenue



1 On average, customer fares account for 44.4% of gross service costs and local governments, 31.5%. In contrast, the State formula (operating) and capital assistance programs collectively account for 16.9% of the gross costs.

Comparison of Current Transit Funding to SJR 297 DRPT Proposal

The 2011 General Assembly adopted SJR 297 asking the Department of Rail and Public Transportation (DRPT) to study four elements of Virginia's transit assistance program, including 1) whether performance factors should be used to distribute state operating assistance funds; 2) whether more DRPT discretion is needed to distribute capital grants, 3) how to achieve more funding stability; and 4) whether the size of the program and state share of transit funding is appropriate.

DRPT is currently expected to recommend to the General Assembly that it be given substantial new authority and discretion in allocating a majority of statewide public transit assistance through a new performance-based hybrid funding formula. DRPT is also seeking additional flexibility in awarding capital grants. It is not expected that DRPT will recommend increasing the total amount of state funding to transit systems.

Overview of Current Public Transit Funding in Virginia

A presentation by Senate Finance Committee staff during the November 2011 Committee retreat stated: "Over 60 transit providers serve 85 percent of Virginia's population. Local transit systems are generally well-coordinated and highly functional. For the most part, routes do not overlap, services are not duplicated, and systems do not compete. In 2011, there were 193 million transit trips - 500,000 trips each weekday - with 76 percent of ridership in Northern Virginia. Since 2000, ridership has increased 31%, compared to a highway VMT increase of 10%."[1] According to this description, public transportation is a well-run, large and growing enterprise in Virginia.

The state Transportation Trust Fund (TTF) revenues are distributed by formula to the Highway Construction Fund, the Mass Transit Trust Fund, the Airport Fund and the Port Fund. The Mass Transit Fund receives 14.7% of the state TTF,

[1] Senate Finance Committee Retreat, Nov. 2011 http://sfc.virginia.gov/pdf/retreat/2011%20Retreat/Presentation_Final%20PDF%20for%20Website/7.Transit%20FINAL.pdf

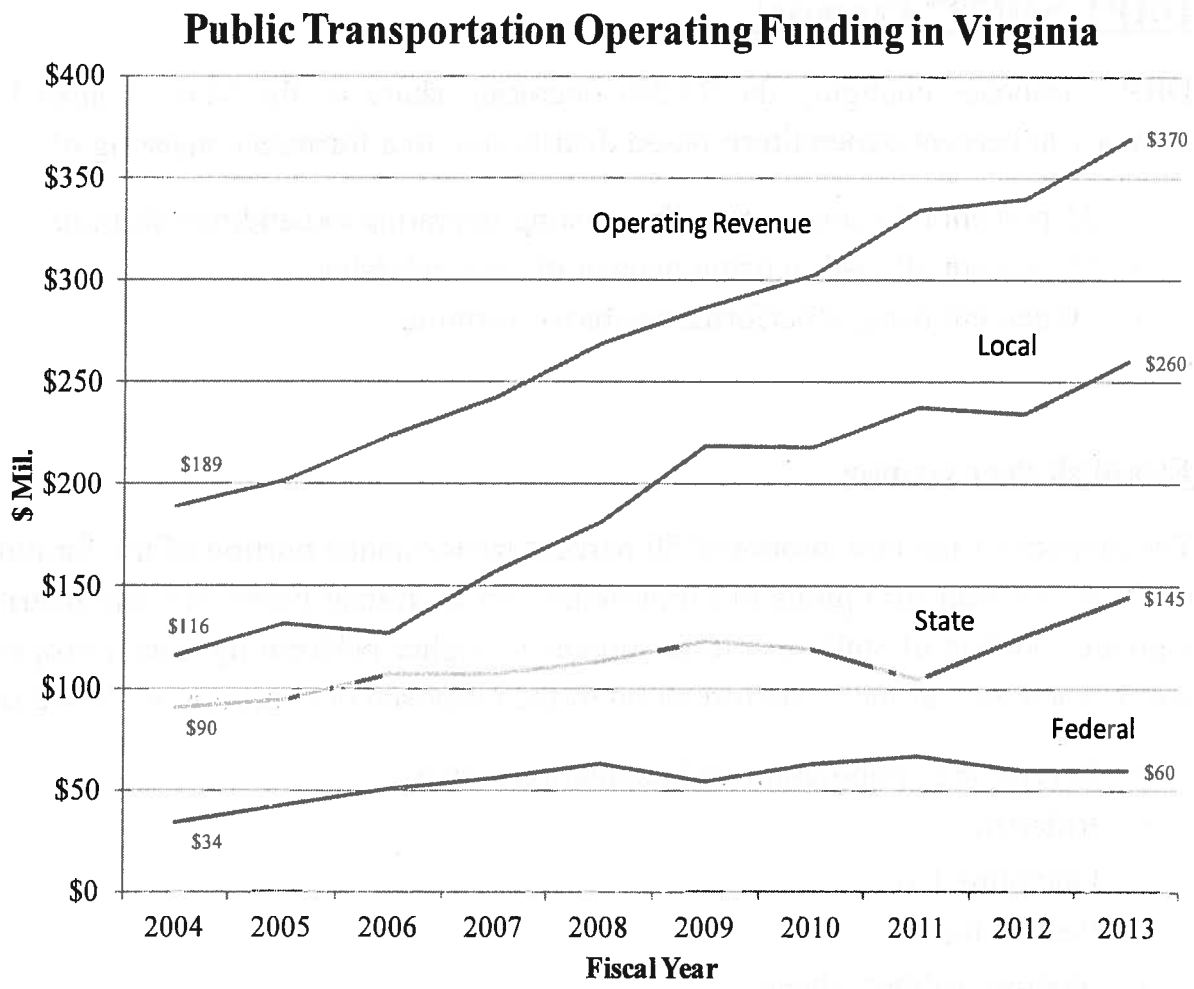
estimated by the state SYIP at approximately $130-$150 million per year over the next six years. DRPT also distributes recordation tax revenues, and state bond funds.

Current Mass Transit Fund Distribution

- **73.5% for transit operating assistance** distributed on the basis of each transit property state share of "eligible" operating expenses. Eligible operating expenses do *not* include labor costs and serve as an easily verifiable proxy for transit service delivery.
- **25% for capital assistance** allocated based on the non-federal share of each project compared to total for all projects in the state.
- **1.5% for special programs**.

Transit systems do not have a state formula-based incentive to spend more or expand their system in order to get more funds because the state currently excludes labor costs for operators and mechanics from eligible reimbursement expenses. Relying on riders and local government revenue alone for labor expenses serves as a powerful incentive to stay as efficient as possible. While the Code of Virginia allows up to 95 percent of eligible costs to be borne by the state, Virginia currently is providing 44 percent of eligible costs, which amounts to 20 percent of gross operating costs.

The relative shares of funding for transit systems in the Commonwealth can be seen in the following figure. As it shows, about 75 percent of transit operating assistance is derived from operating revenues (primarily farebox) and local government revenues.



Source: DRPT final SYIP's

DRPT SJR297 Proposal

DRPT proposes changing the 73.5% operating share of the Mass Transit Fund from a 100 percent expenditure-based distribution to a formula consisting of:

- ✓ 25 percent allocation using the existing operating expenditure formula
- ✓ 25 percent allocation using percent of state ridership
- ✓ 50 percent using a performance-based formula.

Establish Peer Groups

The essence of the new proposed 50 percent performance portion of the formula is to create six peer groupings of purportedly similar transit properties and distribute a greater portion of state operating support to higher performing transit properties within each peer group. The formation of the proposed peer groups are based on:

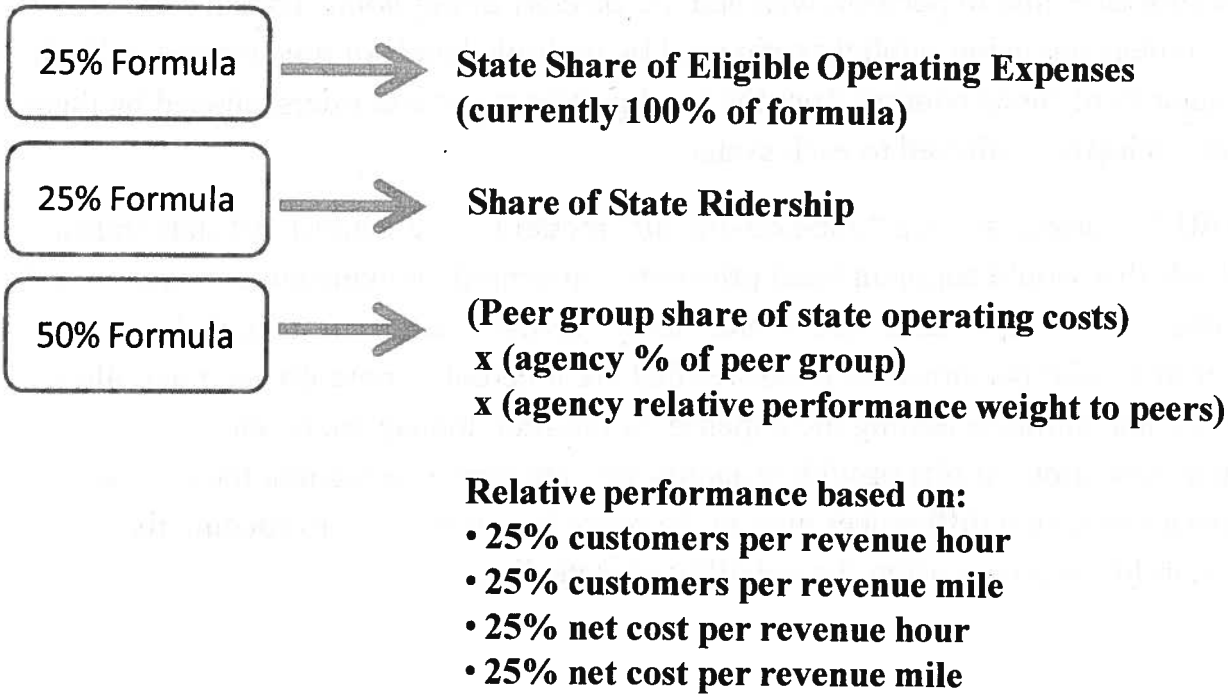
- Service area population and population density
- Ridership
- Operating Cost
- Peak vehicles
- Steel vs. rubber wheels

Each "peer group" would be provided a state allocation for performance-based funding in an amount proportional to the peer group operating costs as a percent of total state operating costs.

The performance-based funding *within* a peer group would be divided into four performance metric buckets. The four proposed performance metrics are 1) customers per revenue hour, 2) customers per revenue mile, 3) net cost per revenue hour, and 4) net cost per revenue mile. Each metric would be allocated 25 percent of the performance pool within each peer group. For each metric, an agency would be compared to the average for the metric within the peer group and assigned a standardized score. Finally, the agency performance score would be multiplied by a size factor to account for differences among the agencies within the peer group.

The following diagram illustrates the proposed DRPT operating funding distribution formula.

DRPT *Proposed* SJR 297
Operating Expense Distribution Formula



DRPT SJR 297 Capital Funding Proposal

DRPT is proposing more agency discretion in the allocation of capital funding. DRPT is proposing to: 1) have flexibility to designate capital funding for operating expenses, and 2) change the existing single match rate for all eligible capital projects to a tiered system of different match rates depending on project type. For example, bus replacement could receive a higher state reimbursement percentage than bus shelters.

Conclusion

DRPT's SJR 297 recommendations focus principally on the reallocation of existing state resources -- that their own needs list deems inadequate for a rapidly growing transit system. The recommended changes are presented as necessary to improve efficiency, without any compelling evidence that service now supported by the current allocation formula is defective in these ways. To the contrary, VTA contends that existing service providers are highly motivated to be accountable and to perform well and *are already doing both*. Transit service providers are being publicly supported by multiple levels of government, with the majority of funds coming from the local governments and riders, shaped by goals and objectives tailored to each system.

DRPT's proposal is a "one-size-fits-all" model for the majority of state transit funds that would supplant local priorities and centralize management control at the state level. It replaces a simple and easily verifiable and time-tested allocation formula with performance measures that are inherently more difficult to collect, track and validate, adding the expense of program management and administration. It pits providers against one another by assigning them to peer groups in which differences among the peers are glossed over reducing the reliability and increasing the volatility of state funds.

E.L. TENNYSON, P.E.
2233 ABBOTSFORD DRIVE, RFD 55
VIENNA, VA 22181-3220

RECEIVED
OCT 1 (2012

REGISTERED
PROFESSIONAL ENGINEER

(703) 281-7533

The Honorable Jay Fisette, Chairman
Northern Virginia Transportation Commission,
2300 Wilson Boulevard, suite 620, Arlington, VA. 22201

October fifth 2012

Dear Chairman Fisette:

Thank you for your tremendous and delicate effort to get through the October fourth meeting with VaDR&PT. One particular issue was totally unclear to me. How will they divide up the money between the six peer groupings ? The same way they redistrict.?

I understand why they want to have peer groups but I now disagree with it as how does each peer group get its share determined ? It looks like it might be purely arbitrary and highly political. We don't need that. We do not want that. We must not have that.

To further ruin the funding, rail transit does not get peer groups. Our three rail systems are all completely different. MetroRail serves 3,6 million people, 1.5 million in Northern Virginia. Norfolk's Light Rail serves only 240,000. They can't be in the same peer group. VRE serves south of the Rapahannock River, beyond our area. Likewise, car-miles and hours can not be put in the same peer group. VRE is a 32-mile an hour average operation with widely spaced stations. Metro Rail is a 25-mile an hour operation with more closely spaced stations all on private right-of-way. Norfolk's *The Tide* Light Rail runs in the city street part way so is slowed to 18 miles per hour. An hourly denominator for rating will be grossly discriminatory. The cars are in no way comparable among these rail systems. VRE cars are huge and unpowered, with 140 or so seats on eight wheels. MetroRail cars are much smaller with only 64 or so seats (except on the outlawed old cars). Light Rail cars are bigger than MetroRail cars but need 12 wheels to articulate around sharp city curves that neither MetroRail nor VRE could attempt to serve. Also, VRE and MetroRail run in six-car trains or more sometimes, but *The Tide* is usually just a one-car train. Trip lengths vary widely. To lump these great variations in the same peer group should invite a successful discrimination law suit. We also now have Amtrak DR&PT-funded on VRE's lines with interchangeable fares. How can VaDR&PT peer groups handle that ?

I no longer believe equity can permit any peer groups at all. I suspect MetroRail alone moves a majority of all Virginia transit passenger-miles. I am sure the three rail systems do move a majority of all Virginia transit passenger-miles. Equity for them is far more important than any other consideration.

Accordingly I ask that you again to consider my recommendation that Va.DR&PT develop a plan that relies on passenger-miles as the only equitable denominator for allocating funds to each transit system. "Passengers" have no quantitative definition. Passenger-miles do. Small transit systems may have lighter loading but will also have lower costs and higher bus speeds. Speed saves money. When I was younger, I had to distribute almost a BILLION dollars to Pennsylvania transit systems with no formula. I was never successfully accused of misallocating a penny but every system accused me of underfunding them, but overfunding all the others. I think I understand how to allocate transit subsidies to all modes.

Respectfully suggested,

Northern Virginia Transportation Commission

AGENDA ITEM #4

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: October 25, 2012

SUBJECT: Final Report of the Agency Efficiency and Coordination Task Force

---

Chairman Fisette and several other commissioners have been participating on this task force (ECTF) which is directing the work of the Jurisdiction and Agency Coordinating Committee. The task force was created from among the leaders of NVTC, PRTC,NVTA and NVRC to respond to a request from the entire Northern Virginia General Assembly delegation.

The final report is expected to be approved on October 25th by ECTF and NVRC. At NVTC's November 1, 2012 meeting, the final report will be presented for approval by NVTC.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

AGENDA ITEM #5

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: October 25, 2012

SUBJECT: Legislative Items

NVTC's Legislative Committee will meet during November to recommend a state and federal legislative agenda for 2013. NVTC will be asked to act on those recommendations on December 6th. Members of NVTC's Legislative Committee include:

Jay Fisette, Chairman
William Euille
Jeff Greenfield
Mark Herring
Catherine Hudgins
Mary Hynes
Ken Reid
Tom Rust
Dave Snyder

Commissioners are invited to raise any potential legislative matters to be considered by the committee. The VRE Operations Board has already recommended a legislative agenda that will be considered by NVTC's Legislative Committee and brought forward for action by the full commission on December 6th.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

AGENDA ITEM #6

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: October 25, 2012

SUBJECT: Status Report on Implementation of DRPT's New Grant Procedures.

Background

On May 15, 2012, DRPT Director Drake sent a letter to NVTC's WMATA jurisdictions announcing a sudden change in policy. The Commonwealth Transportation Board ultimately approved a resolution directing that NVTC's jurisdictions must be the grantees for transit assistance in place of NVTC. NVTC can serve as an agent for those jurisdictions and run its approved Subsidy Allocation Model and hold the funds in trust. DRPT will no longer provide direct funding to NVTC to defray a portion of its operating costs, even though NVTC continues as a grantee for VRE.

An attachment lists the differences in DRPT's new approach versus the process used in the previous decades. It is open to interpretation whether the new process, which splits WMATA assistance into five pieces, provides more transparency and efficiency than the previous process.

At its September 6th meeting, NVTC approved Resolution #2199 that authorized NVTC staff to open new bank accounts and facilitate loans among jurisdiction trust funds, if asked, to permit all of NVTC's jurisdictions to meet their October 1st WMATA billing obligations.

Current Status

As of October 25, 2012:

1. NVTC has established five new bank accounts in which to receive DRPT grant funds as agents for NVTC's five WMATA jurisdictions.

2. All five of NVTC's WMATA jurisdictions have received approval from their respective councils/boards to execute DRPT's grant agreements and to submit to DRPT notice that NVTC will serve as their agent. The letter to DRPT from Falls Church is attached as an example.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

3. DRPT has concurred with the requests of the cities of Fairfax and Falls Church for NVTC to serve as their agent and FY 2013 funds have begun to be released by DRPT for those jurisdictions.

4. DRPT changed its requirements for concurring with NVTC's agent status after the Fairfax County Board of Supervisors gave its approval, and County staff is deciding how to proceed.

5. October 1st WMATA billings were paid in full by all of NVTC's WMATA jurisdictions.

COMPARISON OF CURRENT AND NEW PROCESS FOR DRPT TRANSIT ASSISTANCE
--October 25, 2012--

ACTIVITY	CURRENT PROCEDURE	NEW PROCEDURE
Grant Applications	Locals prepare local applications and NVTC checks, corrects and submits applications. NVTC prepares WMATA application and submits one application.	Locals prepare, NVTC checks and corrects, NVTC submits applications as agent. NVTC prepares five WMATA applications and submits as agent of locals.
Grantee	NVTC for locals. NVTC for WMATA. NVTC for its own budget. NVTC for VRE.	Five locals for local. Five locals for WMATA. Five locals for supplemental NVTC grant. NVTC for VRE.
Notice to DRPT of NVTC Agent Status	Not required.	Five local letters to DRPT asking for concurrence, citing statutes, listing specific responsibilities and grant agreements and reiterating portions of those grant agreements.
Invoices	For local capital invoices, locals provide documentation to NVTC. NVTC checks, produces and submits grant invoices. For WMATA capital invoices, NVTC accumulates documentation, produces and submits grant invoices.	NVTC is an agent for the five jurisdictions, but other actions remain the same.
Receipt of DRPT Funds	NVTC receives local and WMATA funds as grantee in a single account, allocates using SAM and holds in trust.	NVTC has opened separate bank accounts for each of its WMATA jurisdictions. When NVTC obtains the funds, it acts as an agent, with local permission, to allocate funds using SAM and hold in trust.
Accounting/Audit	NVTC's SAM resolution governs procedures and NVTC's financial statements account for total state aid according to GAAP. Local budgets also show state aid for each locality.	Each local jurisdiction accounts for state aid according to its individual interpretation of GAAP. NVTC's government-wide financials do not show total regional state aid nor does any single local jurisdiction.
Year-End NVTC State Aid Statements	Not required.	DRPT requires NVTC statements for local and NVTC boards and DRPT showing total state aid before and after allocation using SAM.

CITY OF FALLS CHURCH

October 10, 2012

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

Dear Director Drake:

As the duly authorized representative of the City of Falls Church (the City), I am writing to notify the Virginia Department of Rail and Public Transportation (DRPT) that the City designates the Northern Virginia Transportation Commission (NVTC) as its agent, pursuant to §15.2-4518 (5) of the Code of Virginia. This designation is in matters pertaining to the financial grants administration of the following Project Agreements for the Use of Commonwealth Transportation Funds for the Fiscal Year (FY) 2013:

Grant No:	**Title:**
72013-65	Supplemental Operating Assistance
72013- 61	WMATA Operating Assistance Payment
73113- 76	WMATA Capital Project Debt Service
73113- 77	WMATA Metro Matters Program/ Capital Project
73113- 78	WMATA Project Development/ Capital Project
73113- 79	WMATA Capital Improvement Program Other Assets and Credit Facility/ Capital Project
73113- 80	WMATA Capital Improvement Program Replacement Rolling Stock/ Capital Project

These grants are a part of the Six Year Improvement Program (SYIP) approved Projects, authorized in accordance with the provision of Section 2, of the Project Agreements, for the Use of Commonwealth Transportation FY2013 Funds.

By this letter of agent authorization, the City of Falls Church grants the authority to NVTC to act as its agent and apply on its behalf for FY 2014 State Transit Assistance in the DRPT On-Line Grant Administration (OLGA) system and perform other grant administrative activities with DRPT as required under the terms and conditions of the FY2013 Master and Project Grant Agreements. Consistent with the administrative functions of the Master and Project Agreements as well as §15.2-4518 (5) of the Code of Virginia this includes, but is not limited to:

- submit DRPT transit grant applications;
- calculate WMATA payments for DRPT portion and all sources of funding;
- transmit WMATA payment on behalf of the City;
- pool state transit funds and execute the NVTC Subsidy Allocation Model (SAM);
- pursuant to City's executed grant award(s) request and collect DRPT reimbursement;
- prepare annual SAM accounting letter for the City's governing body and DRPT; and
- provide audit report.

Furthermore, the City agrees that NVTC will be the direct recipient of the funds on our behalf and that pursuant to the Project Agreements' Article 1, Section 1.a. and b. the City will record the allocated funds in its financial statements in accordance with Governmental Generally Accepted Accounting Principles. The City's intent is for this local agent designation to be used for future SYIP approved transit projects as well.

This grant authority is contingent upon concurrence with the terms, powers, and duties of NVTC in this relationship specified above, and shall become effective immediately upon execution of the Agreements by DRPT.

Sincerely,

F. Wyatt Shields
City Manager

Cc: Rick Taube, NVTC Executive Director
Scott Kalkwarf, CPA, NVTC Finance and Administration Director
Cindy Mester, Assistant City Manager
Wendy Block-Sanford, Transportation Planner
Richard La Condré, CPA, Chief Financial Officer

Northern Virginia Transportation Commission

AGENDA ITEM #7

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: October 25, 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. For persons wishing to learn more about the performance measures used by WMATA including why they were chosen, please go to:

http://www.wmata.com/about_metro/board_of_directors/board_docs/091312_4AVitalSigns.pdf

The most recent Vital Signs document can be seen at:
http://www.wmata.com/about_metro/scorecard/documents/Vital_Signs_%20August%202012%20QTR%202.pdf

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

AGENDA ITEM #8

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: October 25, 2012

SUBJECT: Regional Transportation Items

A. Motor Fuels Tax Collection Transition.

On October 11, 2012 NVTC and PRTC staff met in Richmond with several senior officials of the Virginia Department of Taxation (TAX) and Virginia's Department of Motor Vehicles (DMV), including TAX Commissioner Burns and DMV Commissioner Holcomb. The purpose of the meeting was to discuss the transition in collection of the commissions' 2.1% motor fuels tax to DMV from TAX that will occur on July 1, 2013. The attached PowerPoint presentation given by TAX and DMV summarizes the content of the very productive meeting.

As can be seen, TAX has picked up the pace of its ongoing audits and is using up to six additional auditors to assist with the program. Thirty-two audits have been completed this year with 17 more underway. Of 185 registered distributors, only 60 have remitted more than $10,000 in tax and are responsible for more than $77.5 million of the $78.8 million taxes paid in FY 2012. Misallocations discovered among jurisdictions total $2.7 million for PRTC and $5.2 million for NVTC since December, 2010. Yet, under reporting is very modest: $265,500 for PRTC and $200,000 for NVTC.

DMV is working with its software vendor to develop an automated procedure that will not accept misallocated tax returns. The plan is to construct a system in which, when a filer submits a return with multiple jurisdictions sharing a 9-digit zip code, the software would query whether the taxpayer has verified the address in the correct jurisdiction. If the taxpayer says no, then they would be required to verify the address through a link to a U.S. Postal Service website. A report will be generated showing all tax returns with such multiple jurisdictions/zip code combinations, which can be manually checked by DMV and the commissions.

2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

DMV hopes to process returns more quickly than TAX, with funds received by the 20th of the month returned to the commissions by the end of the same month.

The group discussed the gap in audits that could occur from the time that TAX discontinues its auditing and DMV commences it. TAX promised to pursue a MOU to permit data sharing with DMV and DMV believes its automated procedures will greatly reduce any errors.

The commissions were asked to write to DMV describing the current statutory ability to review confidential data. Although DMV data are not as subject to restrictions as were those of TAX, the intent is to retain the commissions' ability to assist in identifying and correcting errors.

In the meantime, commission staff have developed a look-up table that could be used by taxpayers prior to the transition to DMV in which jurisdictions with multiple zip codes (or incorrect zip codes) are identified and taxpayers are referred to the U.S. Postal Service website. TAX has not determined whether it will make this tool available to taxpayers.

B. NVTC's Statement to CTB on October 30th.

The attached statement will be presented to CTB at its Northern Virginia hearing. As can be seen, it emphasizes the outstanding performance of Northern Virginia's transit systems.

C. DRPT'S Statewide Transit/TDM Plan Update.

On October 8, 2012, DRPT and its consultants conducted a public stakeholders meeting at the Springfield Megaprojects office to present the financial analysis and resource allocation plan for the update. Stakeholders were asked to submit any further comments by October 17th. Apparently the final version of the plan will be posted on DRPT's website by mid-November and will be used as input for other state transportation plans, including VTrans 2040.

The attached PowerPoint was presented at the meeting. Among the comments from stakeholders:

- Specific capital projects should be listed for the various scenarios to avoid confusion.
- The assumptions of maintaining the federal level of effort beyond MAP-21 may be too optimistic, especially since Virginia officials have been unwilling to advocate for such funding.

- DRPT staff stated that DRPT is not a transit funding advocate, but only intends to present the facts to the General Assembly. Some in the stakeholders group called for DRPT to include potential new state revenue sources and a plan to phase in new revenues and spending to close the alarming gaps identified by DRPT.
- DRPT should identify the "moderate" investment scenario as the absolute minimum level of necessary funding, to maintain transit's mode share, since the "low" scenario necessary to maintain a state of good repair does not account for growing demand.
- The group objected to the preliminary study finding that "operational efficiencies need to be achieved and rewarded in allocation of funds" as unsupported by the content of the plan and more appropriately directed at DRPT's SJR 297 study.
- The necessary levels of TDM funding in urban cores are underestimated.
- Using "low," "medium," and "high" to designate investment levels makes the largest group sound excessive. It might be better to call the "high" level "fully realized."
- There needs to be a stronger conclusion that emphasizes revenue streams are uncertain and without change will not keep pace with inflation, meet demand, or close the gaps, thereby resulting in serious damage to the Commonwealth's economy and quality of life.

D. <u>DRPT's SuperNova Plan.</u>

DRPT held the last of four stakeholder meetings related to the SuperNoVa Transit/TDM Vision Plan on October 23, 2012. The purpose of the meeting was to discuss the draft final report and recommendations. The PowerPoint presentation from the stakeholder meeting and the Executive Summary of the draft final report are attached.

The draft final report sets out a vision for a regional transit network and a high-capacity transit network, identifying corridors where transit should be provided, specifying the mode of transit, and proposing the location of potential intermodal hubs. The plan also proposes recommended policies related to: marketing and communications, planning, operations, facilities, access to and from transit, and technology.

In response to previous stakeholder input, the draft final report now includes recommendations addressing transit storage and maintenance facilities needs for VRE, PRTC, and Loudoun County Transit (LCT), and core capacity constraints for Metrorail and VRE. A recommendation proposing a Super NoVa regional transit governance body has been removed (Note: this recommendation was included in the attached presentation in error; it is not included in the attached Executive Summary). Additionally, the plan

recommends a Super NoVa region cooperative transit service provider(s) or coordinated operating plan(s).

Concerns expressed by the stakeholder group include:

- Potential conflicts between the SuperNoVa plan and regional and local plans concerning, for example, regional priorities or proposed transit modes in specific corridors;
- Lack of clarity with respect to which entity(ies) are responsible for taking a leadership role to move the plan forward;
- The cost of the proposed recommendations and adequacy of state funding;
- The meaning of "voluntary cooperation and coordination" in the absence of a state mandate, and possible implications if the plan were at some point to become a mandate;
- The need for an action plan which clearly defines next steps and assigns roles and responsibilities.

Other concerns identified by PRTC staff include:

- More background material is needed on how transit systems evolved and how they are funded;
- SuperNova shows sharp differences in philosophy with DRPT's SJR 297 study, since SuperNova emphasizes the need for more transit service in low density areas and SJR 297 rewards service in well established high-density markets;
- In recommending a super-regional service provider, DRPT should be aware that the various existing transit systems are funded primarily by local sponsors who set local performance objectives. Who will pay the proposed single new operator and how will local needs be incorporated?
- Reference is made to "service duplication" with no explanation or support;
- In calling for reducing transfers, DRPT should be aware of the trade-off between one-seat rides versus more frequent service given limited budgets.

Stakeholders interested in submitted comments on the draft final report must do so by November 7, 2012. The complete draft final report is available at http://www.supernovatransitvision.com.

E. Northern Virginia Transportation Alliance's Seminar.

On October 10, 2012, the Northern Virginia Transportation Alliance held its eighth annual *What You Need to Know About Transportation in Five Minutes or Less* seminar. Seven speakers provided brief status updates on projects and initiatives at their respective organizations. Speakers included: John McClain, Center for Regional Analysis at George Mason University; Richard Sarles, WMATA; Garrett Moore, VDOT; Gary Garczynski, CTB; Doug Allen, VRE; Pat Nowakowski, Dulles Corridor Metrorail Project; and Greg Whirley, VDOT. Common themes throughout the evening included investing in transportation to support economic growth, and establishing sustainable revenue streams and increasing state funding for transportation. Highlights from the presentations follow:

- According to a new Center for Regional Analysis (George Mason University) study prepared for The 2030 Group, Gross Regional Product (GRP) in the Washington, D.C. area will grow by $1,420 billion, or 331%, from 2010 to 2040. The report states that ¾ of GRP growth will be enabled by automobiles, and that eight out of the 12 activity centers that will experience the greatest GRP growth are located in Northern Virginia. The report encourages highway improvements to support the expected growth.
- As part of a strategic planning effort, WMATA launched Momentum—The Next Generation of Metro, to engage stakeholders and encourage them to weigh in on the proposed strategic framework.
- Garrett Moore, VDOT Northern Virginia District Administrator, provided an update on projects and studies recently completed, currently underway, and coming soon in Northern Virginia.
- Gary Garczynski, Northern Virginia District representative to the Commonwealth Transportation Board (CTB), discussed the ongoing master planning process for the North South Corridor, the newest designated corridor of statewide significance (CoSS). The study will be released to the CTB in December.
- VRE CEO, Doug Allen, noted that VRE is now 20 years old. Designed to carry 2.5 million passengers per year, today it carries almost 5 million per year. As the system nears its capacity, VRE is at a crossroads.
- Construction of Dulles Rail Phase 1 is now 82% complete; it will be 100% complete in August 2013 when it will be turned over to WMATA.
- Gregory Whirley, Commissioner of Highways for VDOT, lobbied for the development of a steady revenue stream to support the Commonwealth's future transportation needs. In FY2013, $363.6 million will be transferred from the state's construction fund to meet the needs of the Highway Maintenance and Operating Fund (HMOF).

Whirley noted that motor fuels tax revenues continue to decline while costs and daily vehicle miles traveled (DVMT) continue to increase.

Links to the full presentations are available on the Alliance's website at www.nvta.org.

F. I-66 and Region-wide Bus on Shoulders Studies.

Two studies are currently underway in the region exploring the feasibility of bus on shoulder (BOS) operations.

TPB Bus On Shoulders Task Force

At the request of the Transportation Planning Board (TPB), MWCOG established a TPB Bus On Shoulders (BOS) Task Force to identify locations in the region to operate buses on shoulders. The Task Force is co-chaired by Chris Zimmerman, Arlington County, and Carol Krimm, City of Frederick. Tasks include:

- Summarize local and national experiences with BOS;
- Assess the feasibility of BOS at specific locations based on current congestion and bus service and shoulder conditions; and
- Conduct cost-benefit analyses of select corridors/routes in the region and examine challenges to safe implementation.

The Task Force first convened on October 17, 2012. The complete work schedule includes three meetings of the Task Force, and the preparation of three technical memoranda. The study will conclude in April 2013.

I-66 Inside the Beltway Bus on Shoulder Pilot Program

VDOT established the I-66 Inside the Beltway Bus on Shoulder (BOS) Pilot Program in response to feedback obtained through stakeholder interviews conducted during the year-long I-66 Multimodal Inside the Beltway Study, completed in Summer 2012. VDOT is leading the project, with assistance from MWCOG. FourSquare ITP is the consultant on the project. Tasks include:

- Conduct literature review to identify best practices in BOS operations, and collect baseline data for the corridor;
- Definition of pilot program objectives, e.g., travel time reductions for bus routes;
- Identify the location of the problem and candidate locations for BOS operations;
- Identify and evaluate a range of solutions for the candidate locations;

- Develop operations and design criteria, e.g., operating speeds and hours, shoulder widths, and signage;
- Develop an implementation plan and prepare a final report;
- Present findings to NVTA / NVTC.

The first meeting of the Working Group was held on October 10, 2012. The project schedule allows for six months for planning (concluding in March 2013), and an additional 12-18 months for implementation. VDOT has committed to implementing BOS improvements in this corridor, and if successful, may be willing to make additional investments.

Virginia Departments of Taxation and Motor Vehicles

Motor Vehicle Fuel Sales Tax Transitional Meeting

October 11, 2012

Overview

- The Motor Vehicle Fuel Sales Tax is imposed on sales of motor fuels to retailers and is collected by distributors of motor fuels
- A total of approximately $79 million was collected in Motor Vehicle Fuel Sales Tax in Fiscal Year 2012
- Legislation in the 2012 Session of the General Assembly transfer the administration of the tax to the Department of Motor Vehicles effective July 1, 2013
- This was a recommendation of the Governor McDonnell's Government Reform and Restructuring Commission

Overview

- Prior to 2010, the Motor Vehicle Fuel Sales Tax was imposed on the retail sale of motor fuels (like the sales tax) and collected by retailers of motor fuels

- Beginning January 1, 2010, the Motor Vehicle Fuel Sales Tax was imposed on sales of motor fuels to retailers and the collection of the tax was moved to distributors of motor fuels

- The Department worked closely with the staff of the transportation commissions during this transition

Overview

- The Department developed an audit plan for the Motor Vehicle Fuel Sales Tax with input from staff of the transportation commissions

- The Department has continued to have regular meetings with the transportation commissions and to be responsive to their needs

Audit Status -TAX

- With the impending transfer, the Department has accelerated its audit plan to get the most "bang for the buck" by June 30, 2013

- The Department has also brought in 6 additional sales and use tax auditors (G.F.) to assist with the program

- The Department has completed 32 audits so far for calendar year 2012

- There are 17 audits currently in progress

Audit Status -TAX

- The Department concentrated on distributors who remit more than $10,000 in tax a year
  - Approximately 185 distributors in total have registered to remit the tax
  - Approximately 60 distributors remitted more than $10,000 in tax
  - These distributors are responsible for more than $77.5 million of the $78.8 million in Motor Vehicle Fuel Sales Tax paid in Fiscal Year 2012

- By June 30, 2013, the Department will have completed audits on distributors responsible for $76.2 million of the $78.8 million in Motor Vehicle Fuel Sales Tax paid in Fiscal Year 2012

Audit Results -TAX

- From December, 2010 through September, 2012, the Department has discovered:
  - Misallocation of approximately $2.7 million between PRTC localities
  - Misallocation of approximately $5.2 million between NVTC localities
- For the same period, the Department has also assessed:
  - Approximately $265,500 for underreported sales in PRTC localities
  - Approximately $200,000 for underreported sales in NVTC localities
- Only 6% of all errors discovered were from underreported sales, 94% of the errors discovered were misallocations
- The Department does not wait for an audit to be completed before reporting misallocations to the transportation commissions

Transition

- The Department of Taxation will continue to conduct audits until June 30, 2013
- No assessments will be issued after June 30, 2013
- The Department of Taxation will be responsible for collecting any outstanding assessments issued prior to June 30, 2013

DMV Implementation

LICENSING

New TAX TYPE

DMV Implementation

REPORTING/
FILING RETURNS

DMV Implementation

ELECTRONIC FILING ONLY

Virginia Wholesale Fuel Tax Return

	Schedule	Delete	Submit	Print	Close

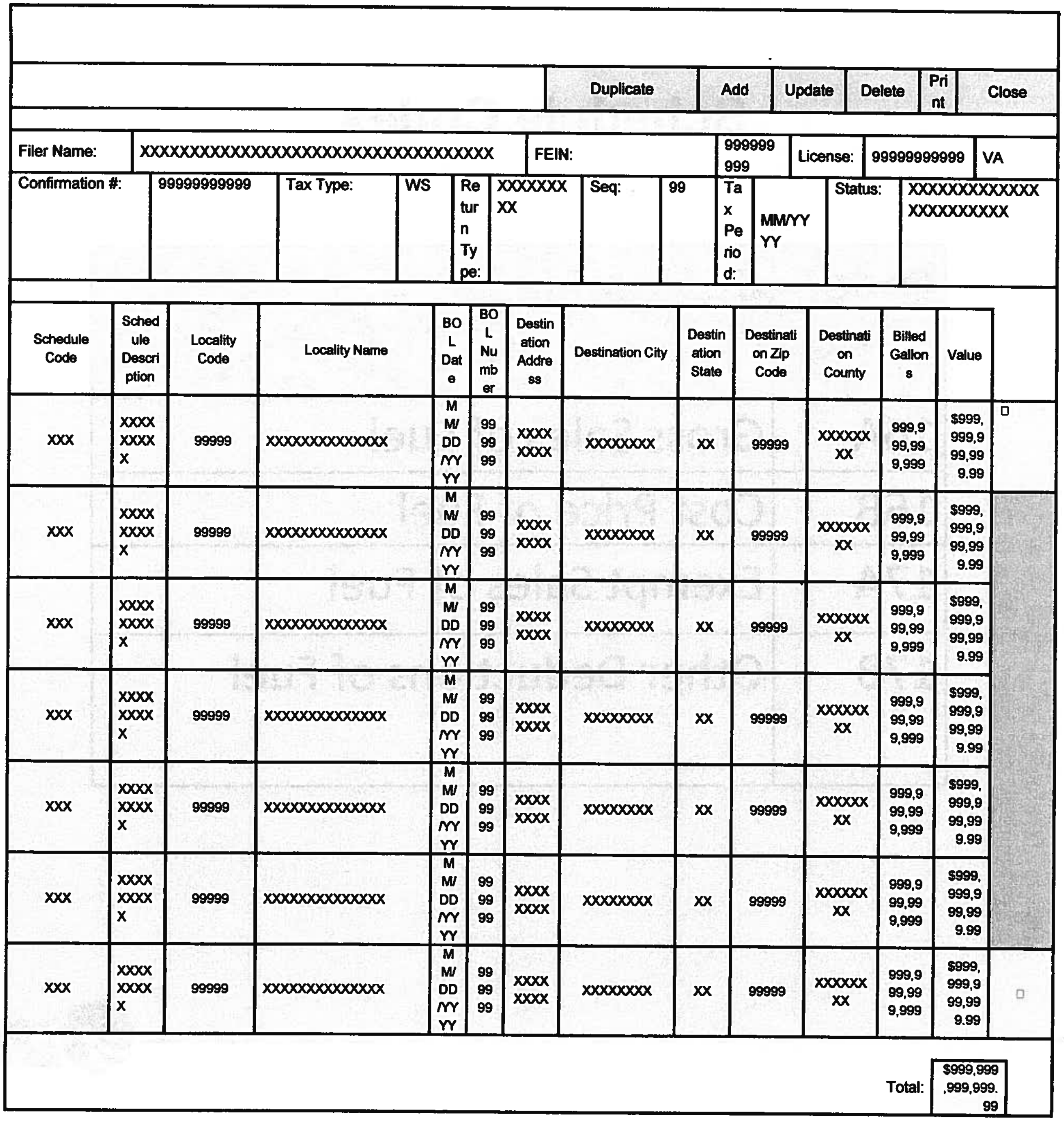
Filer Name:	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	FEIN:	999999999	License:	99999999999

Tax Type:	WS	Tax Period:	MM/YYYY	Return Type:	XXXXXXXXX	Seq:	99	VA

Confirmation #:	99999999999	Status:	XXXXXXXXXXXXXXXXXXXXXXXX

	Sch	Value	
1. Gross Sales of Fuel	16A	$999,999,999,999.99	☐
2. Cost Price of Fuel (Enter the cost price of fuel purchased without payment of fuel tax and withdrawn from inventory for retail sale.)	16B	$999,999,999,999.99	
3. Sum of Lines 1 and 2		$999,999,999,999.99	
4. Allowable Deductions:			
a. Exempt Sales	17A	$999,999,999,999.99	
a. Other Deductions	17B	$999,999,999,999.99	
a. Total Deductions		$999,999,999,999.99	
5. Taxable Sales		$999,999,999,999.99	
6. Tax (2.1% of Line 5 or .021 x Line 5)		$999,999,999,999.99	
8. Dealer's Discount for timely filing and payment (2% of Line 6 or .02 x Line 6)		$999,999,999,999.99	
9. Line 6 less Line 7		$999,999,999,999.99	
10.. Penalty for late filing and payment		$999,999,999,999.99	
11. Interest for late filing and payment		$999,999,999,999.99	
12.. Total Amount Due (Sum of Lines 8, 9, & 10)		$999,999,999,999.99	☐

Schedule Detail Screen



Filer Name: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX FEIN: 999999999 License: 99999999999 VA

Confirmation #: 99999999999 Tax Type: WS Return Type: XXXXXXXXX Seq: 99 Tax Period: MM/YYYY Status: XXXXXXXXXXXXXXXXXXXXXX

Schedule Code	Schedule Description	Locality Code	Locality Name	BOL Date	BOL Number	Destination Address	Destination City	Destination State	Destination Zip Code	Destination County	Billed Gallons	Value	
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	☐
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	
XXX	XXXXXXXXX	99999	XXXXXXXXXXXXXX	MM/DD/YYYY	999999	XXXXXXXX	XXXXXXXX	XX	99999	XXXXXXXX	999,999,999	$999,999,999,999.99	☐

Total: $999,999,999,999.99

Schedule Codes

Code	Description
16A	Gross Sales of Fuel
16B	Cost Price of Fuel
17A	Exempt Sales of Fuel
17B	Other Deductions of Fuel

Locality List

Locality Name:	Locality Code:
Alexandria	51510
Arlington	51013
Fairfax City	51600
Fairfax County	51059
Fall Church	51610
Fredericksburg	51630
Loudoun	51107
Manassas	51683
Manassas Park	51685
Prince William	51153
Stafford	51179

DMV Implementation

FUELS TAX SYSTEM

Fuels Tax System Process

- **Day One** –Return files are submit
- **Overnight** -System checks file for errors
- **Day Two-** Filer checks to see if there were errors in file
  *If errors-correct and re-submit
  *If no errors-Return File is submitted and FILED

TYPES OF ERRORS

TABLE DEFINED ERRORS

- Unknown Locality Code
- Unknown Zip Code
- Unmatched Locality Code and Zip Code
- More

OUTPUT REPORTS

- All Reports will be designed to incorporate the need of the stakeholder.

  Commissions /Localities
  Industry
  DMV management

- System access to view reports for specific districts and/or localities.

- Monthly disbursements based on reported information

AUDIT PLAN - PROJECTED VERSUS ACTUAL

Projected Schedule Start	Number of Audits
In Progress as of 1/1/12	15
Jan-12	3
Feb-12	5
Mar-12	3
Apr-12	3
May-12	3
Jun-12	3
Jul-12	3
Aug-12	3
Sep-12	3
Oct-12	3
Nov-12	3
Dec-12	3
Total (excluding 1/1/12 in progress)	**38**

Actual Schedule Start	Number of Audits
Jan-12	1
Feb-12	3
Mar-12	3
Apr-12	2
May-12	5
Jun-12	3
Jul-12	5
Aug-12	9
Sep-12	5
Oct-12	
Nov-12	
Dec-12	
Total	**36**

Expected Completion Calendar Year 2012	Number of Audits
Jan-12	11
Feb-12	3
Mar-12	2
Apr-12	2
May-12	1
Jun-12	3
Jul-12	3
Aug-12	3
Sep-12	2
Oct-12	4
Nov-12	4
Dec-12	2
Total	**40**

Actual Completion Calendar Year 2012	Number of Audits
Jan-12	1
Feb-12	1
Mar-12	2
Apr-12	1
May-12	3
Jun-12	7
Jul-12	5
Aug-12	3
Sep-12	9
Oct-12	
Nov-12	
Dec-12	
Total	**32**

Expected Completion Calendar Year 2013	Number of Audits
Jan-13	2
Feb-13	3
Mar-13	2
Apr-13	3
May-13	3
Total	**13**

Actual Completion Calendar Year 2013	Number of Audits
Jan-13	
Feb-13	
Mar-13	
Apr-13	
May-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 17 Audits in Progress as of 9/30/2012

We anticipate closing 3-5 audits in September.

As of 9/30/12 we have started 7 more audits than projected.

As of 9/30/12 we have closed 2 more audits than projected.

Motor Fuels Tax Zip Code Tables -- NVTC and PRTC Jurisdictions

Zip Code	Jurisdiction
20105	Loudoun County
20108*	Manassas
20109	Prince William County
20110	Manassas, Manassas Park, Prince William County
20111	Manassas Park, Prince William County
20112	Prince William County
20113*	Manassas Park
20117**	Loudoun County, (crosses outside of NVTC boundaries)
20118*	Loudoun County
20120**	Fairfax County, Loudoun County
20121	Fairfax County
20122*	Fairfax County
20124	Fairfax County
20129	Loudoun County
20130**	Loudoun County, (crosses outside of NVTC boundaries)
20131*	Loudoun County
20132	Loudoun County
20134*	Loudoun County
20135**	Loudoun County, (crosses outside of NVTC boundaries)
20136	Prince William County
20141	Loudoun County
20142*	Loudoun County
20143	Prince William County
20146*	Loudoun County
20147	Loudoun County
20148	Loudoun County
20151	Fairfax County
20152	Loudoun County
20153*	Fairfax County
20155	Prince William County
20156*	Prince William County
20158	Loudoun County
20159*	Loudoun County
20160*	Loudoun County
20163*	Loudoun County
20164	Loudoun County
20165	Loudoun County

*Non-deliver P.O. Not an indication of a physical address, but rather a P.O. Box. If this zip code is used as a delivery address, it is an error.

**For correct jurisdiction where multiple jurisdictions are listed for a zip code, refer to "Mailing Industry Details: at https://tools.usps.com/go/ZipLookupAction_input

Motor Fuels Tax Zip Code Tables -- NVTC and PRTC Jurisdictions

Zip Code	Jurisdiction
20166**	Fairfax County, Loudoun County
20167*	Loudoun County
20168*	Prince William County
20169	Prince William County
20170	Fairfax County
20171	Fairfax County
20172*	Fairfax County
20175	Loudoun County
20176	Loudoun County
20177*	Loudoun County
20178*	Loudoun County
20180	Loudoun County
20181	Prince William County
20182	Prince William County
20184**	Loudoun County, (crosses outside of NVTC boundaries)
20190	Fairfax County
20191	Fairfax County
20194	Fairfax County
20195*	Fairfax County
20197	Loudoun County
22003	Fairfax County
22009*	Fairfax County
22015	Fairfax County
22026	Prince William County
22027	Fairfax County
22030**	City of Fairfax, Fairfax County
22031**	City of Fairfax, Fairfax County
22032**	City of Fairfax, Fairfax County
22033	Fairfax County
22038*	City of Fairfax
22039	Fairfax County
22040*	Falls Church
22041	Fairfax County
22042**	Fairfax County, Falls Church
22043	Fairfax County
22044**	Fairfax County, Falls Church
22046**	Fairfax County, Falls Church
22060	Fairfax County

*Non-deliver P.O. Not an indication of a physical address, but rather a P.O. Box. If this zip code is used as a delivery address, it is an error.

**For correct jurisdiction where multiple jurisdictions are listed for a zip code, refer to "Mailing Industry Details: at https://tools.usps.com/go/ZipLookupAction_input

Motor Fuels Tax Zip Code Tables -- NVTC and PRTC Jurisdictions

Zip Code	Jurisdiction
22066**	Fairfax County, Loudoun County
22079	Fairfax County
22101**	Arlington, Fairfax County
22102	Fairfax County
22103*	Fairfax County
22106*	Fairfax County
22116*	Fairfax County
22121*	Fairfax County
22122*	Fairfax County
22124	Fairfax County
22125*	Prince William County
22134	Prince William County
22135	Stafford County
22150	Fairfax County
22151	Fairfax County
22152	Fairfax County
22153	Fairfax County
22172	Prince William County
22180	Fairfax County
22181	Fairfax County
22182	Fairfax County
22183*	Fairfax County
22191	Prince William County
22192	Prince William County
22193	Prince William County
22194*	Prince William County
22195*	Prince William County
22199*	Fairfax County
22201	Arlington County
22202	Arlington County
22203	Arlington County
22204	Arlington County
22205	Arlington County
22206	Arlington County
22207**	Arlington County, Fairfax County
22209	Arlington County
22210*	Arlington County
22211	Arlington County

*Non-deliver P.O. Not an indication of a physical address, but rather a P.O. Box. If this zip code is used as a delivery address, it is an error.

**For correct jurisdiction where multiple jurisdictions are listed for a zip code, refer to "Mailing Industry Details: at https://tools.usps.com/go/ZipLookupAction_input

Motor Fuels Tax Zip Code Tables -- NVTC and PRTC Jurisdictions

Zip Code	Jurisdiction
22213	Arlington County
22215*	Arlington County
22216*	Arlington County
22219*	Arlington County
22301	Alexandria
22302	Alexandria
22303	Fairfax County
22304**	Alexandria, Fairfax County
22305	Alexandria
22306	Fairfax County
22307	Fairfax County
22308	Fairfax County
22309	Fairfax County
22310	Fairfax County
22311**	Alexandria, Fairfax County
22312**	Alexandria, Fairfax County
22313*	Alexandria
22314	Alexandria
22315	Fairfax County
22320*	Alexandria
22401	Fredericksburg
22402*	Fredericksburg
22403*	Stafford County
22404*	Fredericksburg
22405	Stafford County
22406	Stafford County
22407	Spotsylvania County
22408	Spotsylvania County
22412	Stafford County
22430*	Stafford County
22463*	Stafford County
22471*	Stafford County
22534	Spotsylvania County
22545*	Stafford County
22553	Spotsylvania County
22554	Stafford County
22555*	Stafford County

*Non-deliver P.O. Not an indication of a physical address, but rather a P.O. Box. If this zip code is used as a delivery address, it is an error.

**For correct jurisdiction where multiple jurisdictions are listed for a zip code, refer to "Mailing Industry Details: at https://tools.usps.com/go/ZipLookupAction_input

Commonwealth Transportation Board

Public Hearing on Six-Year Transportation Program

October 30, 2012

6:00 P.M.
VDOT Northern Virginia Office
4975 Alliance Drive, Suite IN230I
Fairfax, VA 22030

Statement of Jeff McKay, Vice-Chairman
Northern Virginia Transportation Commission

Summary

- Transit's main mission is to move people, enhance mobility, provide access to jobs, reduce congestion, clean our air and improve our quality of life.
- Despite severe financial constraints, transit has continued to perform exceptionally well in Northern Virginia.
- The Commonwealth Transportation Board should give top priority to this region's transit needs, because:
  - measured transit performance is solid.
  - transit is critical to creating and maintaining jobs and sustained economic recovery.

2

Ridership Data Show Continued Positive Regional Transit Performance

Continued, strong transit performance in Northern Virginia:

- Transportation entities provide almost 150 million passenger trips annually in Northern Virginia.
- 76% of Virginia's transit ridership occurs in Northern Virginia (74% in NVTC's district).
- Northern Virginia's 2.3 million residents took 65 transit trips per capita in FY 2012, while in NVTC's district residents took 80. The statewide average outside of Northern Virginia was only approximately 8. Thus, NVTC jurisdiction residents took 10 times as many transit trips per capita.

3

Total Transit Ridership Growth NoVA FY 2003-2012

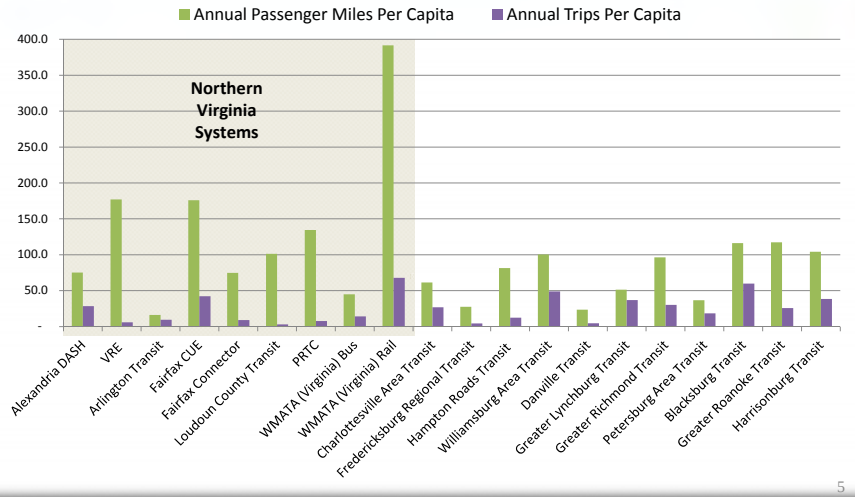
Passenger Trips in Northern Virginia (FY 2003 - FY 2012)
(in thousands)

Transit Provider	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	% Change FY 03 - 12
Metrorail (Northern Virginia)	83,530	87,818	89,624	94,642	94,161	97,964	101,184	98,464	98,053	98,486	17.9%
Metrobus (Northern Virginia)	20,856	19,191	19,315	20,899	21,011	20,871	22,125	20,556	20,402	21,713	4.1%
Fairfax Connector	7,595	7,991	8,474	9,529	9,717	9,810	9,577	9,644	10,283	10,915	43.7%
Alexandria DASH Bus	2,987	3,131	3,323	3,556	3,743	3,979	4,007	3,806	3,751	3,900	30.6%
Virginia Railway Express	3,180	3,645	3,745	3,640	3,454	3,629	3,868	4,107	4,646	4,772	50.1%
PRTC OMNI Ride and OMNI Link	1,832	1,856	2,092	2,452	2,609	2,849	3,172	3,176	3,327	3,445	88.0%
Arlington Transit	397	675	789	927	1,060	1,225	1,429	1,990	2,261	2,537	539.1%
City of Fairfax CUE Bus	925	986	1,068	1,094	1,136	1,047	1,032	932	911	908	-1.8%
Loudoun County Transit	282	393	514	602	652	777	890	968	1,211	1,261	347.3%
Total NoVA	121,583	125,686	128,945	137,342	137,544	142,152	147,283	143,643	144,843	147,936	21.7%

- Ridership in NoVA grew nearly 22% over the past 10 years.
- NoVA public transit providers now serve 148 million passengers per year.

4

Statewide Use of Public Transit Systems



5

Transit Success Follows State Investments

- Transit and ridesharing carry up to two-thirds of commuters in Northern Virginia's major corridors inside the Beltway in peak periods and up to half outside the Beltway.
- Despite the economic downturn, transit ridership on many transit systems in Northern Virginia is strong.
- The Texas Transportation Institute's most recent estimate is that the Washington D.C. region's past investments in transit saved $726 million annually in reduced fuel use and delay in traffic.

6

Assistance Formulas

- DRPT has completed a study of possible new allocation formulas for its transit assistance programs (SJR 297). The department created a stakeholder advisory group. That group urged DRPT to focus its efforts on obtaining more state transit assistance to keep pace with needs, since revising the existing formulas in an environment of constant or shrinking overall revenues is very likely to create winners and losers among the commonwealth's struggling transit systems.

- NVTC, its jurisdictions and transit systems are proud of the performance of this region's transit network and do not favor the changes recommended by DRPT to the existing formulas. The proposed changes create uncertainty and risk unintended consequences. The Virginia Transit Association representing transit providers of various sizes and with differing missions also strenuously opposes DRPT's proposal.

7

What can CTB do to Help Transit in Northern Virginia?

1. Give top priority for transit projects in Northern Virginia to support job creation and sustain economic recovery. This region has the greatest use of transit, the best performing transit network, the greatest funding needs and the greatest per capita local effort to invest in transit.
2. Encourage the General Assembly to increase statewide transit funding and restore regional funding.
3. Provide funding to Northern Virginia to the greatest extent possible from discretionary federal and state sources. For example, maintain funding of $9.6 million for track leases of the Virginia Railway Express from discretionary federal funds.

8

In Closing

- For more transit performance facts and links to each public transit system, visit NVTC's website at: www.thinkoutsidethecar.org
- Questions?

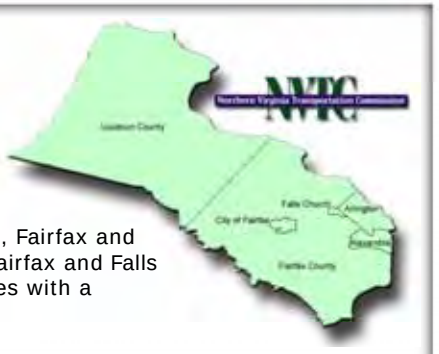
9

APPENDIX

10

NVTC is…

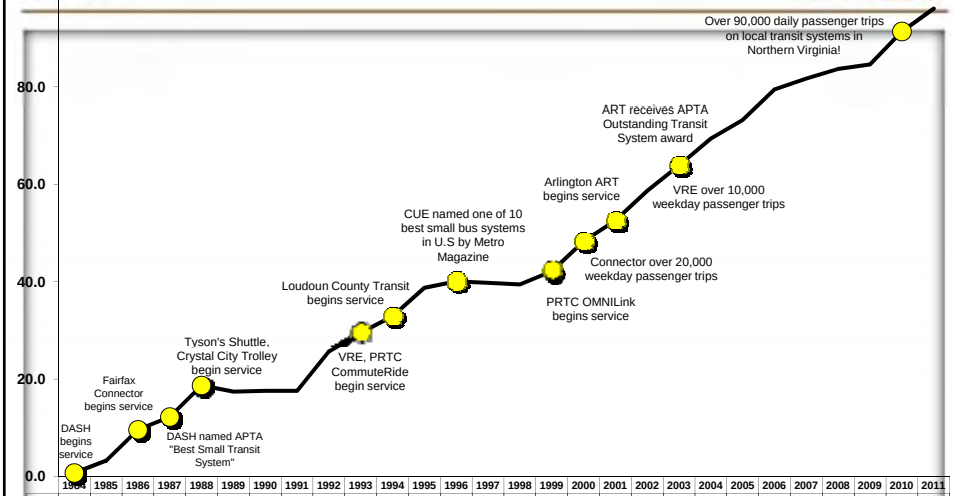
- A regional agency with the mission of managing traffic congestion, restoring clean air, boosting the economy and improving the quality of life for all of Northern Virginia's citizens through effective public transit and ridesharing networks.
- NVTC includes the counties of Arlington, Fairfax and Loudoun and the cities of Alexandria, Fairfax and Falls Church covering over 1,000 square miles with a population of 1.7 million.



- The agency manages up to $200 million of state and federal grant funds and regional gas tax revenues each year for public transit and serves as a forum for its board of 20 state and local elected officials to resolve issues involving public transit and ridesharing.
- For information about NVTC, please visit www.thinkoutsidethecar.org.

11

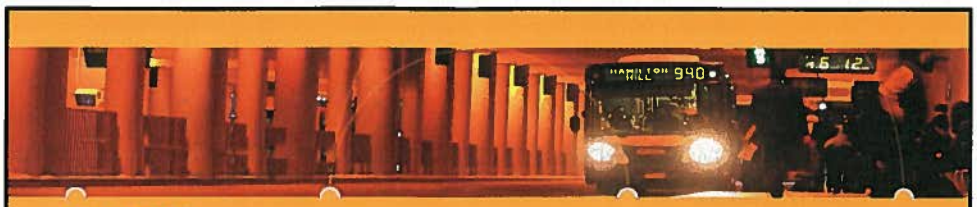
Average Weekday Passenger Trips on NoVA Transit Systems (FY 1984-2011) (in thousands)



	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trips	0.8	3.3	9.6	12.2	18.7	17.4	17.6	17.6	25.7	29.5	32.9	38.7	40.1	39.7	39.4	42.1	48.2	52.5	58.6	63.8	69.3	73.1	79.4	81.7	83.6	84.6	91.3	96.0

* Northern Virginia Transit Systems for 2011 include DASH, Fairfax Connector, CUE, VRE, PRTC OmniRide and OmniLink, Loudoun County Transit, and Arlington Transit (ART). Previous years may include data from RIBS, Tyson's Shuttle, Crystal City Shuttle, and Loudoun County Commuter Service. WMATA MetroRail and MetroBus data not included. CUE began service in FY 81. Do do not include WMATA reimbursable services such as the REX, Pike Ride, or TAGS

8C



DRPT
Virginia Department of Rail and Public Transportation

Statewide Transit & Transportation Demand Management Plan Update

Stakeholders Meeting 3

October 9, 2012, Springfield
October 10, 2012, Richmond
October 11, 2012, Webinar

1

Agenda

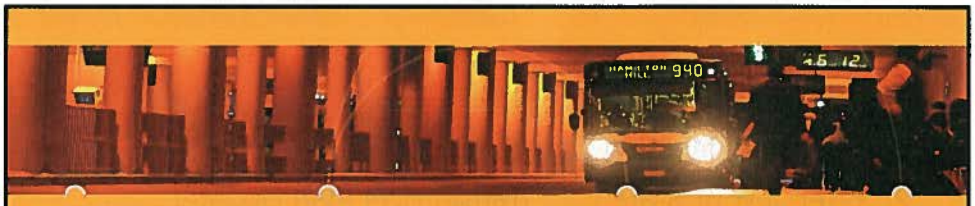
1. Welcome, Meeting Objectives
2. Overview of Statewide Transit/TDM Plan Update
3. Summary of Second Stakeholder Meetings
   - Summary of Stakeholder Comments
   - Transit and TDM Investment Scenarios
4. Financial Analysis
   - Expense and Revenue Summary
   - Unconstrained Gap Analysis
   - Resource Allocation Plan
5. Preliminary Findings and Conclusions
6. Next Steps

DRPT
Virginia Department of Rail and Public Transportation

Statewide Transit & Transportation Demand Management Plan Update 2

Meeting Objectives

- To show how stakeholder comments have been incorporated
- To present financial analysis and resource allocation plan
- To consider preliminary transit and TDM program recommendations and funding requirements
- To explain opportunities for stakeholders to review and comment on the draft plan



DRPT Virginia Department of Rail and Public Transportation

Project Overview

Study Objectives

Study objectives for the Statewide Transit and TDM Plan (VST/TP):

- Identify existing public transportation conditions
- Define guidelines for Transit and TDM levels of service
- Provide a blueprint for addressing needs for the future, with a focus on key investment priorities and maintaining a "state of good repair"
- Make recommendations to the Virginia Surface Transportation Plan Update
- Provide guidance on fiscal requirements and strategies to maximize Virginia's investment in public transportation

Study Scope of Work

- Data Collection & Review
- Transit Data & Demographic Analysis
- Transit & TDM Program Needs Recommendations
- Financial Analysis & Cash Flow Model
- Transit & TDM Resource Allocation Plan
- Coordination with VTrans2035 and Virginia Surface Transportation Plan Updates
- Public & Stakeholder Involvement
- Draft & Final Statewide Transit & TDM Plan Update

Relationship to Other Studies

- 2035 VA Surface Transportation Plan Update (VSTP):
  - VST/TP will provide input to ongoing update of 2035 VSTP Update
  - Using the VSTP public involvement process
- SuperNoVa Transit/TDM Vision Plan:
  - VST/TP uses consistent approach and methods
  - VST/TP uses SuperNoVa analyses to refine VST/TP analysis for Northern VA
- DRPT Multimodal & Public Space Guidelines and Transit Service Design Guidelines: VST/TP intent is to ensure consistency with DRPT Guidelines

Summary of 2nd Round of Stakeholder Meetings

Stakeholder Meeting 2 Summary

- Described overall study approach
- Reviewed service standards/parameters used to define transit and TDM needs
- Presented needs analysis results for transit and TDM
  - By investment strategies
  - By investment scenarios
- Discussed draft transit and TDM needs recommendations
  - Service levels
  - Cost estimates

Stakeholder Comments

- Concern that TDM services were increased to keep up with population growth only in the high investment scenario, rather than the moderate investment scenario
  - Moderate scenario has been updated to include population growth and area type changes while closing geographic gaps based on existing service levels
- Expressed need for Park and Ride lots and Education/Outreach in non-urban work markets
  - These strategies were added as recommended strategies in non-urban work markets
- Several recommendations for items that should be included under Major Capital Investments
  - Used information provided by stakeholders in updating MCI costs

Transit and TDM Investment Strategies

Four cost categories for evaluating investment scenarios

- Transit State of Good Repair (SGR)
- Transit Capacity Enhancements
- TDM Capacity Enhancements
- Transit Major Capital Projects

Transit Investment Scenarios

- **Low Investment**
  - Addresses SGR for existing vehicles
  - Maintains existing service levels plus TDP commitments, escalates costs for inflation (3%)
  - Assumes Major Capital Projects currently under development
- **Moderate Investment**
  - Addresses SGR for existing and future growth vehicles
  - Increases service levels
    - TDPs through 2018
    - Service level growth consistent with area population growth 2019 through 2040
  - Assumes Lower Level of Major Capital Project Investment
- **High Investment**
  - Addresses SGR for existing and future growth vehicles
  - Increases service levels: Moderate Growth plus
    - 3% service hour growth / year – Top quartile performers
    - 2% service hour growth / year – 2nd quartile performers
  - Assumes High Level of Major Capital Project Investment

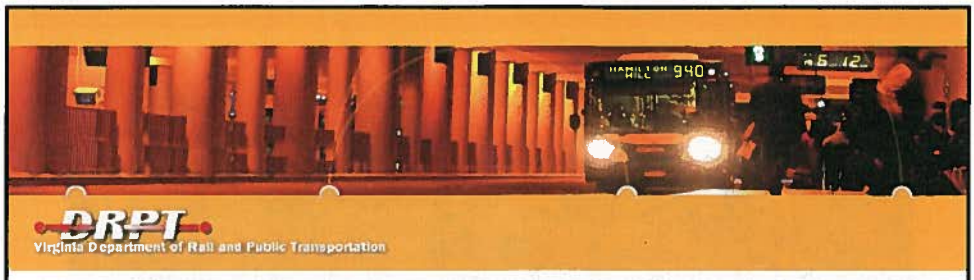
Transit Investment Scenario Results

Transit Needs (2013-2040)

	Low Investment	Moderate Investment	High Investment
State of Good Repair	28,786 vehicles; facilities and fixed assets	34,485 vehicles; facilities and fixed assets	37,825 vehicles; facilities and fixed assets
Transit Capacity Enhancement	192,443,501 revenue hours	290,666,930 revenue hours	316,401,118 revenue hours
Major Capital Projects	Committed projects	Low technology of identified projects	High technology of identified projects

TDM Investment Scenarios

- **Low Investment**
  - Maintains existing service levels for existing TDM programs with no growth
  - Costs escalate for inflation at 3% per year
- **Moderate Investment**
  - Closes geographic gaps to expand to a statewide TDM program while maintaining existing service levels
  - TDM services increase with population growth and area type changes
  - Costs escalate for inflation at 3% per year
- **High Investment**
  - Closes geographic gaps to provide statewide TDM service and increases service levels to recommended levels based on area type
  - TDM services increase with population growth and area type changes
  - Costs escalate for inflation at 3% per year



DRPT
Virginia Department of Rail and Public Transportation

Financial Analysis

Expense Summary

Investment Scenarios

- Operating Expenses
  - Transit Capacity Enhancements - Transit
  - Transportation Demand Management - TDM
  - Major Capital Investments
- Capital Expenses
  - State of Good Repair – Transit and Human Services
  - Transit Capacity Enhancements (additional vehicles and fixed assets)
  - Major Capital Investments

Expense Estimate Assumptions

- Operating Expenses
  - Transit agency cost per hour, escalated 3% per year
  - 2013-2040 period operating improvement costs based on agency TDP projections
- Capital Expenses
  - State of Good Repair (SGR)
    - Vehicles – standard vehicle pricing based on statewide historical database, inflated to YOE $ at 3% per year
    - Equipment – percentage of overall program
  - Transit Capacity Enhancements (TCE)
    - Vehicles – same as SGR
    - Fixed Assets – cost estimates identified in existing planning documents (e.g., TDPs) plus estimated future average needs
  - Major Capital Investments (MCI)
    - Committed projects plus projects identified through planning documents, studies and vision plans

Operating Expense Summary (millions YOE $)

Investment Scenario	Transit Capacity Enhancements	TDM Capacity Enhancements	Major Transit Capital Projects	Total
Low Investment	$38,358	$739	$5,310	$44,406
Moderate Investment	$54,735	$897	$6,558	$62,190
High Investment	$60,965	$1,638	$6,640	$69,243

Capital Expense Summary (millions YOE $)

Investment Scenario	State of Good Repair	Transit Capacity Enhancements	Major Transit Capital Projects	Total
Low Investment	$10,617	$1,057	$4,218	$15,892
Moderate Investment	$11,398	$1,997	$29,120	$42,515
High Investment	$11,599	$2,135	$41,294	$55,028

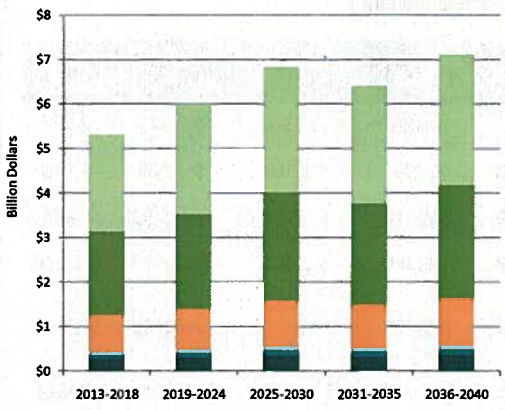
Revenue Projection Assumptions

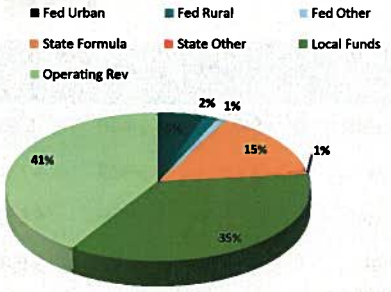
- Federal Revenue Projections
  - Operating and capital funding program consolidation and restructuring associated with MAP-21
  - 2-year program as funded through MAP-21
  - Carry-over of remaining funding from year 2012
  - Existing commitments (e.g., Dulles)
- State Revenue Projections
  - Six Year Improvement Program (SYIP)
  - Termination of CPR Bonds after year 2018
  - Minimal carry-over funding from year 2012
- Local Revenue Projections
  - Continue historical match to Federal and State funding
  - Maintain fare revenue productivity
  - Projects: Local match to Federal and State funding

Revenue Summary

- **Federal Funding**
  - Capital sources (formula, major project and other) - $6,441 million
  - Operating sources (urbanized and rural formula and other federal funding) - $2,477 million
- **State Funding**
  - Capital sources (formula and CPR Bonds) - $2,045 million
  - Operating sources (formula and other) - $4,909 million
- **Local Funding**
  - Capital sources (local and Project-Dulles) - $4,954 million
  - Operating sources (local funds and operating revenue) - $24,253 million

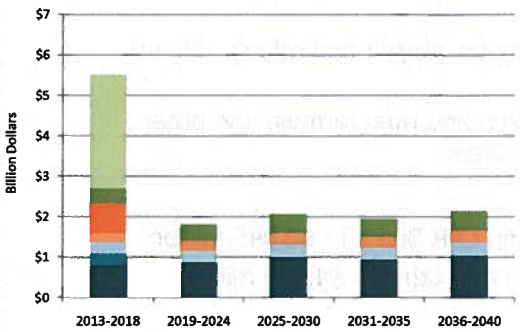
Operating Revenues

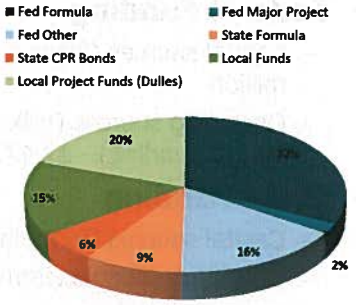




Operating Revenues	
Federal Revenues (7.8%)	$2.5B
State Revenues (15.5%)	$4.9B
Local Revenues (76.7%)	$24.3B
Total Revenues:	$31.6B

Capital Revenues





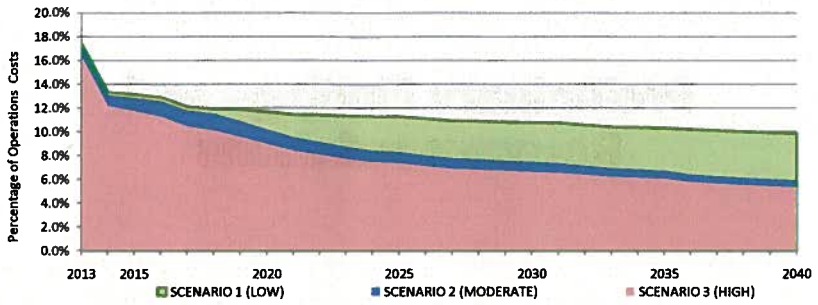
Capital Revenues	
Federal Revenues (50.3%)	$6.4B
State Revenues (14.8%)	$2.0B
Local Revenues (34.9%)	$5.0B
Total Revenues:	$13.4B

Unconstrained Gap Analysis Operating – Low Investment Scenario (YOE $Million)

Funding Source	2013-2018	2019-2024	2025-2030	2031-2035	2036-2040	Total	Annual Avg.
Federal	$ 429	$ 466	$ 531	$ 498	$ 553	$ 2,477	$ 88
State	$ 829	$ 929	$ 1,058	$ 992	$ 1,101	$ 4,909	$ 175
Local	$ 4,053	$ 4,599	$ 5,239	$ 4,910	$ 5,452	$ 24,253	$ 866
Total Funding	$ 5,311	$ 5,995	$ 6,828	$ 6,399	$ 7,106	$ 31,639	$ 1,130
Total Expenses	$ 6,234	$ 8,070	$ 9,653	$ 9,465	$ 10,984	$ 44,406	$ 1,586
Period Surplus/ (Deficit)	$ (923)	$ (2,076)	$ (2,825)	$ (3,065)	$ (3,878)	$ (12,767)	$(456)
Rolling Balance	$ (923)	$ (2,999)	$ (5,824)	$ (8,889)	$ (12,767)		

State Operating Match

Investment Scenario	2013-2018	2019-2024	2025-2030	2031-2035	2036-2040	Period Average
Low	13.3%	11.5%	11.0%	10.5%	10.0%	11.1%
Moderate	12.9%	9.4%	7.8%	7.0%	6.1%	7.9%
High	11.8%	8.3%	6.9%	6.3%	5.5%	7.1%



Capital Resource Allocation Needs Plan
Low Investment Scenario

Investment Strategy	2013-2018*	2019-2024	2025-2030	2031-2035	2036-2040	Total	Percent
State of Good Repair	**$ 1,633**	**$ 1,982**	**$ 2,234**	**$ 2,097**	**$ 2,672**	**$ 10,617**	
Federal Share	$ 974	$ 1,198	$ 1,340	$ 1,247	$ 1,577	$ 6,336	59.7%
State Share	$ 417	$ 498	$ 566	$ 536	$ 689	$ 2,706	25.5%
Local Share	$ 243	$ 286	$ 328	$ 313	$ 406	$ 1,576	14.8%
Transit Capacity Enhancements	**$ 633**	**$ 87**	**$ 108**	**$ 106**	**$ 123**	**$ 1,057**	
Federal Share	$ 367	$ 43	$ 54	$ 53	$ 61	$ 579	54.8%
State Share	$ 166	$ 26	$ 32	$ 32	$ 37	$ 293	27.8%
Local Share	$ 100	$ 17	$ 22	$ 21	$ 25	$ 184	17.5%
Major Capital Improvements	**$ 4,054**	**$ 164**	**$ -**	**$ -**	**$ -**	**$ 4,218**	
Federal Share	$ 765	$ 82	$ -	$ -	$ -	$ 847	20.1%
State Share	$ 215	$ 41	$ -	$ -	$ -	$ 256	6.1%
Local Share	$ 3,074	$ 41	$ -	$ -	$ -	$ 3,115	73.9%
Total Low Investment Scenario	**$ 6,320**	**$ 2,233**	**$ 2,342**	**$ 2,202**	**$ 2,794**	**$ 15,892**	
Federal Share	$ 2,106	$ 1,324	$ 1,393	$ 1,300	$ 1,639	$ 7,761	48.8%
State Share	$ 798	$ 565	$ 599	$ 568	$ 726	$ 3,255	20.5%
Local Share	$ 3,417	$ 344	$ 350	$ 335	$ 430	$ 4,876	30.7%

DRPT
Virginia Department of Rail and Public Transportation

Preliminary Findings and Recommendations

Preliminary Study Findings

- Expected increases in state population and increasing urbanization will increase transit demand
- Expanding Gen-Y segment of workforce will increase transit demand in urban transit-oriented communities
- Expanding elderly population will increase transit demand for mobility challenges

Virginia Demographic Projections

Area	2010 Population	% of Total	2040 Population	% of Total	% Change
Rural	1,653,912	21%	1,565,861	14%	-5%
Suburban	2,246,660	28%	3,107,959	28%	38%
Urban	4,100,452	51%	6,280,567	57%	53%
Total	**8,001,024**	**100%**	**10,954,387**	**100%**	**37%**

Preliminary Study Findings

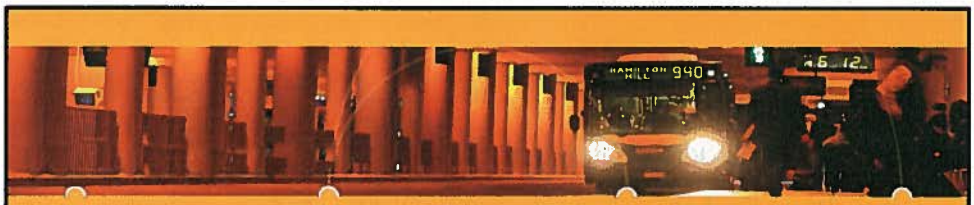
- Growing backlog of vehicle replacements and continuing fleet aging threatens State of Good Repair
- Transit operators challenged to keep pace with growing demand, especially in rapidly growing areas
- Regional transit vision plans call for broad expansion of transit to support goals of economic opportunity and livability … MCIs
- Revenue streams are uncertain and without change are not expected to keep pace with inflation or to meet demand and address funding gaps
- Operational efficiencies need to be achieved and rewarded in allocation of funds

Preliminary Study Recommendations

- State of Good Repair:
  - Highest priority to providing safe, reliable, efficient service by bringing and maintaining assets in a State of Good Repair
- Transit/TDM Capacity:
  - Expand capacity statewide to meet the needs of a growing economy and population
  - In funding allocation, promote programs that improve system efficiency and reward agencies for efficiency and service excellence
  - Expand tools to better manage demand (TDM, ITS, land use planning)

Preliminary Study Recommendations

- Major Capital Investments:
  - Invest in major rapid transit capital projects to assist in managing congestion
  - First MCI priority is completion of Dulles Extension
- Funding:
  - To establish a reliable funding stream, create a dedicated state funding source
  - At minimum, increase funding to achieve SGR, sustain current capacity, and complete committed major capital investments



Next Steps

Next Steps

- Finalize study findings and recommendations
- Stakeholder review of draft plan
- Prepare final plan

Stakeholder Review of Draft Plan

- Draft plan will be made available to stakeholders via email or FTP site
- 14-day comment period
- Comments may be submitted via email to project team

Study Team Contact Information

VDRPT

- Amy Inman, Manager of Transit Planning
  - Email: amy.inman@drpt.virginia.gov
  - Phone: (804) 225-3207
- Chris Arabia, Manager of Mobility Programs
  - Email: Christopher.Arabia@drpt.virginia.gov
  - Phone: (804) 786-1059

Consultant Team

- Mark Boggs, Atkins
  - Email: mark.boggs@atkinsglobal.com
  - Phone: (919) 437-5263
- Tim Crobons, CTG
  - Email: tcrobons@ctgconsult.com
  - Phone: (407) 302-5131

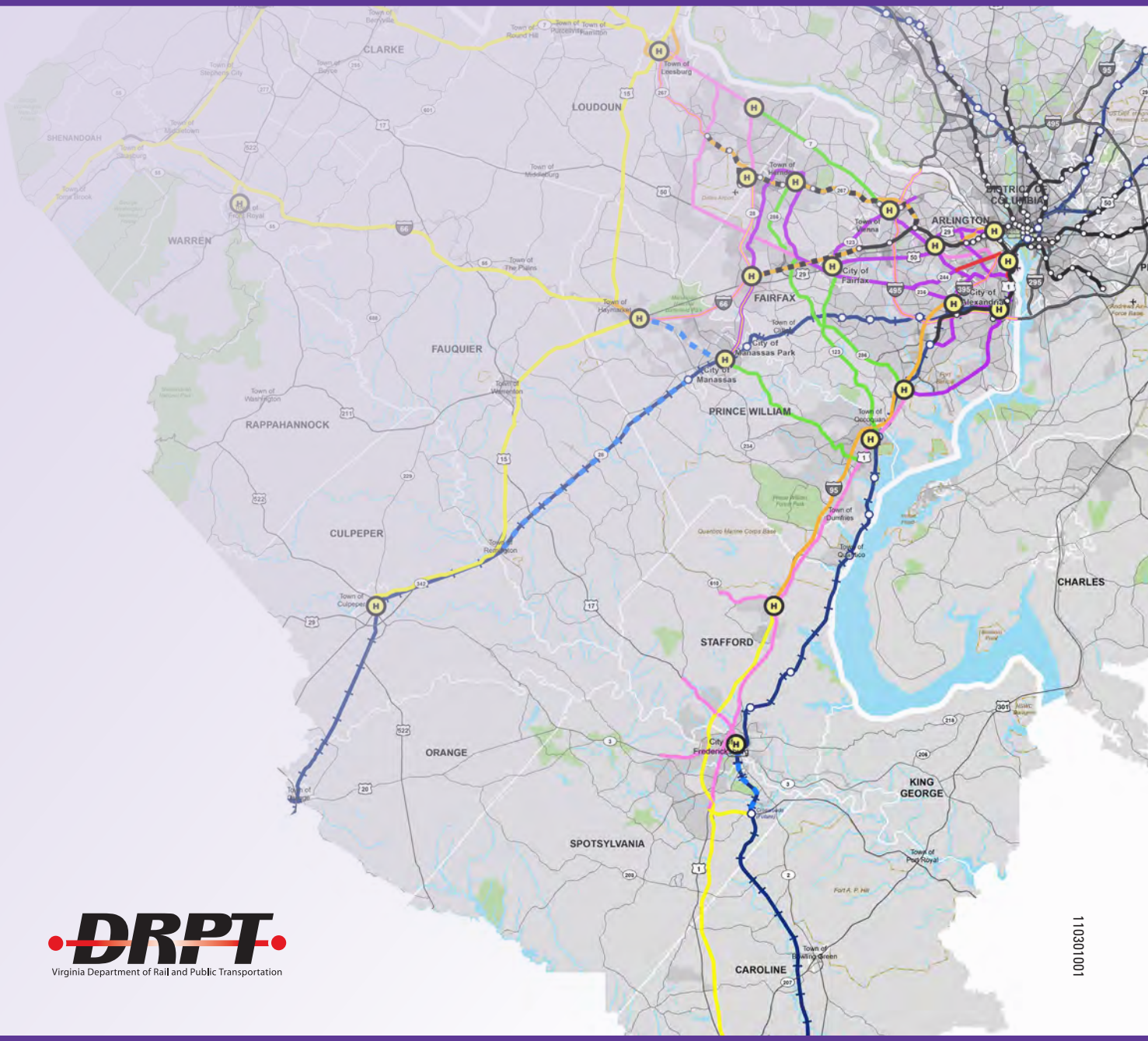
Thank you!

Visioning Mobility Beyond Boundaries

SUPER NoVa Transit/ TDM Vision Plan

EXECUTIVE BRIEF

October 2012



DRPT
Virginia Department of Rail and Public Transportation

110301001

VISION

The Super NoVa Transit/Transportation Demand Management (TDM) Plan envisions safe, strategic, and seamless mobility options for rail, transit, and TDM in greater Northern Virginia region

MISSION

Visioning mobility beyond boundaries

GOALS

- Increase mobility and transportation choice through strategic investments in transit and TDM
- Efficiently use transportation infrastructure to meet current and future transportation needs
- Integrate transportation and land use planning and policy
- Support sustained economic growth and prosperity

TRANSPORTATION CHOICE

Public transportation agencies—federal, state, regional, and local—have been chasing traffic congestion for decades.

The limited success in catching up with, or even not losing ground to congestion, has led many of the nation's largest urbanized areas to definitively shift their focus from a congestion relief-based approach, to one focused on people and mobility. An increasing number of communities are looking to maximize the utility of the transportation system and increase its ability to move people, by whatever manner they choose to travel.

NEW THINKING

The prosperity of the greater Northern Virginia region has been remarkable over the past 50 years. Population growth that has occurred has made the area the most populous in Virginia. Northern Virginia has become an employment destination for people from three states—Virginia, Maryland, and West Virginia—and the District of Columbia. Growth in population and jobs has created tremendous benefits for *Virginia, as well as the Washington Metropolitan area. It has not been without challenges.*

Recognizing the current and anticipated mobility challenges facing the northern part of Virginia, the State's leaders through Virginia Department of Rail and Public Transportation (DRPT), initiated a Vision Plan development process for transit and TDM in the greater Northern Virginia region. The Super NoVa Transit and Transportation Demand Management (TDM) Vision Plan expanded the mobility dialogue beyond regionally traditional local, regional, and state boundaries. The Plan looked at the needs of today, as well as those of the future—2040.

Figure E.1: Project Study Area

VOICES IN THE PLANNING PROCESS

The vast geography of the Super NoVa area, diverse needs of travelers, and multifaceted agency roles and responsibilities in the region contributed to a broad engagement approach being undertaken during the planning process. Working sessions with stakeholders and the public and communication through traditional and new media helped to reveal regional transit and TDM needs. Themes of input are summarized at the top of the next page.

STAKEHOLDERS

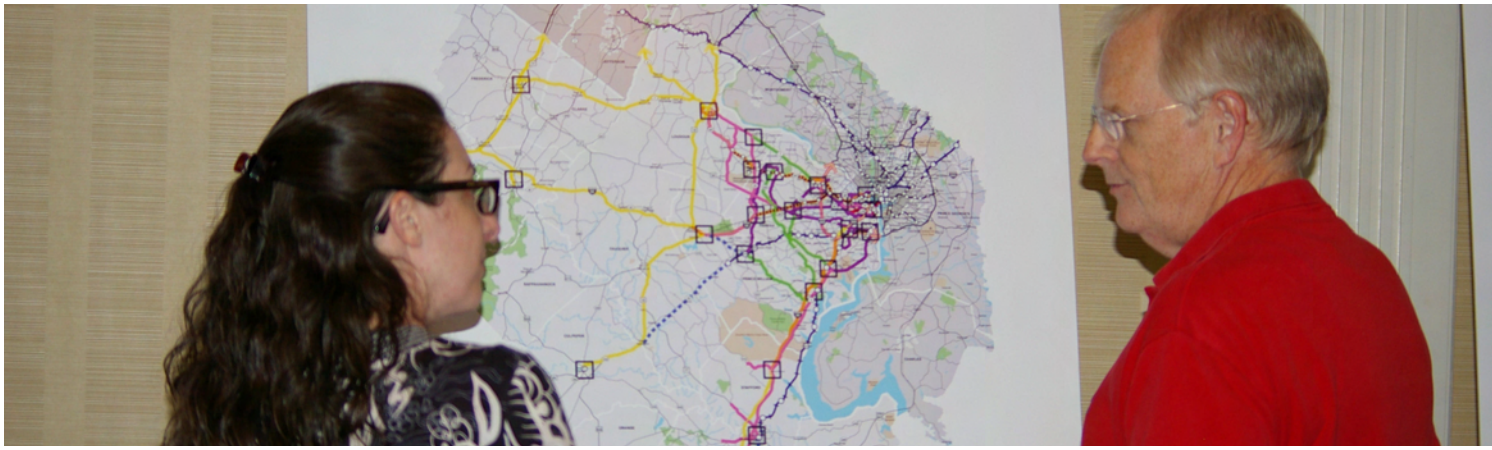
Stakeholder meetings were important in collecting the many public agency voices during the planning process. Staff from public agencies across the study area participated in four rounds (two meetings in each round) of working meetings throughout the study area. Each of the rounds of meetings corresponded with decision points during the study. These meetings helped to provide insight into regional transit and TDM challenges, opportunities, needs, and recommendations.

Meeting 1: Introducing the Vision Plan
During this round of meetings, stakeholders were introduced to the study and its vision, mission, and goals. Stakeholders also were asked to provide initial input on regional opportunities, constraints, and needs.

Meeting 2: Defining Regional Needs and Future Concepts
This round of meetings involved discussion on land use, travel demand, and population and employment forecasts. It focused on defining regional needs and identifying creative approaches in serving future regional needs.

Meeting 3: Initial Vision Plan Recommendations
The third round of meetings focused on the presentation, discussion, and refinement of future transit and TDM recommendations.

Meeting 4: Articulating the Vision Plan
The final round of stakeholder meetings was used to present and articulate the Vision Plan with stakeholders as well as receive final feedback on recommendations.



THEMES OF INPUT:

CONNECTIVITY *travel choice* information seamless travel reasonable cost *quality access* *coordination* sustainability *service expansion* competitive travel time respect for communities economic benefit travel related to work RECREATION

PUBLIC

Public meetings held throughout the study coincided with significant project milestones. Like the stakeholder meetings, the public meetings were distributed throughout the Super NoVa area. Each meeting was held at an accessible location with transit access. Meetings were open house style, with a brief presentation and interactive dialogue with the project team. The brief summaries below describe the focus of the three rounds of public meetings.

Meeting 1: Introducing the Vision Plan, Sharing Stories about Regional Needs
Leesburg, Crystal City (Arlington County), Warrenton, and Fredericksburg
Four meetings were conducted during this round of public meetings. During these meetings, the study's purpose and mission were introduced. The first round of public meetings also offered the public the opportunity to share ideas with the study team.

Meeting 2: Defining Regional Needs and Future Concepts
Triangle, Front Royal, and Courthouse (Arlington County)
The second round of meetings was used to work with the public to better define regional needs as well as concepts to address people's mobility challenges of today and the future.

Meeting 3: Vision Plan Recommendations
Alexandria, Manassas, and Herndon
During this round of meetings, the study team presented recommendations and offered the public the opportunity to review draft recommendations and provide comments and insight into next steps for the Vision Plan.

DEFINING THE NEED FOR MOBILITY

PEOPLE AND JOBS

The study evaluated regional activity—the combination of population and employment density—to help in the identification of regional transit and TDM needs.

Population and employment forecasts for 2040 were compiled from local, regional, and state plans and analyzed at the regional as well as local and corridor scales. Forecasts indicate that by 2040, the region will grow by more than 1.6 million jobs and 2.1 million people. Although considerable population and employment density will remain clustered in the traditional center of the region, significant growth is anticipated along nearly all of the region's major transportation corridors. Several findings from the activity density analysis include:

- Expansion of the urbanized center of the region
- Increasing densities in already urbanized areas
- Greater density in the larger towns and cities outside the traditionally defined center of the region
- Significant increases in population and employment density along major transportation corridors

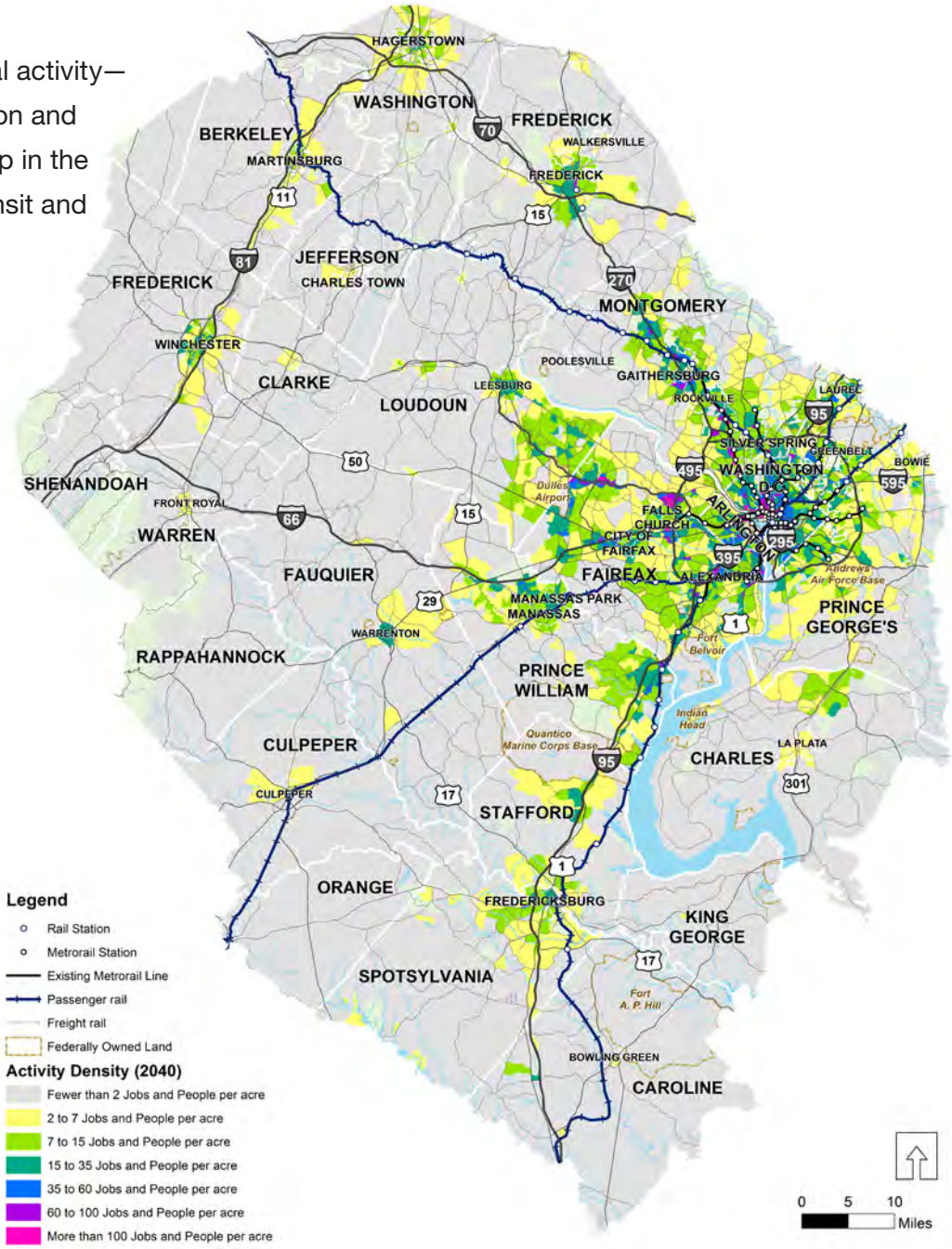


Figure E.2: Future Activity Density

LAND USE AND DEVELOPMENT

Land use and the places that are created by local policies are important to understand when defining regional transit and TDM needs. The anticipated land use of the region, as envisioned by comprehensive and other land use plans, was evaluated in terms of potential generation of transit demand.

As a part of the land use evaluation, regionally consistent land use definitions were developed and applied across the entire study area. Looking at the region on a consistent basis helped to reveal regional transit needs from a future built environment perspective. Findings from the land use analysis include:

- Increasing number of activity centers regionally
- Transformation of many currently lower density suburban areas to higher density urban areas
- Need for significant additional transit service
- Expansion of the region's primary urban area

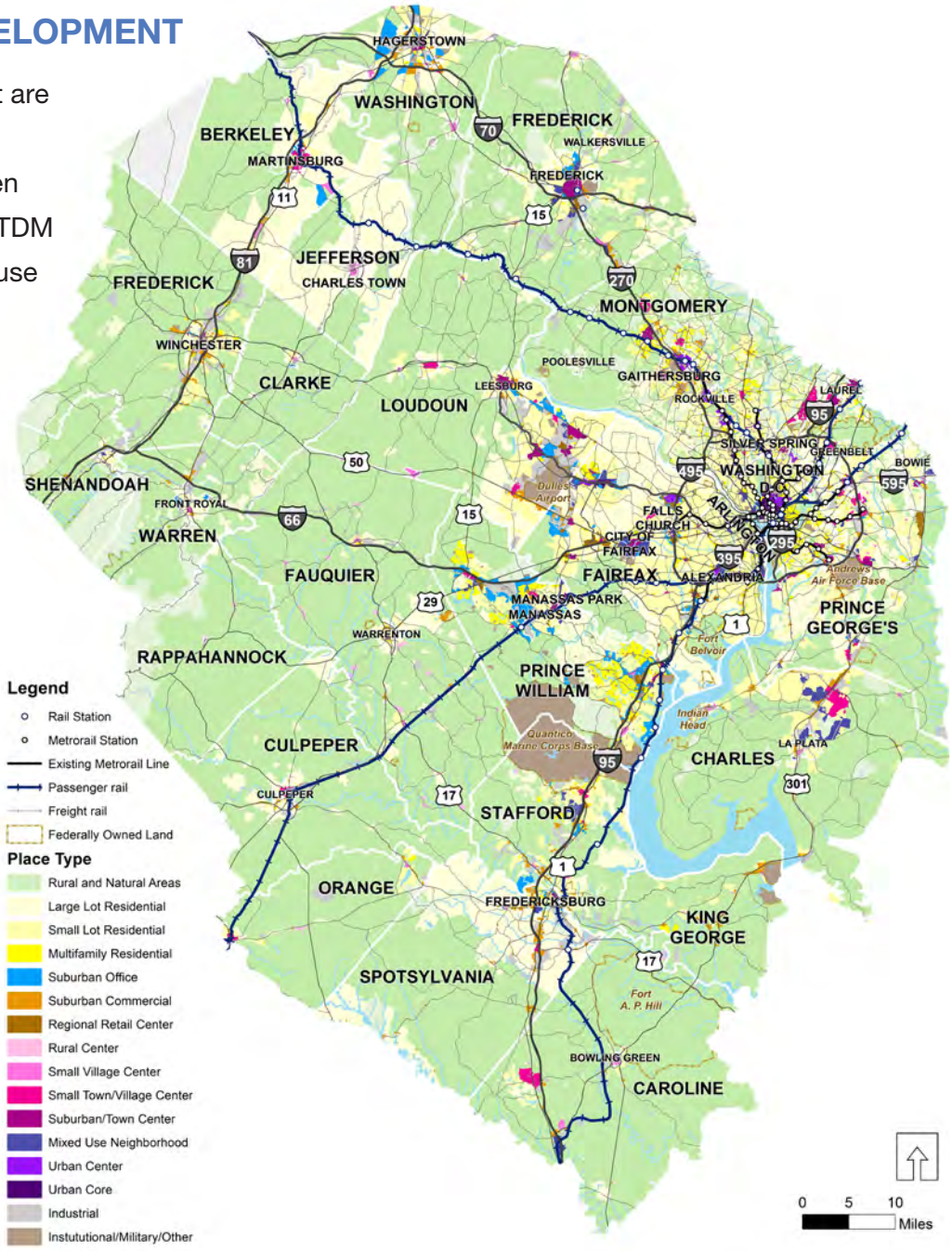


Figure E.3: Future Place Types

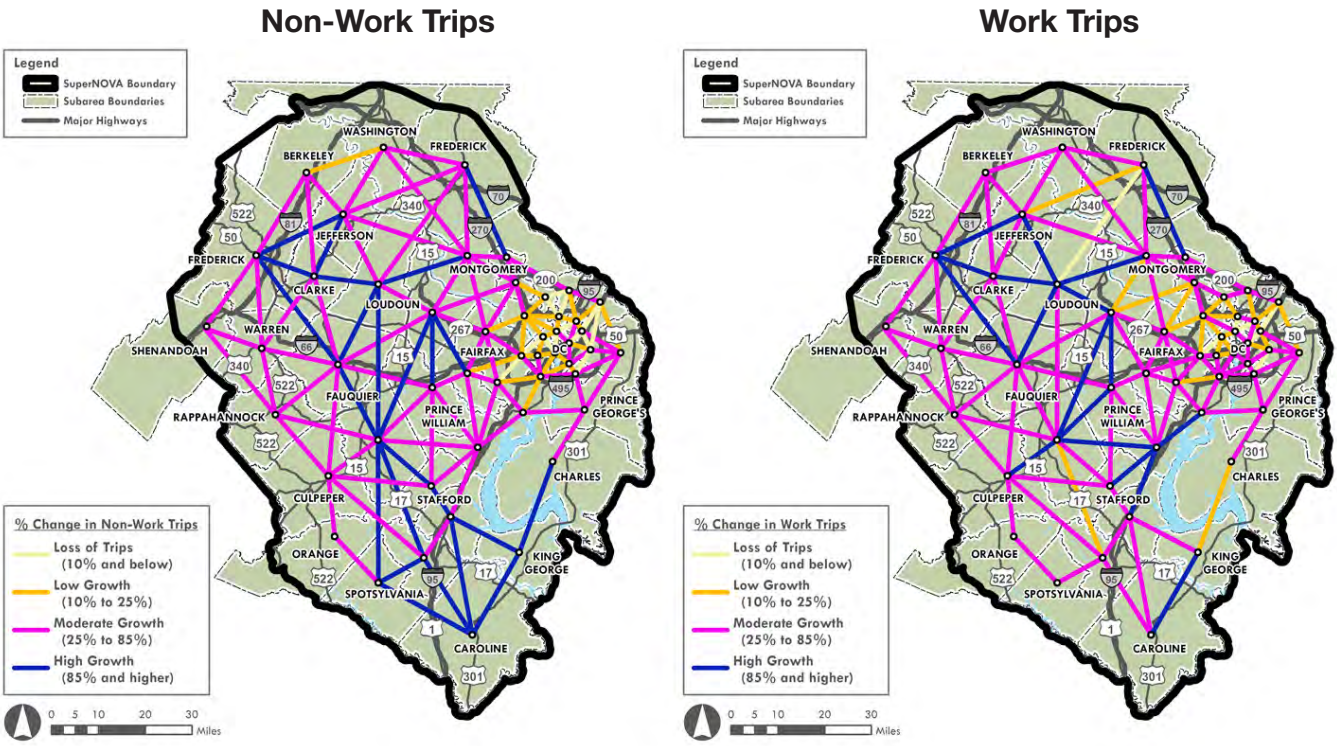


Figure E.4: Future Non-Work and Work Trip Summaries

TRAVEL

Regional growth will contribute to an increase in people's need to travel. The development of travel demand forecasts (2040) during the Vision Plan involved combining information from four metropolitan planning organizations travel demand models.

Information from the Fredericksburg Area MPO, Winchester-Frederick MPO, Hagerstown-Eastern Panhandle MPO, and Metropolitan Washington Council of Government's models was combined and formed the basis for the development of future (2040) travel demand forecasts. Through an evaluation of travel demand at an area-wide, sub-area, and corridor-level, the project team identified future travel trends and patterns as well as future needs. Key findings from the evaluation include:

Trends and Patterns

- Significant increase in reverse-commute trips along portions of I-95/395, I-66, Dulles Corridor, and I-270 in the most urbanized parts of the region
- Significant increase in demand in major radial corridors such as I-66, I-95/395, Dulles Corridor, and I-270
- Increase in short-trips in the traditionally defined center of the region
- Increase in circumferential demand along major circumferential routes such as Fairfax County Parkway, Route 123, Route 234, Prince William Parkway, Route 28, and I-495

Needs

- Increased level of multi-jurisdictional operation of transit services
- Expansion of, and augmentation to existing transit facilities and services, and TDM programs along regional radial freeway and interstate corridors as well as major arterials
- Significant investment in new circumferential transit facilities and services and TDM programs

DIFFERENT VISIONS ON GROWTH

Understanding that there is the potential for shifts in the location and magnitude of future growth, a sensitivity analysis was conducted as a part of the planning process.

Decision-makers are increasingly asking and answering questions related to alternative future growth scenarios as a part of long-range transportation planning. Not unlike forecasts for any long-range planning study, those used as a basis for identifying transit needs in the Super NoVa could change. Figure E.5 describes the four "what if" scenarios studied. It also indicates the magnitude of change—20 percent—considered in each scenario.

High- and low-growth scenarios were developed by increasing or decreasing the population and employment forecasts for the region by 20 percent. The more centralized and dispersed scenarios maintained the base forecast number of jobs and people, but redistributed them regionally. Findings of the sensitivity analysis included:

- Regional transit and TDM needs are significant, irrespective of any of the four scenarios
- Shifts in population and employment would minimally affect needs identified by future base forecasts
- Increasing density in already urbanized areas increases local and regional transit needs in those areas
- Modest shifts in density from urban areas to rural areas does not create significant additional transit need in those areas

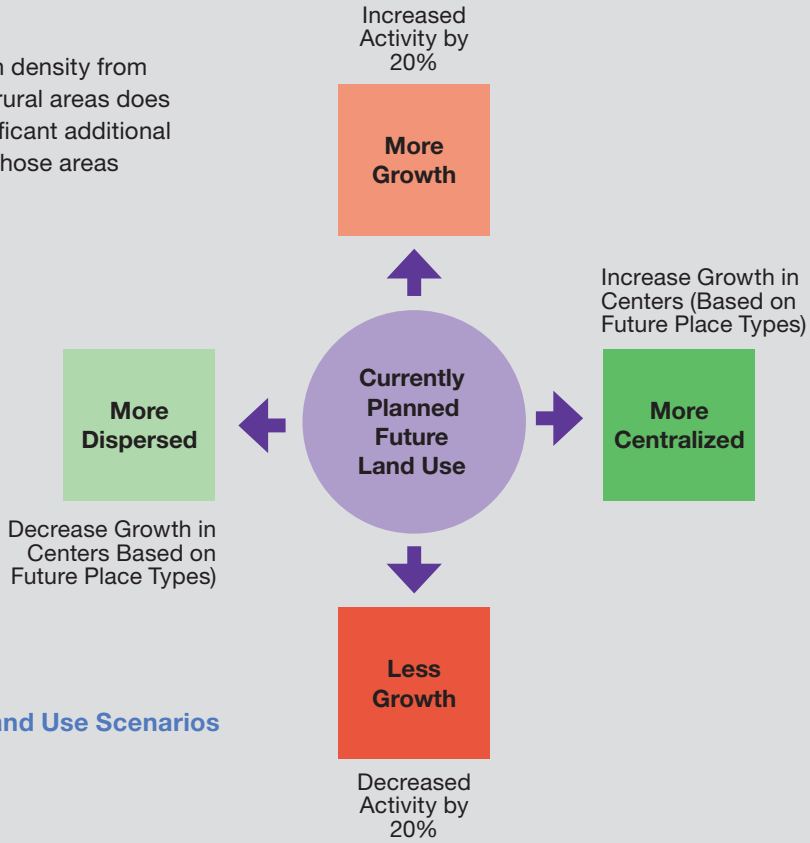


Figure E.5: Land Use Scenarios

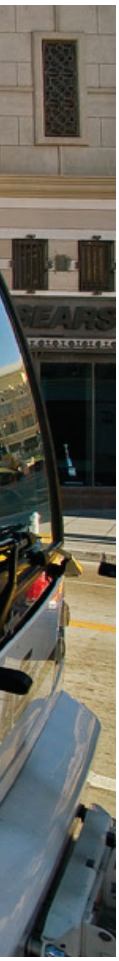
THE VISION

REGIONAL TRANSIT NETWORK

The recommended transit network represents a significant expansion of transit facilities and services across the Super NoVa region as shown in Figure E.6. It was developed through a rigorous analytic process and through considerable coordination among stakeholders and the public.

The recommended transit network is comprised of an interconnected network of corridor- and area-focused transit facilities and services. It dramatically expands the availability of high-quality transit across the region in coordination with anticipated regional growth and identified needs. At a high level, corridor recommendations include:

- Expansion of rail (passenger and commuter) services in the I-95 and I-66/US 29 corridors
- Expansion of Metrorail in the I-66 and Dulles corridors
- Development of a regional bus network in lower density parts of the region
- New circumferential transit services and facilities
- Streetcar in inner areas
- High-capacity transit services (light rail, bus rapid transit, and rapid bus) on urban arterial corridors
- Expansion of all-day transit services in the I-95/395, Dulles, and I-66 corridors
- Creation of a system of regional transportation hubs



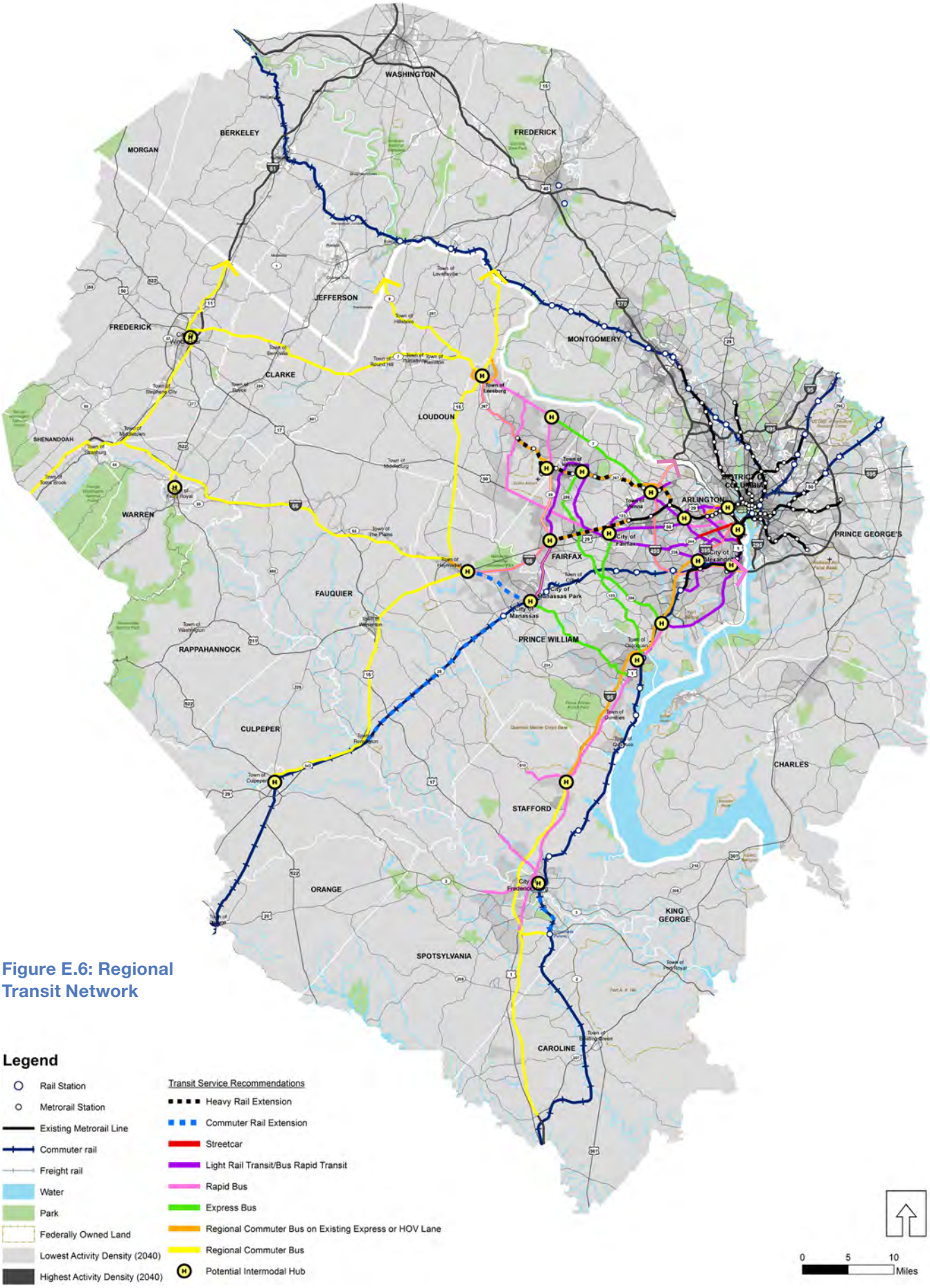


Figure E.6: Regional Transit Network

HIGHER-CAPACITY TRANSIT NETWORK

Growth in the center of the region will create a tremendous need for higher-capacity transit facilities and services. A dramatic investment in Rapid Bus, Bus Rapid Transit (BRT), and Light Rail Transit (LRT) will be needed along major arterial and freeway corridors throughout the center of the region, as shown in Figure E.7.

Arlington County, Alexandria, and Fairfax County, among others, already recognize the need to invest in additional high-capacity transit and are studying, planning, implementing, or operating these services. The region will need to expand on the actions of these and other localities to increase the reach of the higher-capacity transit network. The higher-capacity transit network vision is for frequent, extensive (duration), higher-speed services coordinated with sophisticated facilities. This network would benefit from features that include:

- Fully dedicated transit runningways separated from non-transit traffic (most BRT and LRT lines)
- Partially dedicated transit runningways separated from non-transit traffic (some BRT, most Rapid Bus lines)
- Traffic signal preemption (some BRT and LRT lines)
- Transit signal priority
- Queue jump lanes (Rapid Bus and some BRT lines)
- Level or nearly level passenger boarding
- Off-board fare collection
- Substantial stations with significant passenger amenities (BRT and LRT and some Rapid Bus lines)
- Service- and line-specific branding and identity
- Robust real-time passenger information
- Special vehicles

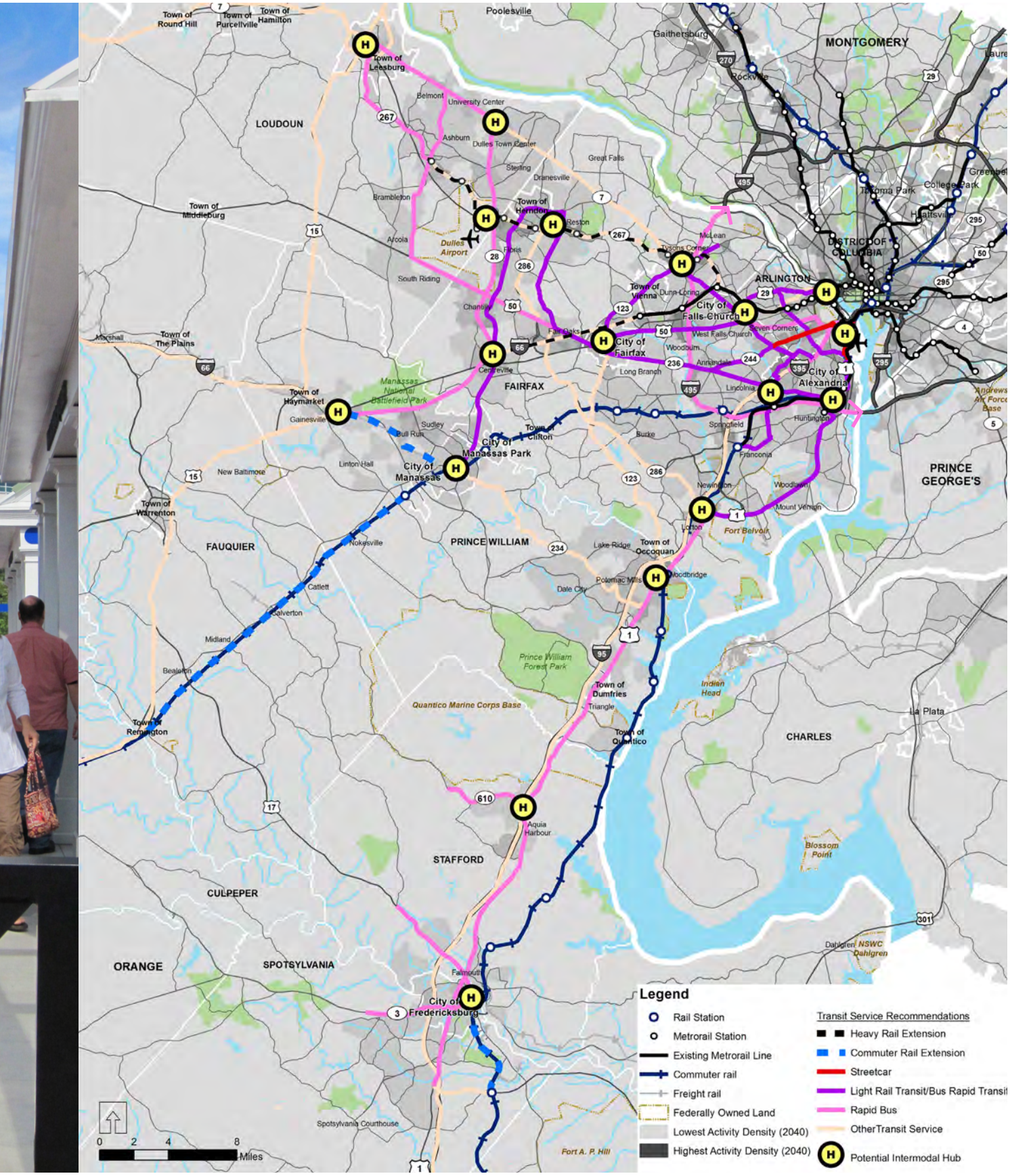


Figure E.7: Recommended Higher Capacity Transit Network

TRANSIT FACILITIES

The planning, development, construction, and operation of major region-serving transit facilities often falls on individual jurisdictions, at considerable cost to the traveling public and the jurisdiction. Too often, critical facilities are delayed in their development as a result of the burden of implementation falling on a single or several entities, rather than the regional group who will ultimately benefit from the facility. Transit facilities will need to be viewed as regionally beneficial infrastructure in the future.

HUBS

The transit network will need to be supported by appropriately scaled transfer, intermodal, and multimodal hubs. The Vision Plan envisions transit hubs as purpose-developed facilities where transit connections can be easily made and where travelers can have easy and comprehensive access to TDM services.

Hubs will need to be of many different scales and purposes, respecting context and role. Some hubs would stand-alone as transit facilities, while others may be integrated into other facilities and development. Features and services that may be provided at hubs include:

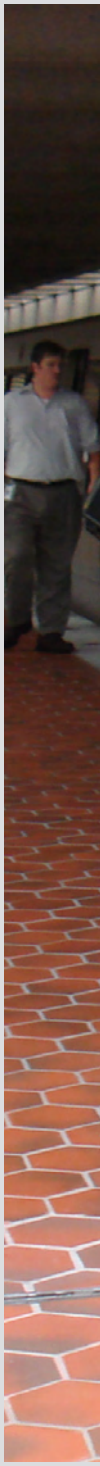
- Real-time traveler information
- Bikesharing and carsharing
- Park-and-ride spaces
- Transit services
- TDM services
- Ridesharing services and accommodations
- Vanpool parking
- Secure bicycle storage
- Taxi, private shuttle, and private transit services
- Retail development
- Mixed-use development
- Access to area bicycle and pedestrian facilities

TRANSIT STORAGE AND MAINTENANCE FACILITIES

Transit vehicle storage and maintenance facilities are critical to the successful and efficient operation of transit services. The appropriate location and level of accommodation at these facilities enables operators to best serve their markets efficiently.

As the region's transit services evolve to be more regionally-focused, facility infrastructure and development processes will need to evolve. Already, Virginia Railway Express's (VRE) ability to expand services to the inner area of the region is limited by the ability of Union Station to store more train cars mid-day. Potomac Rappahannock Transportation Commission (PRTC), Loudon County Transit (LCT), and numerous other commuter-service providers deadhead most or all of their fleet back to their overnight storage locations due to limited mid-day storage in the inner part of the region. Deadheading is costly to operators. At the same time, building facilities to reduce deadheading is costly for the urban localities where storage is most needed. The following are recommended related to future transit-vehicle storage and maintenance facilities:

- Identify and implement strategies to reduce demand for mid-day and off-peak transit vehicle storage
- Develop regional forecasts of transit vehicle storage and maintenance needs for overnight and mid-day (off-peak) periods
- Conduct regional planning as to the most beneficial location of new facilities
- Identify public and private partnerships in development, operation, and maintenance of new facilities
- Plan, develop, operate, and maintain new facilities to support regional transit services



CORE CAPACITY

Despite robust transit systems operating in many parts of the center of the region, significant capacity constraints exist and threaten the ability for these systems to expand and meet current and future transit demand. While many of these constraints are physically located in the center of the region—Arlington County, Alexandria, Fairfax County, and the District of Columbia—their operational impact creates ripple effects across the Super NoVa area. Significant investments are already, and will continue to be needed in the inner area of the region to support regional transit demand. Core capacity will need to become high regional priority if it is to be resolved.

Washington Metropolitan Area Transit Authority (WMATA), VRE, and transit operators throughout the center of the region, face innumerable challenges in meeting identified needs. As transit demand increases regionally, its effect will be multiplied in the center of the region. The following issues will need to be addressed to make progress on increasing core capacity:

- Station capacity at key transfer stations such as Gallery Place, L'Enfant Plaza, Metro Center, Farragut North, Farragut West, and Union Station
- Line capacity for critical system links between Virginia and the District of Columbia and within the District of Columbia
- Constraints on expanding the number of eight-car trains due to limits on rolling stock
- Inadequate fleet sizes and aging vehicles
- Service reliability due to aging and insufficient infrastructure
- Inadequate mid-day transit vehicle storage
- Conflicts between passenger, commuter, and freight rail operations

LOCAL TRANSIT SERVICE

Projected growth in the Super NoVa area will create a tremendous need for additional local transit service. The Super NoVa area is currently underserved and will need a significant investment in local transit service to meet regional needs.

With planned growth, many of the region's localities will transition from rural and suburban densities, to suburban and urban densities. This transition will create the need for additional local transit services within individual jurisdictions and between jurisdictions. The following is a brief summary of findings related to local transit in the Super NoVa region:

- 2040 population increases by 58% in Virginia portion of Super NoVa area
- Service needs to increase by 111% to 137% to meet area needs
- More cross-jurisdictional local transit services are needed

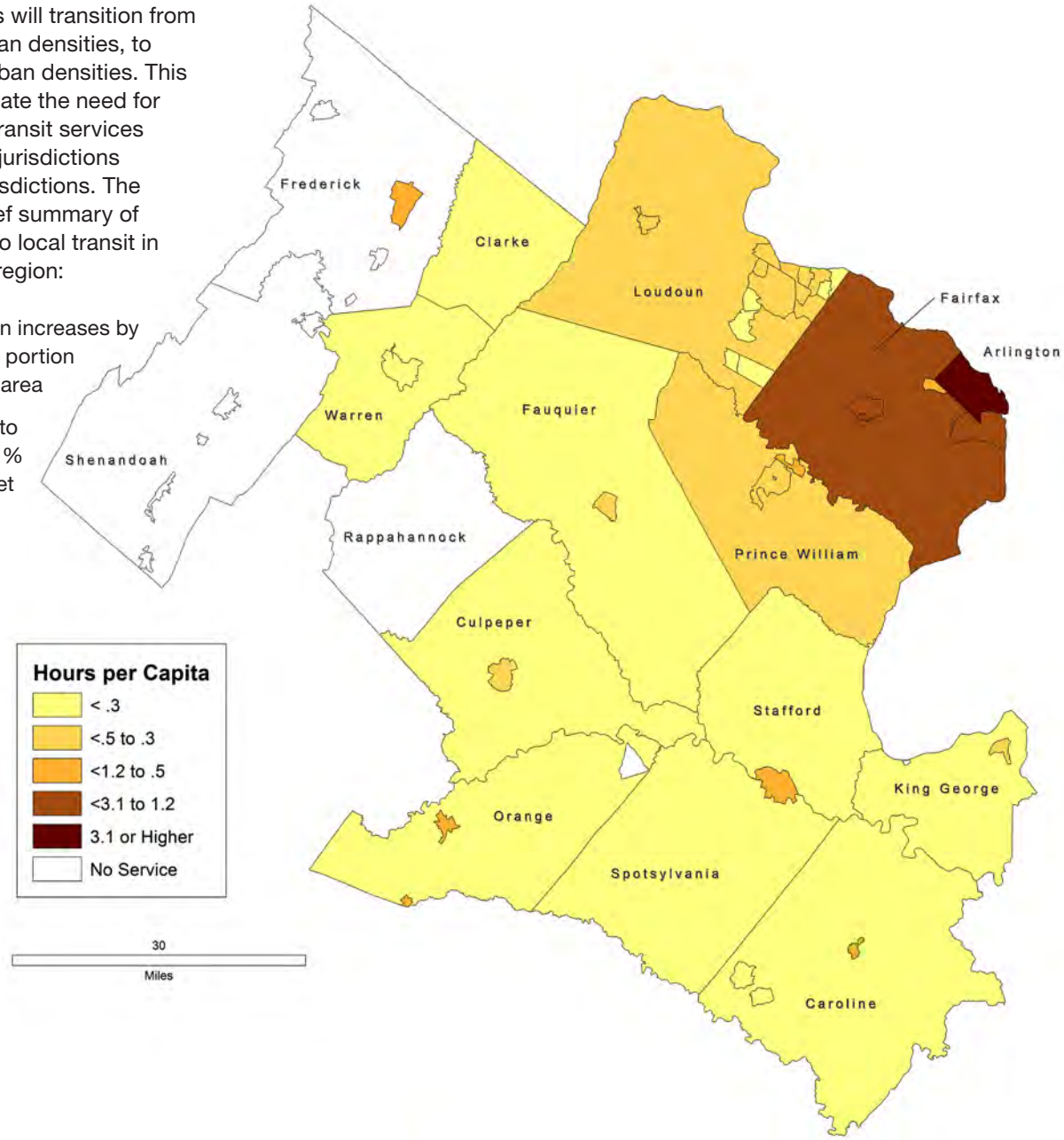


Figure E.8: 2010 Service Hours/Capita

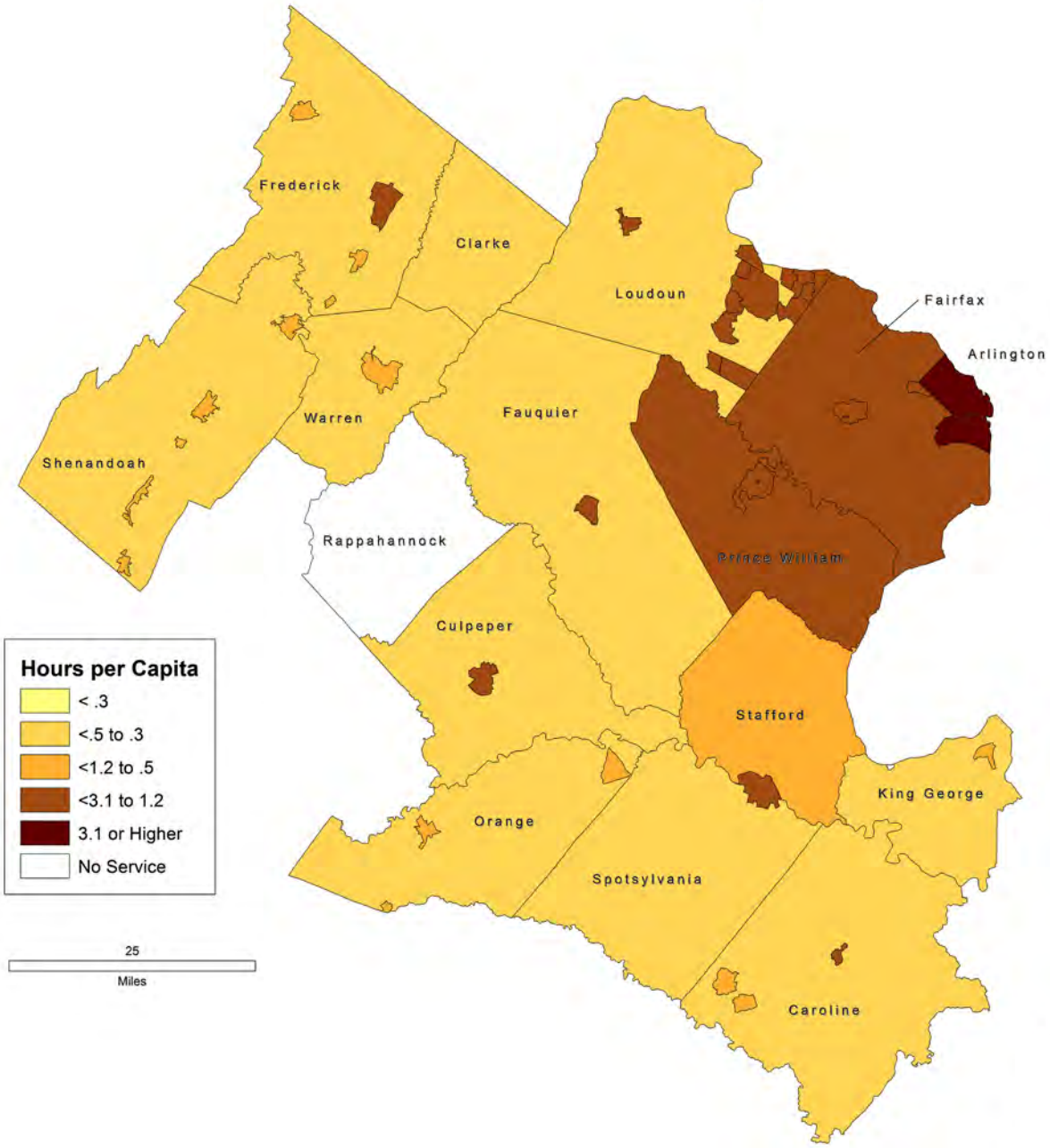


Figure E.9: 2040 Service Hours/Capita

TRANSPORTATION DEMAND MANAGEMENT

Transit facilities and services will need to be complemented by robust TDM programs and services. TDM can have a tremendous effect by increasing people's travel choices and ultimately, their mobility. TDM programs and services will need to be tailored for different area types, trip purposes, destinations, and corridors throughout the region.

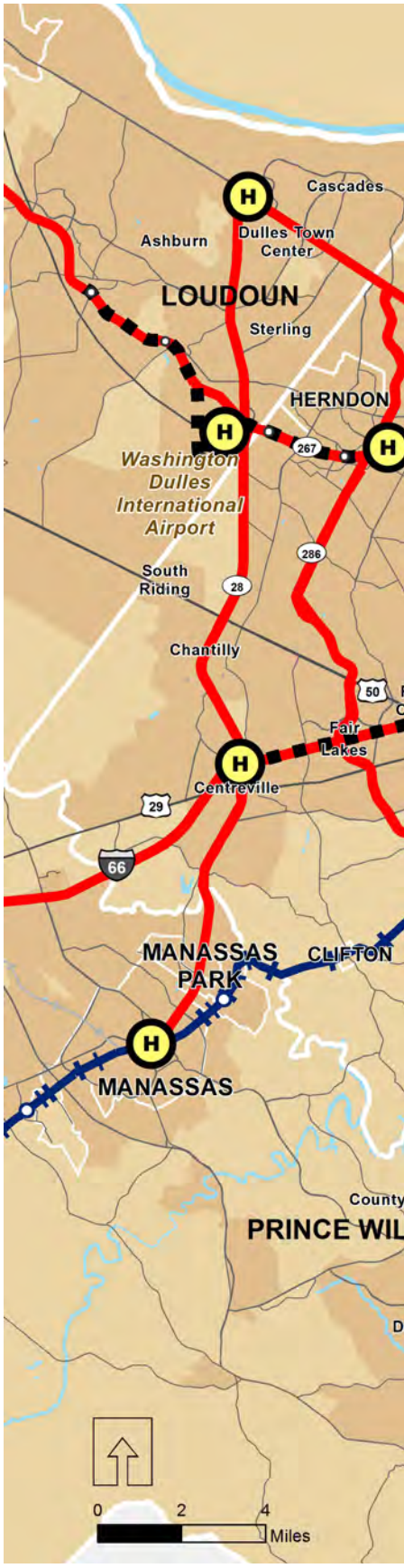
The Super NoVa region already has a number of effective TDM agencies whose reach extends throughout the area. These agencies provide a wide range of programs and services that offer people opportunities to travel differently, or in some cases, save the trip altogether. The continued growth of the region will create the need for an expansion of the programs and services offered by these agencies, as well as greater coordination among the agencies themselves. In addition to areawide strategies, the Vision Plan recommends the following hub and corridor focused strategies:

STRATEGIES FOR HUBS

- Real-time service information
- Park-and-ride capacity
- Slug lines/rideshare pick-up area
- Overnight vanpool parking
- Bike storage, bike trails/ lanes
- Carshare
- Private shuttles/local transit
- Events

STRATEGIES FOR CORRIDORS

- Targeted media campaign
- Customized marketing materials
- Coordination with all area agencies
- Regular surveys to assess trends and needs
- Financial incentives to meet mode-split goals



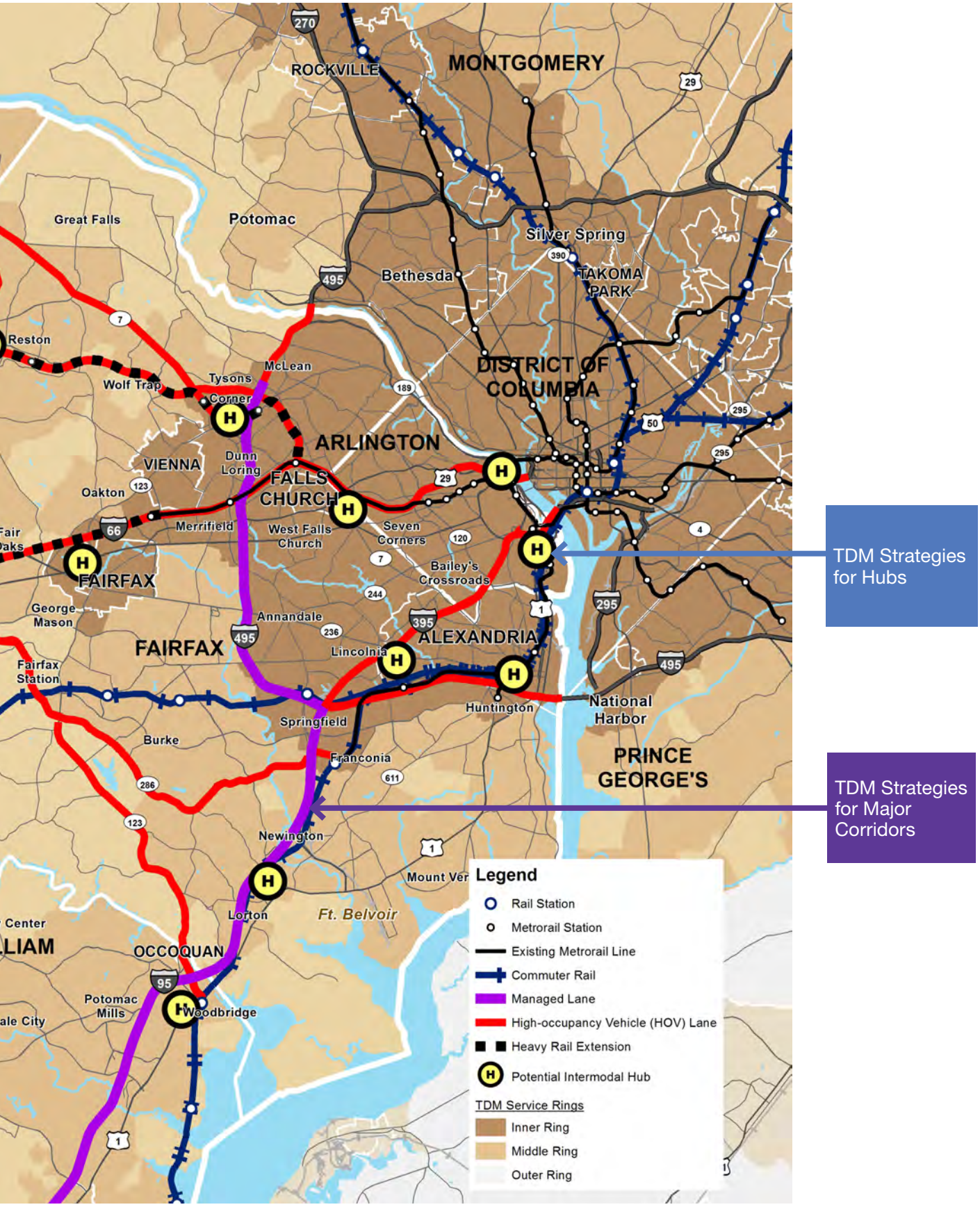


Figure E.10: TDM Strategies for Hubs and Corridors

POLICIES

MARKETING AND COMMUNICATION

- Coordinated marketing (services, programs, and facilities)
- Consistent branding (i.e., route names and service types)
- Common language to refer to transit and TDM services, facilities, and programs
- Educational programs tailored to serve:
  - Users (young, old, captive riders, choice riders)
  - Travel markets (long distance, local, specific corridors, and destinations)
- Cross-marketing with related industry and other modal (bicycle, pedestrian, and HOV) efforts
- Consolidated locations for consumers to obtain information on services, facilities, and programs
- Social media and mobile device application support

PLANNING

- Multi-jurisdictional transit and TDM planning
- Coordinated land use and transportation planning and policy-making
- Regional transit performance standards
- Performance-based transit funding
- Regional interoperability planning
- Continued Super NoVa transit and TDM dialogue (regular)
- DRPT guidance on transit-supportive land use characteristics and densities

Source: Virginia Railway Express

OPERATIONS

- Super NoVa region cooperative transit service provider(s) or
- Coordinated operating plan(s)
- Simplify bus routes
- Local bus services coordinated to interface with regional transit services such as
  - commuter bus
  - commuter rail
  - intercity passenger rail
  - Metrorail
- Public private partnership in operations
- Fare structures (reduce penalty for transfers, route pricing, and private and public) to incentivize transfers
- Universal transit payment system
- Integrated corridor management
- Regional transit interoperability
- Operating cost sharing for cross-jurisdictional service
- Support evacuation plans and security
- Performance standards

FACILITIES

- Capacity improvements for VRE & Metrorail
- System of intermodal transit centers (including park-and-rides) with supporting infrastructure, services, programs, and technology
- Development of a system of hubs
- Innovative delivery methods for transit facilities
- Quality, context-sensitive community growth related to transit facilities
- Transit-vehicle storage and maintenance facilities
- Guidance on the shared use of roadway/HOT/HOV facilities for transit
- Accommodations for private bus and shuttle operations
- Shared- or joint-use facilities (i.e. sport facilities park-and-ride) that benefit transit and TDM

ACCESS TO AND FROM TRANSIT

- Pedestrian and bicycle facilities in transit corridors
- Programs to expand bicycling and walking to/from transit
- Transit stops and stations that offer good access by walking and bicycling
- Secure bicycle parking at transit stops and stations
- Vehicle-sharing systems at transit stops and stations
- Para-transit support
- Guidance for access to transit provisions in local development ordinances
- Facilitate access for transit-dependent populations

TECHNOLOGY

- Comprehensive, simple travel information (i.e., 511) for transit and TDM
- Develop a regional AVL system
- Open-source data
- Private investment in traveler information applications
- Intelligent transportation systems (ITS) as transportation infrastructure
- Inter/intra agency technology integration
- Multi-jurisdictional technology planning
- Consistent policy on technology infrastructure and platforms
- Expand and coordinate regional transit signal priority application and deployment

Source: PRTC

ACHIEVING MOBILITY BEYOND BOUNDARIES

The Super NoVa Transit/TDM Vision Plan development process was a successful start to broader regional coordination on transit and TDM. Actions will need to follow and support facility, service, and policy recommendations outlined by the Vision Plan. Achieving mobility beyond boundaries will take commitment and collective will from local, regional, state, and federal officials as well as the traveling public. The following are recommended as a starting point for continued dialog and coordination on the Super NoVa Transit and TDM Vision Plan:

Follow the Policy Articulated in the Vision Plan

The policy recommendations for the Vision Plan address topics related to improving mobility through transit and TDM. The policy statements are intentionally simple to allow local, regional, and state policy-makers the opportunity to mold the policies to fit the local context, while maintaining the intent of the statement.

Integrate Vision Plan Recommendations into Local and Regional Policies, Plans, and Programs

There is value for local and regional planning organizations to take the Vision Plan into consideration as input into their local and regional plans and programs. The Vision Plan's recommendations provide a high-level view of the super-region based projected travel demand, demographics, and land use. As local and regional plans are updated in the future, Super NoVa recommendations should be an input for consideration by local and regional agencies.

Develop an Action Plan to Pursue Implementation

The Vision Plan is a long-range vision. The series of recommendations that form the plan will need to be incorporated into local and regional plans so that they can be prioritized and implemented. Additionally, an implementation plan identifying roles, responsibilities, costs/benefits, priorities, and timetables should be developed as a tool to guide local and regional decision-making and programming.

Continue Regional Coordination to Ensure that the Region has Accountable and Comprehensive Multimodal Planning and Programming Leadership

The dialog that has been started by the Vision Plan should be continued. Planning and programming at a scale that is consistent with travel desires and transportation demand of the super region has the potential to be beneficial in better meeting regional needs and increasing the region's competitiveness in terms of receiving federal assistance on transportation programs.

Identify and Support Strong and Comprehensive Regional Leadership and Champions

As the Super NoVa area is discussed and coordination efforts continue, there will be the need to foster and encourage multimodal leadership at all levels of state, regional, and local government. Without a super-regional mandate to coordinate, there is tremendous need for voluntary cooperation and coordination.

PREPARED FOR:

Virginia Department of Rail and Public Transportation

PROJECT MANAGER:

Amy Inman, M.S.
Manager of Transit Planning
Virginia Department of Rail and Public Transportation
600 East Main Street, Suite 2102
Richmond, VA 23219

PREPARED BY:

ACKNOWLEDGEMENTS:

Stakeholders and public input throughout study area

Visioning Mobility Beyond Boundaries

Northern Virginia Transportation Commission

AGENDA ITEM #9

TO: Chairman Fisette and NVTC Commissioners

FROM: Scott Kalkwarf and Colethia Quarles

DATE: October 25, 2012

SUBJECT: NVTC Financial Items for September, 2012

The financial report for September, 2012 is attached for your information.

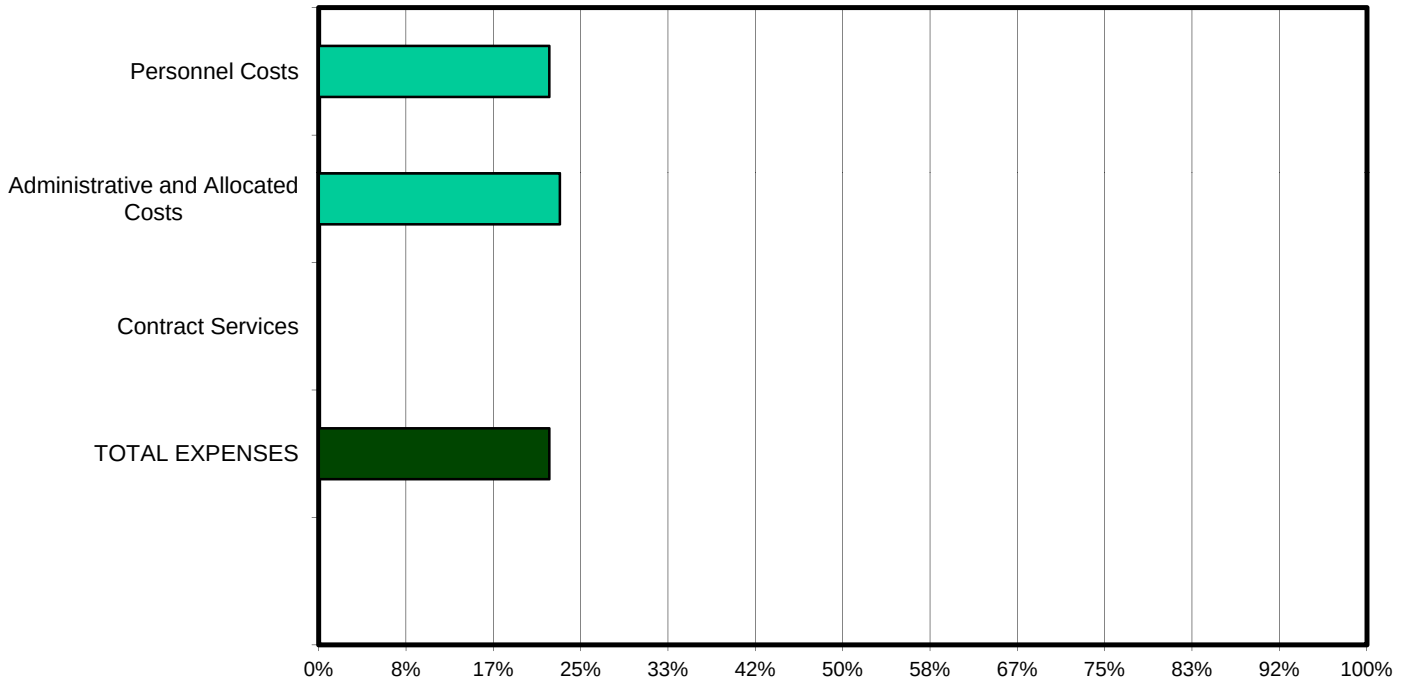
2300 Wilson Boulevard • Suite 620 • Arlington, VA 22201
Tel (703) 524-3322 • Fax (703) 524-1756
Email nvtc@nvtdc.org • www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports

September, 2012

Percentage of FY 2013 NVTC Administrative Budget Used
September, 2012
(Target 25% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September 2012

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Personnel Costs					
Salaries	$ 47,021.08	$ 155,576.48	$ 697,950.00	$ 542,373.52	77.7%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	47,021.08	155,576.48	697,950.00	542,373.52	77.7%
Benefits					
Employer's Contributions:					
FICA	3,137.17	10,432.49	48,100.00	37,667.51	78.3%
Group Health Insurance	5,945.07	16,944.80	103,500.00	86,555.20	83.6%
Retirement	4,475.00	13,425.00	64,900.00	51,475.00	79.3%
Workmans & Unemployment Compensation	67.42	202.26	3,300.00	3,097.74	93.9%
Life Insurance	345.79	877.93	4,000.00	3,122.07	78.1%
Long Term Disability Insurance	243.98	731.94	3,700.00	2,968.06	80.2%
Total Benefit Costs	14,214.43	42,614.42	227,500.00	184,885.58	81.3%
Administrative Costs					
Commissioners Per Diem	750.00	2,150.00	10,000.00	7,850.00	78.5%
Rents:	*15,583.31*	*46,753.18*	*189,500.00*	*142,746.82*	*75.3%*
Office Rent	14,858.31	44,578.18	177,700.00	133,121.82	74.9%
Parking	725.00	2,175.00	11,800.00	9,625.00	81.6%
Insurance:	*300.58*	*1,020.01*	*6,400.00*	*5,379.99*	*84.1%*
Public Official Bonds	-	170.00	2,300.00	2,130.00	92.6%
Liability and Property	300.58	850.01	4,100.00	3,249.99	79.3%
Travel:	*163.77*	*578.28*	*5,800.00*	*5,221.72*	*90.0%*
Conference Registration	-	-	-	-	0.0%
Conference Travel	86.10	203.56	1,500.00	1,296.44	86.4%
Local Meetings & Related Expenses	77.67	374.72	4,000.00	3,625.28	90.6%
Training & Professional Development	-	-	300.00	300.00	100.0%
Communication:	*437.89*	*1,277.28*	*8,740.00*	*7,462.72*	*85.4%*
Postage	(0.45)	(12.65)	3,400.00	3,412.65	100.4%
Telecommunication	438.34	1,289.93	5,340.00	4,050.07	75.8%
Publications & Supplies	*508.57*	*1,837.97*	*10,600.00*	*8,762.03*	*82.7%*
Office Supplies	14.54	83.95	3,200.00	3,116.05	97.4%
Duplication	494.03	1,730.12	6,900.00	5,169.88	74.9%
Public Information	-	23.90	500.00	476.10	95.2%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September 2012

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Operations:	-	*461.99*	*11,500.00*	*11,038.01*	*96.0%*
Furniture and Equipment	-	-	4,000.00	4,000.00	0.0%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	-	461.99	6,500.00	6,038.01	92.9%
Other General and Administrative	*1,426.67*	*2,207.21*	*5,100.00*	*3,106.51*	*60.9%*
Subscriptions	-	213.72	-	-	0.0%
Memberships	1,176.03	1,176.03	1,200.00	23.97	2.0%
Fees and Miscellaneous	250.64	817.46	3,000.00	2,182.54	72.8%
Advertising (Personnel/Procurement)	-	-	900.00	900.00	100.0%
Total Administrative Costs	19,170.79	56,285.92	247,640.00	191,567.80	77.4%
Contracting Services					
Auditing	-	-	21,250.00	21,250.00	100.0%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	-	-	21,250.00	21,250.00	100.0%
Total Gross G&A Expenses	$ 80,406.30	$ 254,476.82	$ 1,194,340.00	$ 940,076.90	78.7%

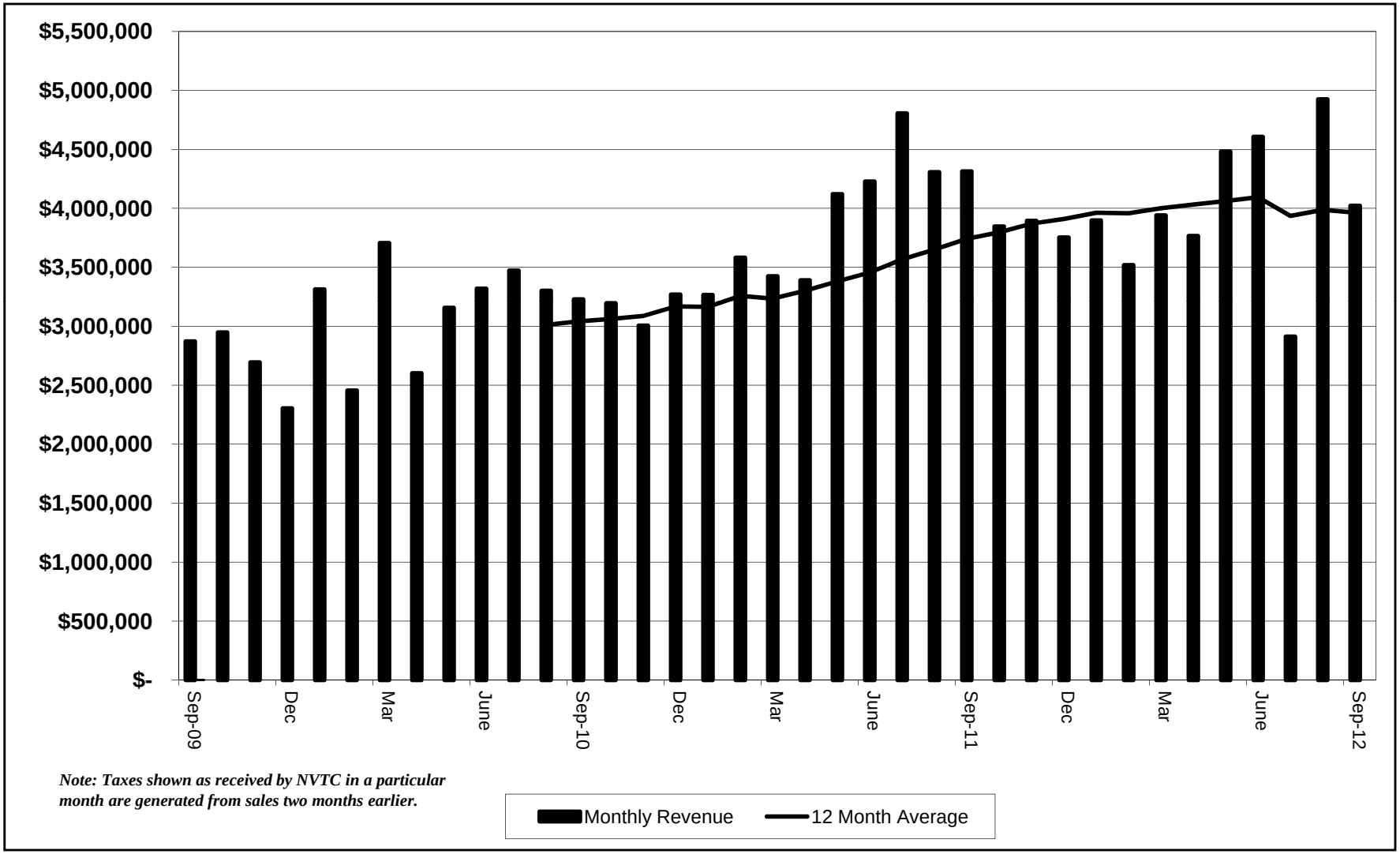
NVTC
RECEIPTS and DISBURSEMENTS
September 2012

Date	Payer/ Payee	Purpose	Wells Fargo (Checking)	Wells Fargo (Savings)	VA LGIP G&A / Project	VA LGIP Trusts
	RECEIPTS					
4	DRPT	Operating grant receipt - VRE			$ 2,090,566.00	
13	Loudoun County	G&A contributions		9,996.50		
13	Staff	Expense reimbursement		0.45		
17	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt				4,021,298.90
18	DRPT	Capital grants receipts				490,828.00
20	DRPT	Capital grants receipts				34,913.00
21	DRPT	Capital grant receipt				11,403.00
28	DRPT	NVTA update grant receipt			15,258.50	
30	Banks	Interest income		3.11	10.67	14,184.17
			-	10,000.06	2,105,835.17	4,572,627.07
	DISBURSEMENTS					
1-30	Various	G&A expenses	(69,429.95)			
4	VRE	Grant revenue - VRE			(2,090,566.00)	
7	Stantec	Consulting - NTD project	(9,679.41)			
14	Cambridge	Consulting - NVTA update	(15,270.84)			
30	Banks	Service fee	(52.52)	(29.70)		
			(94,432.72)	(29.70)	(2,090,566.00)	-
	TRANSFERS					
			-	-	-	-
	NET INCREASE (DECREASE) FOR MONTH		$ (94,432.72)	$ 9,970.36	$ 15,269.17	$ 4,572,627.07

NVTC
INVESTMENT REPORT
September 2012

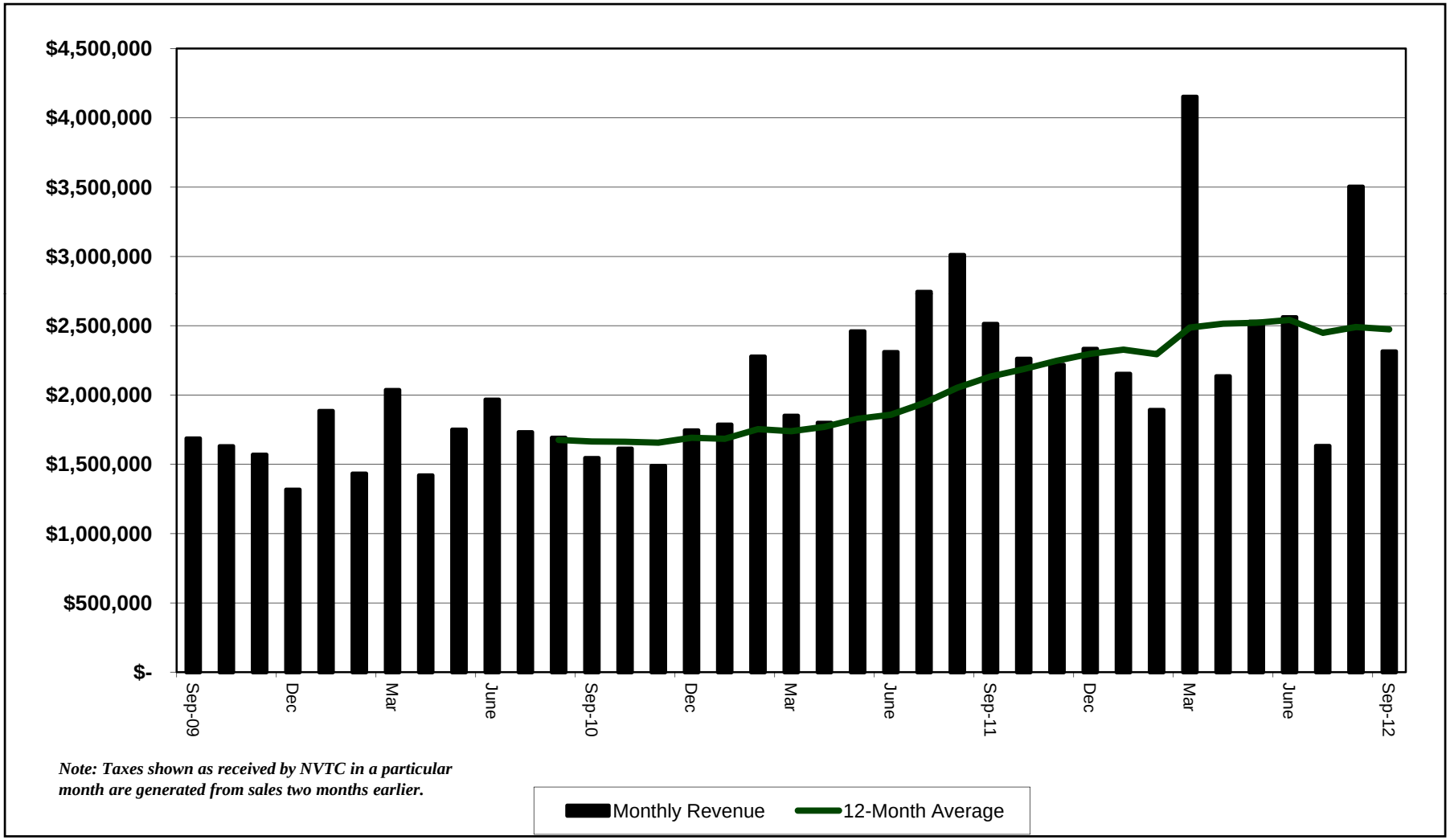
Type	Rate	Balance 8/31/2012	Increase (Decrease)	Balance 9/30/2012	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
Cash Deposits							
Wells Fargo: NVTC Checking	N/A	$ 112,385.80	$ (94,432.72)	$ 17,953.08	$ 17,953.08	$ -	$ -
Wells Fargo: NVTC Savings	0.020%	183,527.82	9,970.36	193,498.18	193,498.18	-	-
Investments - State Pool							
Bank of America - LGIP	0.192%	87,941,588.26	4,587,896.24	92,529,484.50	81,521.85	75,882,864.31	16,565,098.34
		$ 88,237,501.88	$ 4,593,858.11	$ 92,740,935.76	$ 292,973.11	$ 75,882,864.31	$ 16,565,098.34

NVTC MONTHLY GAS TAX REVENUE
ALL JURISDICTIONS
FISCAL YEARS 2010-2013



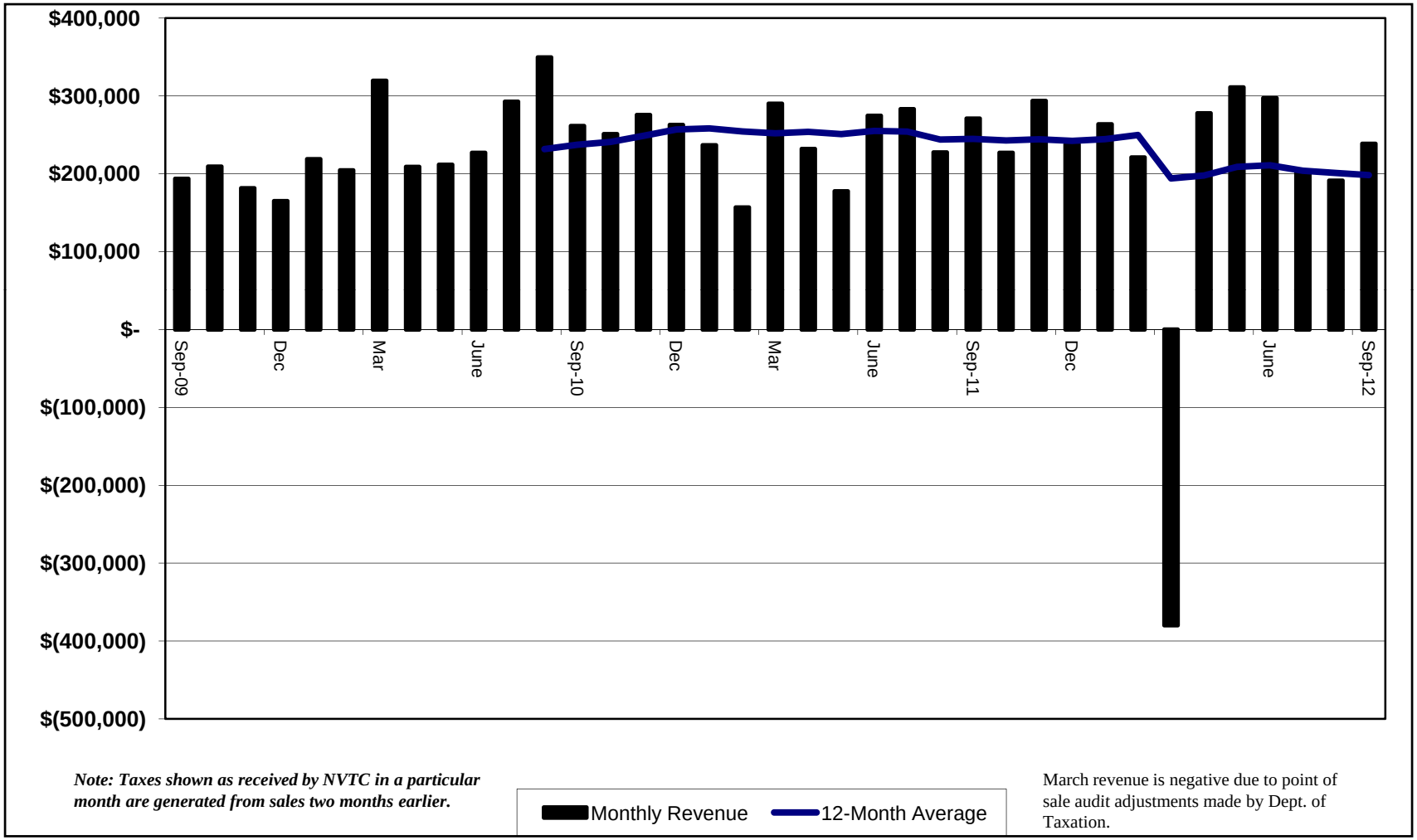
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE
FAIRFAX COUNTY
FISCAL YEARS 2010-2013



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

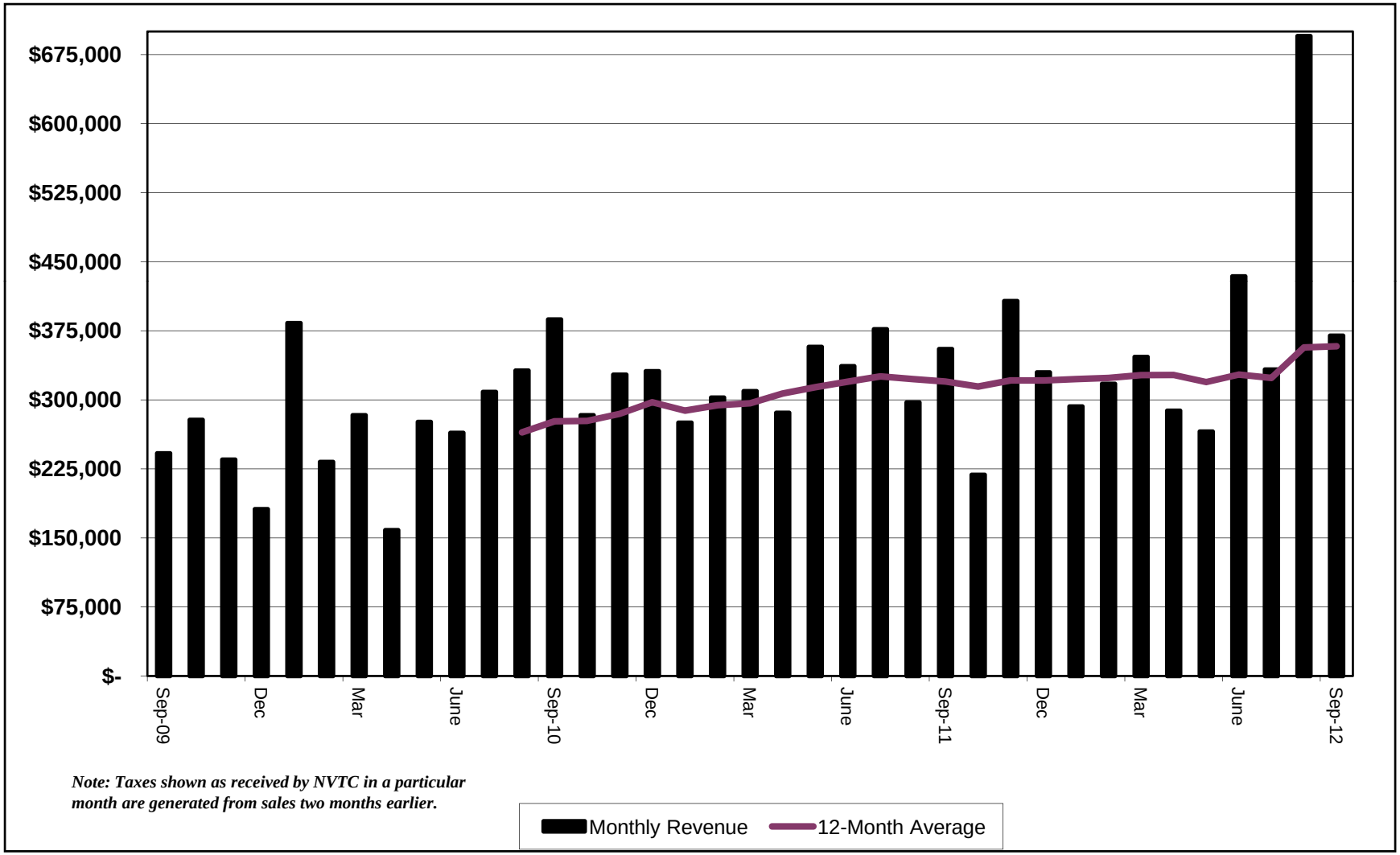
NVTC MONTHLY GAS TAX REVENUE
CITY OF ALEXANDRIA
FISCAL YEARS 2010-2013



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

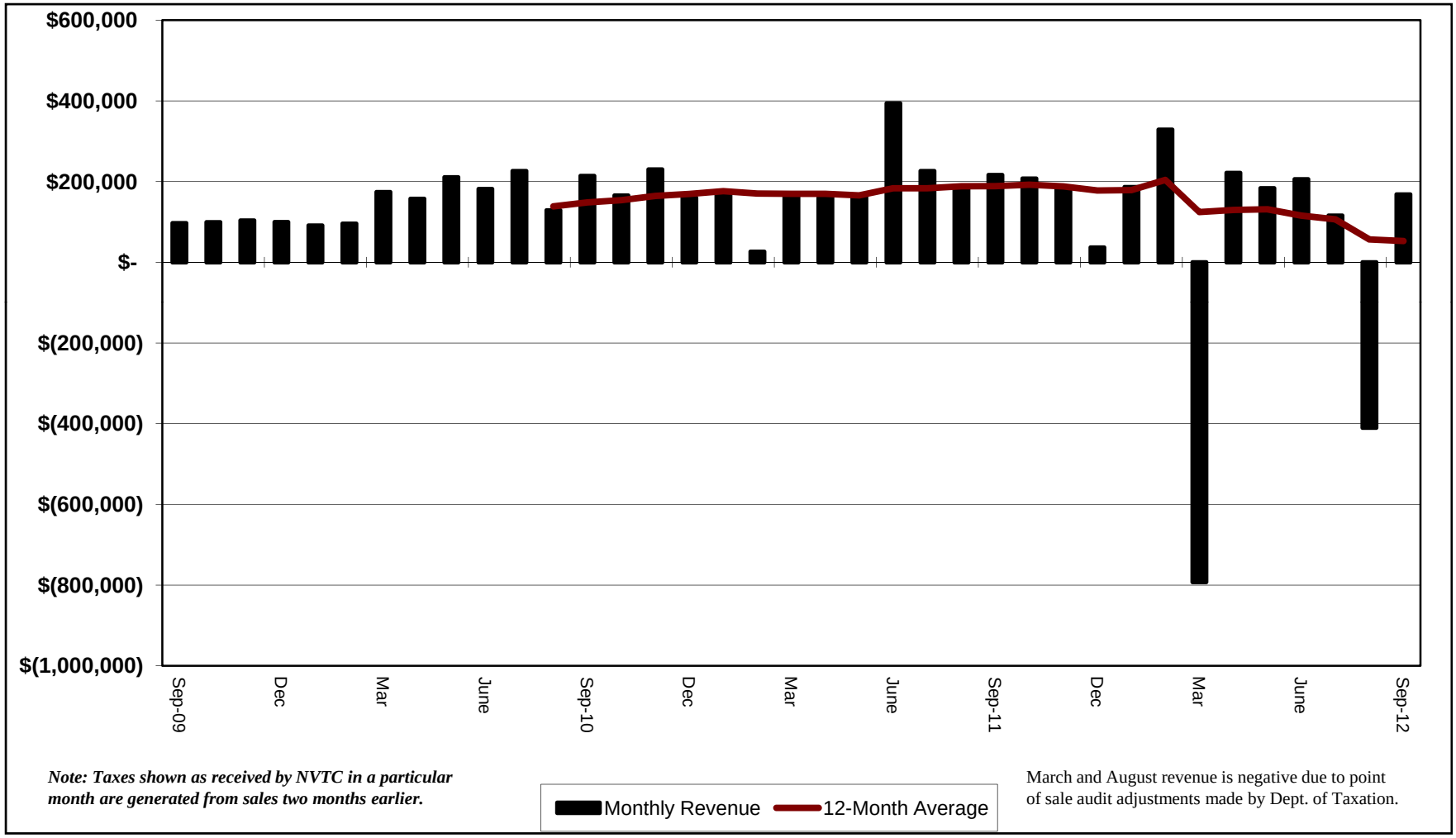
March revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

NVTC MONTHLY GAS TAX REVENUE
ARLINGTON COUNTY
FISCAL YEARS 2010-2013



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

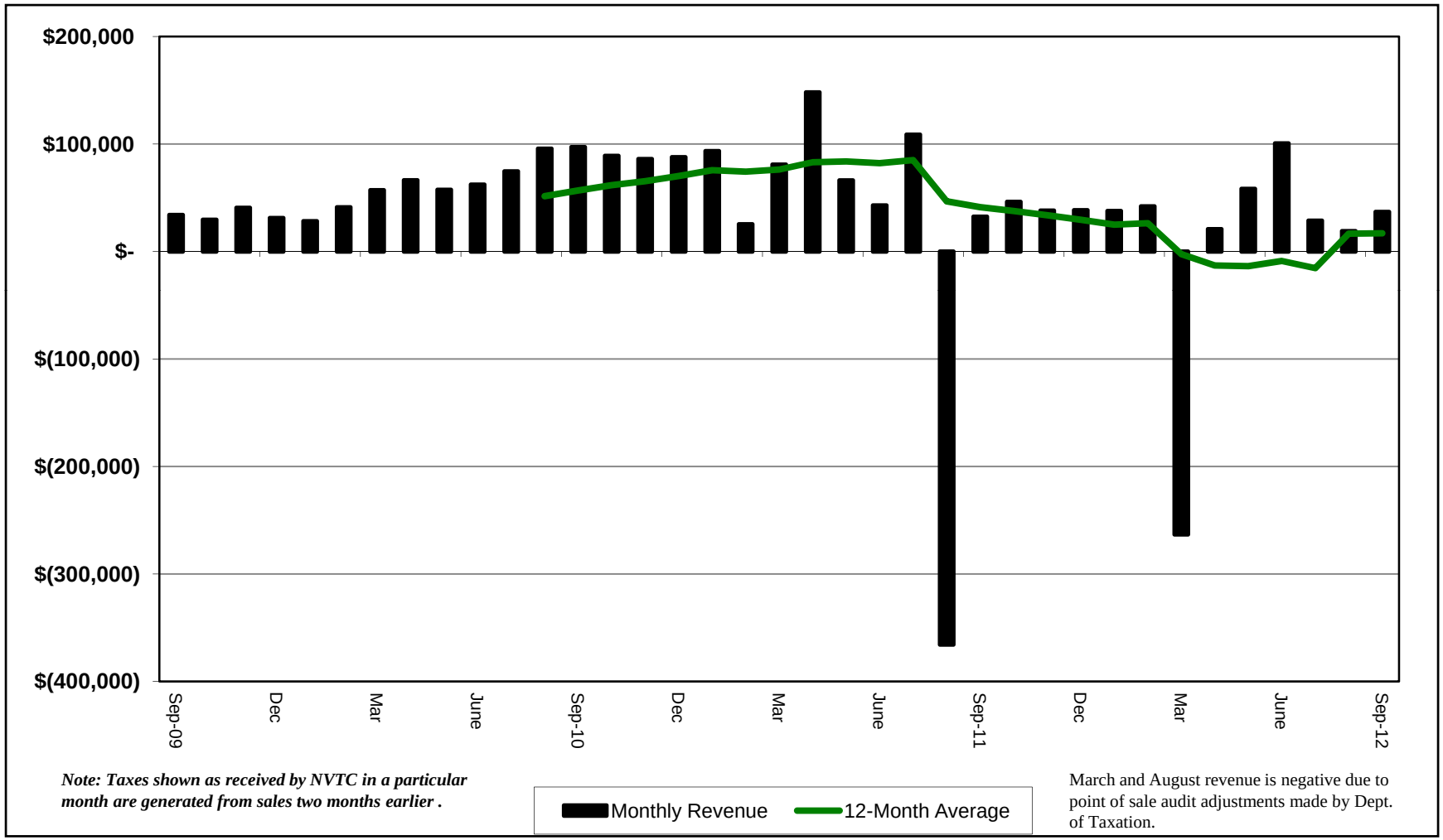
NVTC MONTHLY GAS TAX REVENUE
CITY OF FAIRFAX
FISCAL YEARS 2010-2013



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.

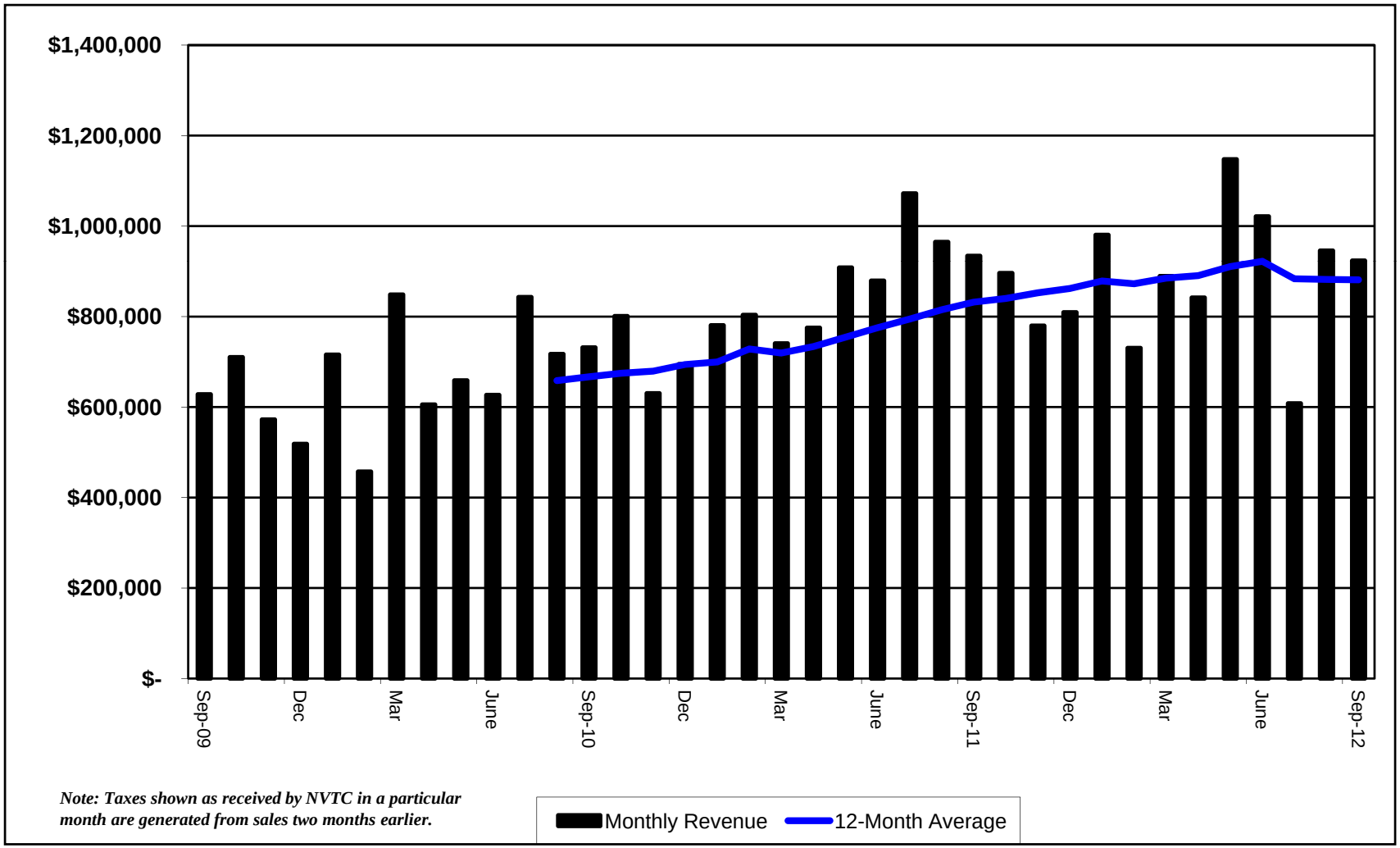
NVTC MONTHLY GAS TAX REVENUE
CITY OF FALLS CHURCH
FISCAL YEARS 2010-2013



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 2010-2013



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.