

MINUTES
NVTC COMMISSION MEETING – FEBRUARY 8, 2018
PATRICK HENRY BUILDING – EAST READING ROOM
RICHMOND, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Vice-Chairman Letourneau at 4:02 P.M.

Members Present

Sharon Bulova
John Cook
Katie Cristol
Christian Dorsey
Adam Ebbin
Libby Garvey
David LaRock
Matt Letourneau
Jeff McKay
Ron A. Meyer
Jennifer Mitchell (Alternate, Commonwealth of Virginia)
David Snyder
Jennifer Wexton

Members Absent

Jim Corcoran
John Foust
Jeff Greenfield
Catherine Hudgins
Tim Lovain
Paul Smedberg

Staff Present

Matt Cheng
Karen Finucan Clarkson
Andrew D'huyvetter
Rhonda Gilchrest
Dan Goldfarb
Patricia Happ
Scott Kalkwarf
Kate Mattice
Aimee Perron Seibert
Steve MacIsaac (counsel)
Joe Swartz (VRE)

Opening Remarks

Vice-Chairman Letourneau thanked Commissioners for attending the meeting in Richmond. He is chairing the meeting since Chairman Smedberg was unable to attend. He thanked Senator Wexton and her staff for assisting NVTC in reserving the meeting space.

Vice-Chairman Letourneau welcomed Secretary of Transportation Shannon Valentine who, along with DRPT Director Mitchell, will give a report on transit legislation pending in the General Assembly. He explained that a Senate Finance Committee meeting has been scheduled for 4:30 P.M. so the NVTC meeting will be brief so Secretary Valentine and others can attend the committee meeting.

Minutes of the January 4, 2018 NVTC Commission Meeting

Ms. Bulova moved, with a second by Mr. Meyer, to approve the minutes. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Letourneau, McKay, Meyer, Mitchell and Snyder.

FY2019 State Transit Assistance Applications

Ms. Mattice stated that Resolution #2355 authorizes NVTC staff to submit the state assistance applications to the Virginia Department of Rail and Public Transportation (DRPT) for state operating and capital transit assistance on behalf of NVTC's five WMATA jurisdictions for their local bus systems, and the NVTC jurisdictions' share of WMATA subsidies. The applications total \$579.4 million in eligible operating costs and \$151.3 million in total capital expenses for FY2019. FY2019 state assistance applications on behalf of VRE include \$54.3 million in eligible operating costs, and \$26.3 million in total capital costs. NVTC also submitted an application for DRPT's Intern Program to support NVTC's Fellows Program for FY2019. Total cost as included in the FY2019 NVTC General and Administrative Budget for this program equals \$50,000, with a \$40,000 state share provided at 80 percent.

Ms. Bulova moved, with a second by Mr. Snyder, to approve Resolution #2355 (attached). The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Letourneau, McKay, Meyer, Mitchell and Snyder.

Legislative Update

Vice-Chairman Letourneau introduced Secretary of Transportation Shannon Valentine and DRPT Director Jennifer Mitchell. Secretary Valentine stated that former Governor McAuliffe presented a Metro proposal in his budget bill. After listening to concerns, the new administration worked over a 10-day period with NVTC, NVRTA, the Northern Virginia Delegation, and various jurisdictions to come up with a Metro proposal that most people can agree is fair. Delegate Sullivan's bill (HB1319) was the result of this hard work. His

bill was rolled into Delegate's Hugo's bill (HB1539) this morning during a House Appropriations Committee meeting.

Delegate LaRock arrived and joined the discussion.

Secretary Valentine stated everyone agrees WMATA needs funding for state of good repair. There are now bills in both Houses that include funding for Metro: \$105 million (HB1539) and \$154 million (SB856). This afternoon Senator Saslaw's bill (SB856) will be heard by the Senate Finance Committee. Both bills include WMATA reforms. SB856 includes capping operating at three percent, a WMATA reform board of up to eight members, and would require a strategic plan and six-year capital improvement plan. If these measures are not met, the Commonwealth Transportation Board (CTB) could withhold 20 percent of funding (\$31 million). The legislation would also require NVTC to submit detailed annual reports on WMATA's financial performance, safety, ridership and level of state of good repair. She noted that NVTC is the right organization to do this. Senator Saslaw's bill also includes \$26 million for VRE.

Secretary Valentine stated that SB856 includes \$50 million for the federal PRIIA (Passenger Rail Investment and Improvement Act) match, which will allow Virginia to initiate negotiations with the federal government on PRIIA funding. The \$50 million authorization is for one year, so it would have to come back for future funding authorization. Senator Saslaw's bill also includes a dedicated source of revenue for transit, which would come from a transportation network companies (TNCs) tax and it is predicted to raise \$20 million annually. She acknowledged that this is not enough to solve the fiscal cliff, but it is a start in the right direction.

In response to a question from Ms. Bulova, Secretary Valentine stated that the TNC tax would be statewide and used for statewide transit through a prioritization process yet to be determined. Commissioners discussed whether this revenue could be used for WMATA. Secretary Valentine stated Northern Virginia would have access to this funding source but she would need to verify if it could be used for WMATA. The Commonwealth is putting together a chart comparing all the bills, which will include this information.

Mr. Cook stated his focus is on pending legislation that would divert NVTA funds thus reducing funds available to NVTA for road projects. Mr. Nohe, chairman of the Northern Virginia Transportation Authority, stated SB856 includes \$31 million that localities are responsible for out of the "30 percent" funds. Currently, NVTA collects a two percent hotel tax which would go away and be reimposed on NVTC jurisdictions as a three percent tax. It would be a net reduction of \$31 million flowing to NVTA. Mr. Nohe stated there will be \$20 million fewer capital dollars available each year for roads or large-scale transit projects. In response to a question from Ms. Bulova, Secretary Valentine stated that regarding the "30 percent" funding, the wording may be able to be changed in the bill to allow for more flexibility for the jurisdictions.

Vice-Chairman Letourneau stated NVTC would like to see a greater state contribution for WMATA. He asked if the main obstacle to that is the General Assembly or the Northam administration. Secretary Valentine stated the funding in the proposed

legislation is in addition to what the Commonwealth is already providing, including \$200 million in operating funds and the PRIIA match for WMATA.

Mr. Dorsey asked if there has been any consultation with financial advisors to determine if the amount of funds and conditions will deliver a dedicated source of funding at a credit rating that is acceptable to the Commonwealth. Secretary Valentine responded that \$124 million of the \$154 million would be bondable. This has been reviewed by lawyers in the Attorney General's office.

Mr. Meyer stated it is his understanding that localities would lose \$20 million in "70 percent" funds from NVTa and lose \$40 million in "30 percent" funds for a total loss of approximately \$60 million. He asked about other funding sources, such as using I-66 Inside the Beltway revenues and if they would be bondable. Secretary Valentine stated that the I-66 toll revenues so far have been programmed for other projects through NVTC. Ms. Mitchell stated that state of good repair funding would most likely not pass the Meeks test regarding new capacity. Vice-Chairman Letourneau stated that an argument could be made that getting WMATA to a state of good repair would increase capacity.

Senator Ebbin arrived at 4:18 P.M.

Ms. Cristol thanked Secretary Valentine for meeting with her, Chairman Smedberg and Ms. Mattice a few weeks ago to hear recommendations resulting from the work done by NVTC's Governance and Personnel Committee's on WMATA reform issues. Ms. Cristol stated that NVTC wants to ensure governance reforms serve the interests of a more sustainable and healthy WMATA. She asked about legislation regarding the role of alternates on the WMATA Board. Secretary Valentine stated the Commonwealth was not trying to dictate requirements in the legislation.

Senator Wexton and Ms. Garvey both arrived at 4:21 P.M.

Secretary Valentine stated she believes there will be legislation passed that will create some type of WMATA reform board of five to eight members. Vice-Chairman Letourneau stated NVTC jurisdictions have a desire for continued representation on a reform board and WMATA Board since they are funding a large percentage of WMATA.

Vice-Chairman Letourneau thanked Secretary Valentine for giving her report and extended her an invitation to meet with NVTC again.

Secretary Valentine, Ms. Mitchell and Ms. Bulova left the meeting at 4:23 P.M.

Mr. Snyder observed that as benefits of Metro are widespread—both locally and statewide—so too should the costs be shared locally and statewide.

Vice-Chairman Letourneau asked staff to give a brief overview of Delegate Hugo's bill. Ms. Mattice stated that Delegate Hugo's bill (HB1539) would tap existing Northern Virginia and state money to raise \$105 million for Metro. The legislation would require a two percent annual cap in operating and a review of the WMATA governance structure.

Delegate Hugo's bill does not address a new dedicated revenue source, the gas tax floor or the fiscal cliff, although other pending legislation does. HB1539 is scheduled to be brought before the House Appropriations Committee on Friday.

In response to a question from Senator Ebbin, Ms. Mattice explained that there are differences between HB1539's bill summary and the printed legislation. NVTC staff is working to get a copy of the actual legislation.

Adjournment

Vice-Chairman Letourneau encouraged Commissioners to attend the Senate Finance Committee meeting.

Without objection, Vice-Chairman Letourneau adjourned the meeting at 4:29 P.M.

Approved this 1st day of March 2018.

Paul C. Smedberg
Chairman

Katie Cristol
Secretary-Treasurer



RESOLUTION #2355

SUBJECT: FY2019 State Transit Assistance Applications

WHEREAS: The Northern Virginia Transportation Commission (NVTC) wishes to obtain state and federal grants to help defray NVTC, WMATA, local bus systems and Virginia Railway Express (VRE) operating and capital costs.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission's Executive Director is authorized, for and on behalf of NVTC and as an agent for its members:

- 1) To execute and file applications to the Virginia Department of Rail and Public Transportation (DRPT) for grants of public transportation assistance for FY2019 commencing July 1, 2018 in the amount of \$579.4 million in eligible operating costs to defray a portion of the public transportation cost of NVTC and its members for operations;
- 2) To accept from DRPT and execute grants in such amounts as may be awarded; and
- 3) To furnish DRPT such documents and other information as may be required for processing the grant requests.

BE IT FURTHER RESOLVED that NVTC's Executive Director is authorized, for and on behalf of NVTC and as an agent for its members:

- 1) To file applications to DRPT for grants of public transportation assistance for FY2019 for capital expenses totaling \$151.3 million in non-federal costs (\$178.7 million total costs) to defray the costs borne by NVTC and its members for capital expenditures, with a minimum four percent local participation required;
- 2) To revise the capital portion of the application to reflect refined estimates by WMATA or local governments when they become available;
- 3) To accept from DRPT and execute grants in such amounts as may be awarded; and
- 4) To furnish to DRPT such documents and other information as may be required for processing the grant request.

BE IT FURTHER RESOLVED that NVTC's Executive Director is authorized, for and on behalf of NVTC and PRTC and their members:

- 1) To file FY2019 VRE applications to DRPT in the amount of \$54.3 million in eligible operating costs, and \$26.3 million in non-federal costs for capital (\$67.3 million total costs);
- 2) To revise the application to reflect refined estimates by VRE;
- 3) To accept from DRPT and execute grants in such amounts as may be awarded; and
- 4) To furnish to DRPT such documents and other information as may be required for processing the grant request.

BE IT FURTHER RESOLVED that NVTC's Executive Director is authorized, for and on behalf of NVTC:

- 1) To file an application with DRPT under the Intern Program in the amount of \$50,000, with state funds anticipated at 80 percent;
- 2) To accept from DRPT and execute the grant in such amount as may be awarded; and
- 3) To furnish to DRPT such documents and other information as may be required for processing the grant request.

BE IT FURTHER RESOLVED that NVTC certifies that the funds for all of the above grants will be used in accordance with the requirements of Section 58.1 638.A.4 of the Code of Virginia, that NVTC will provide matching funds in the ratio required by the Act, that the records of receipts of expenditures of funds granted to NVTC may be subject to audit by DRPT and by the State Auditor of Public Accounts, and that funds granted to NVTC for defraying the public transportation expenses of NVTC shall be used only for such purposes as authorized in the Code of Virginia.

BE IT FURTHER RESOLVED that NVTC's Executive Director is authorized, for and on behalf of NVTC and its members, to furnish to the Transportation Planning Board, the Commonwealth Transportation Board, and other state and federal funding agencies such documents, information, assurances and certifications as may be required for pursuing the above grant requests and continuing previously awarded grants.

BE IT FURTHER RESOLVED that NVTC's Executive Director is authorized to amend the above described applications at the request of NVTC's member jurisdictions to include the most recent information and project costs.

Approved this 8th day of February 2018.



Paul C. Smedberg
Chairman



Katie Cristol
Secretary-Treasurer