



NVTC Legislative & Policy Committee

Wednesday, May 17, 2023

Legislative & Policy Committee Agenda

1. Meeting Summary of the September 29, 2023 Meeting
2. General Assembly Update – NVTC Legislative Liaison Aimee Perron Seibert
3. NVTC Staff Presentations:
 - a) Value of Transit Study Results
 - b) Overview of NVTC's Metro Operating Funding and Reform Working Group
4. Future Strategies for the 2024 Legislative Session
5. Other Items

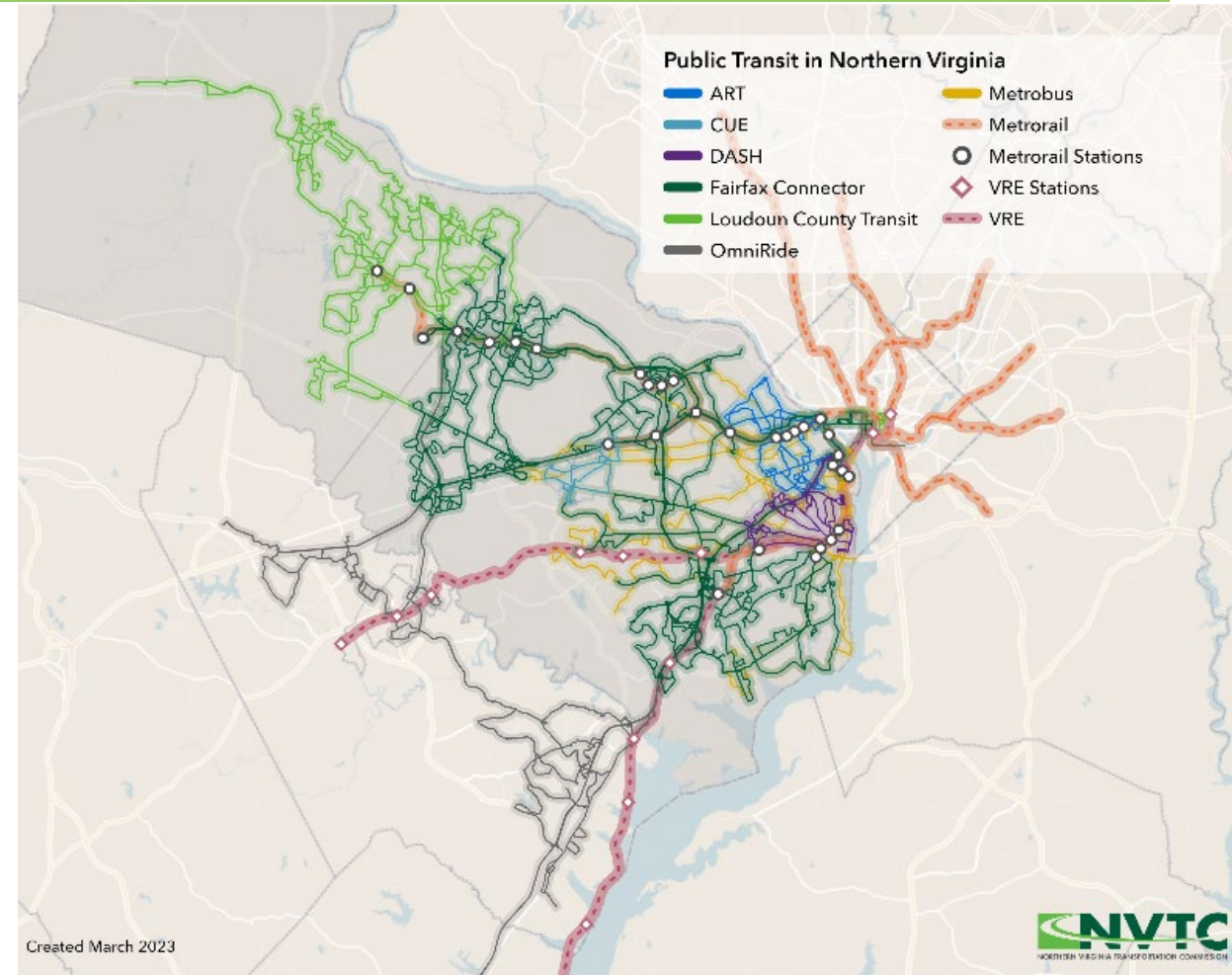
2) General Assembly Update

3) NVTC Staff Presentations

A. Value of Transit to the Commonwealth Study Results

Why Study the Value of Transit?

- NoVa's transit network supports the region's quality of life and economic competitiveness.
- Given the important role of state funding for transit, understanding the value of transit in terms of income and sales tax revenue is critical to showing the Commonwealth's return on investment for NoVa's bus, Metrorail, and VRE systems.



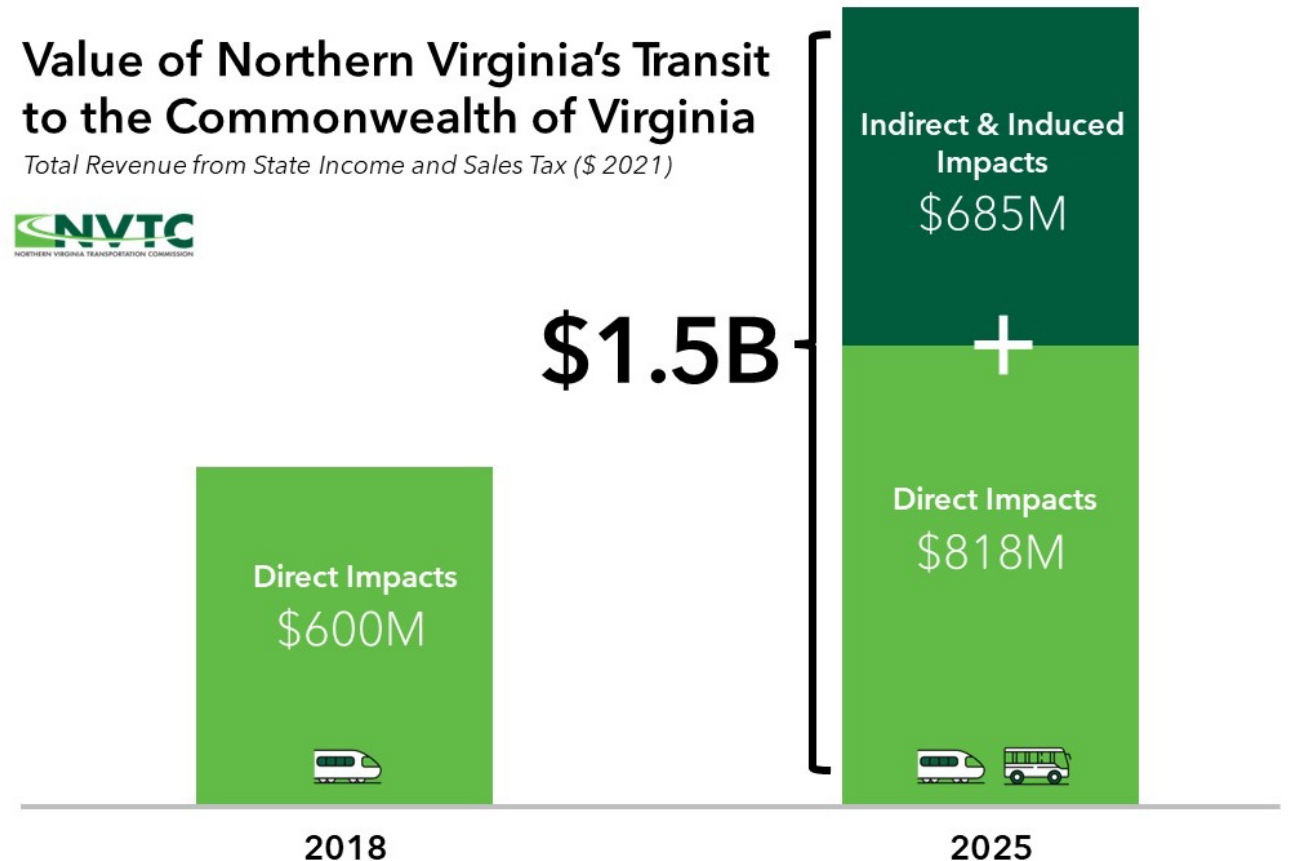
What Did We Find?

- NoVa's transit network generates **\$1.5 billion*** in income and sales tax revenue to the Commonwealth.
 - We estimate that at least \$1 billion can be attributed to Metrorail.
- This study's revenue estimate is more robust compared to the 2018 Value of Transit report because it:
 - Includes the bus systems in addition to Metrorail and VRE,
 - Calculates indirect and induced impacts in addition to direct ones, and
 - Considers additional years of regional growth (while accounting for COVID-related changes).

* (\$ 2021), 2025 analysis year

Value of Northern Virginia's Transit to the Commonwealth of Virginia

Total Revenue from State Income and Sales Tax (\$ 2021)



(Created April 2023)

Traffic Impacts Across NoVa

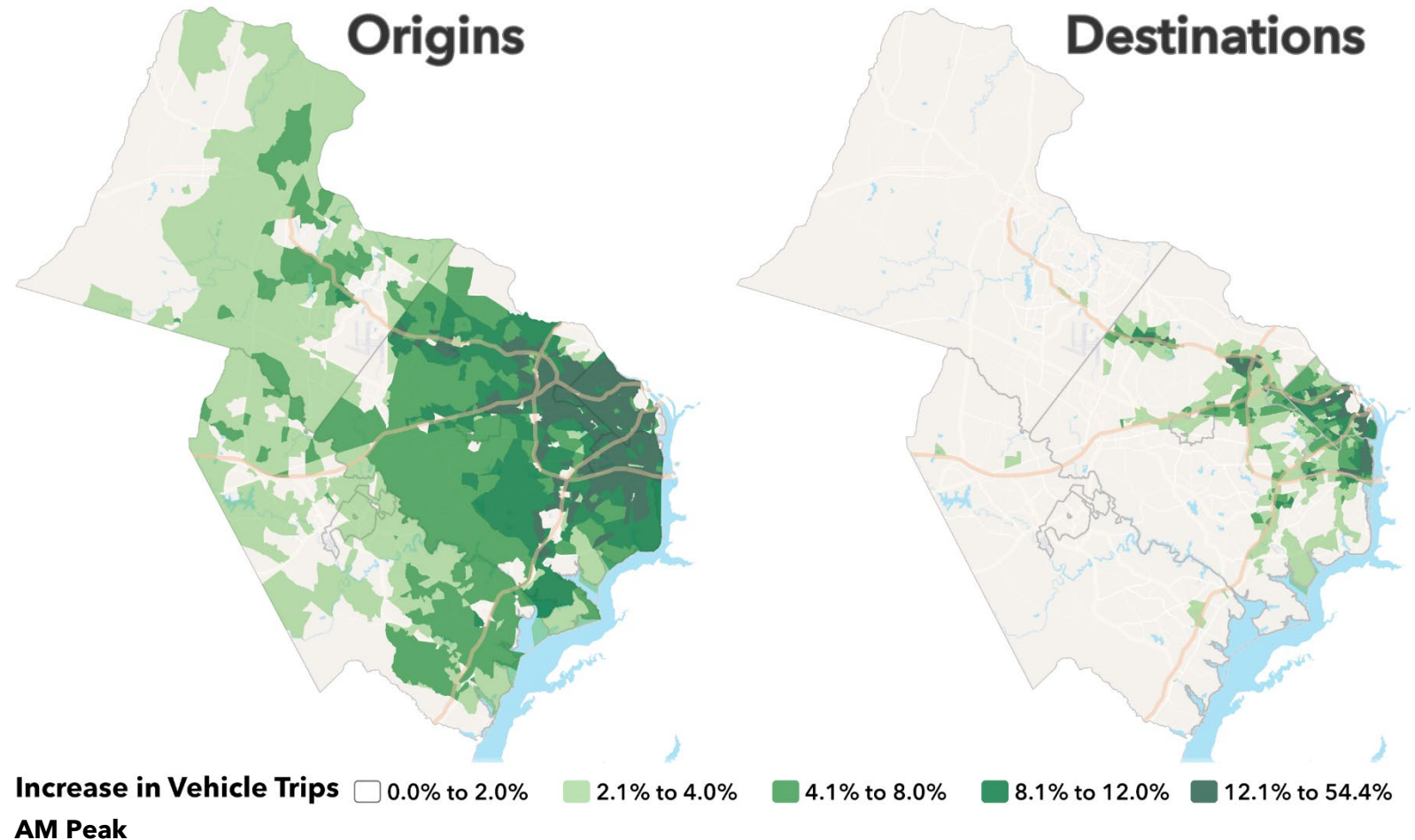


6% more vehicle travel

64% more congestion

Without transit:

- NoVa's tech and innovation corridors become less accessible
- It takes longer to travel the same distance
- More time driving means an increased chance of crashes, more emissions and greater vehicle operating costs



Traffic Fragments the DC Region

The congestion that results without transit cannot be accommodated by the existing or planned road network.

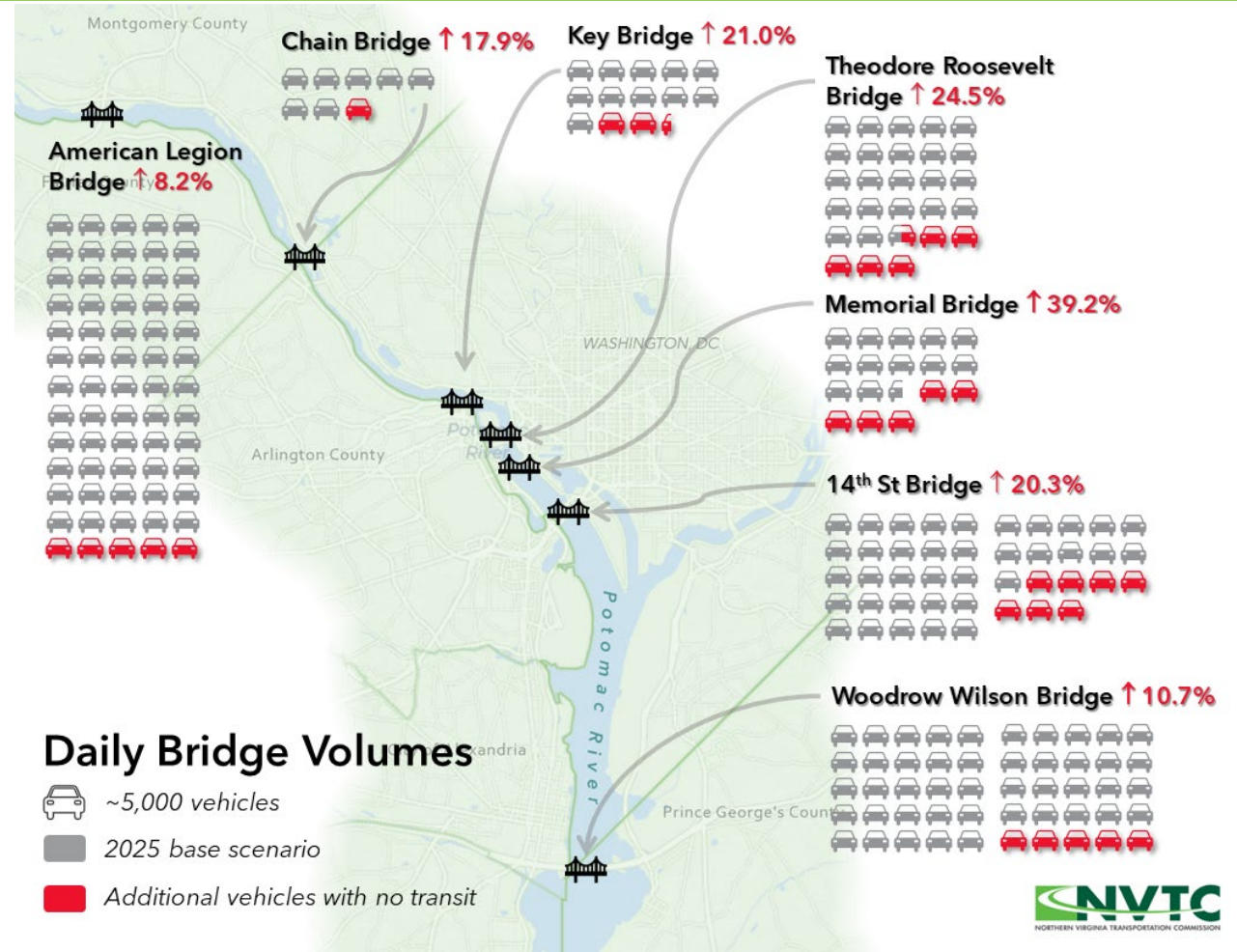
+2 Lanes



+3 Lanes

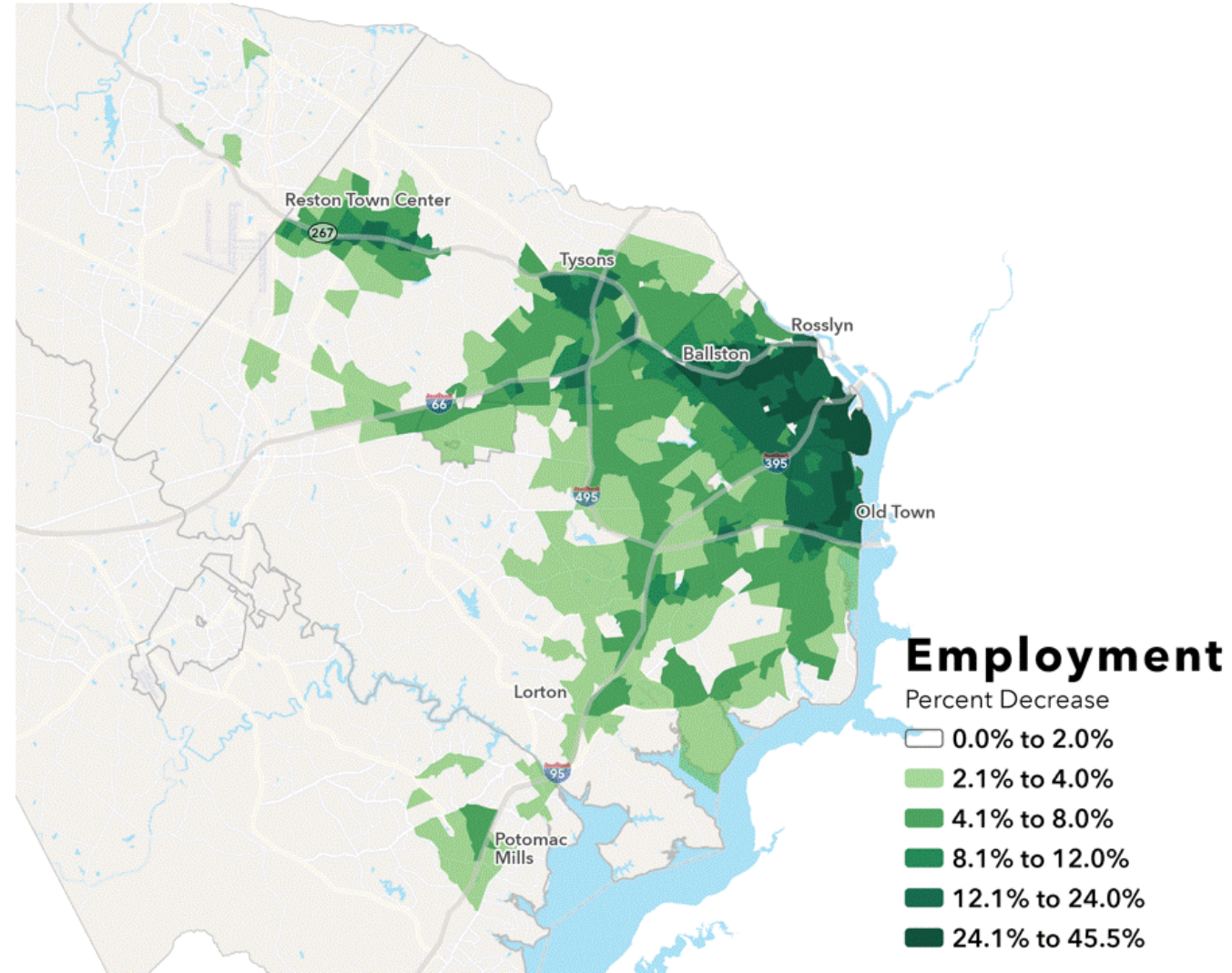
Arlington Memorial Bridge, Theodore Roosevelt Bridge, and Woodrow Wilson Bridge would each need two additional lanes to handle peak period traffic

The 14th St Bridge would need three additional lanes in the peak period

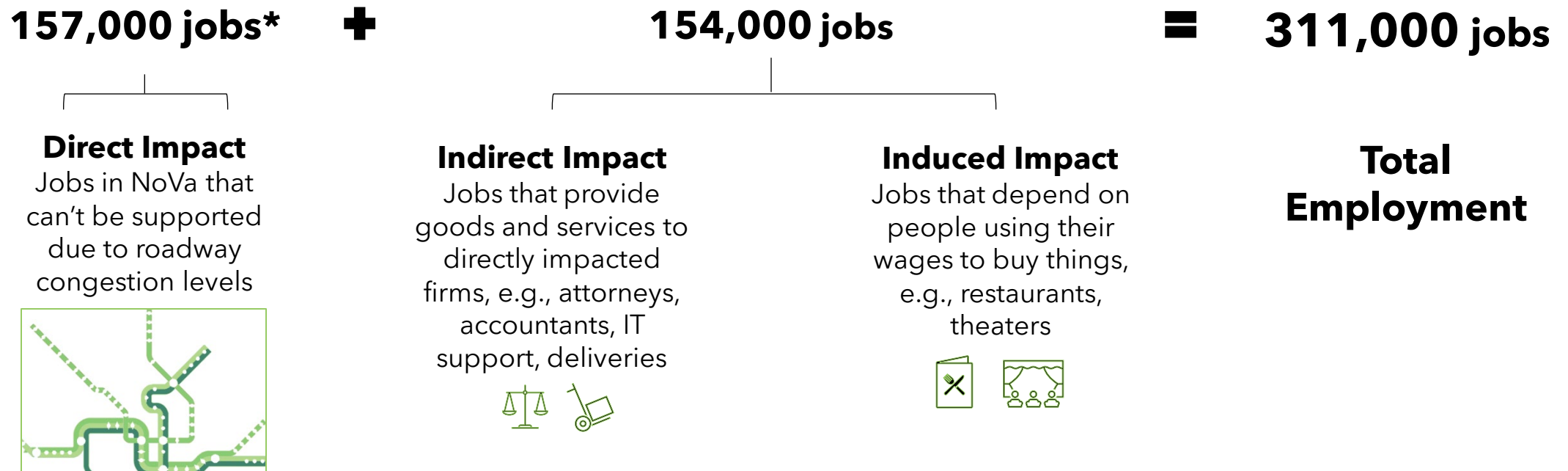


Employment Impacts

- Metrorail is a vital part of NoVa's economic development. Of the 157,000 jobs directly impacted by no transit, 76% of them are within ½ mile of a Metro station.
- Not having transit disproportionately affects lower-income households. They make up about 17% of the NoVa labor force but would represent over 33% of the job losses.

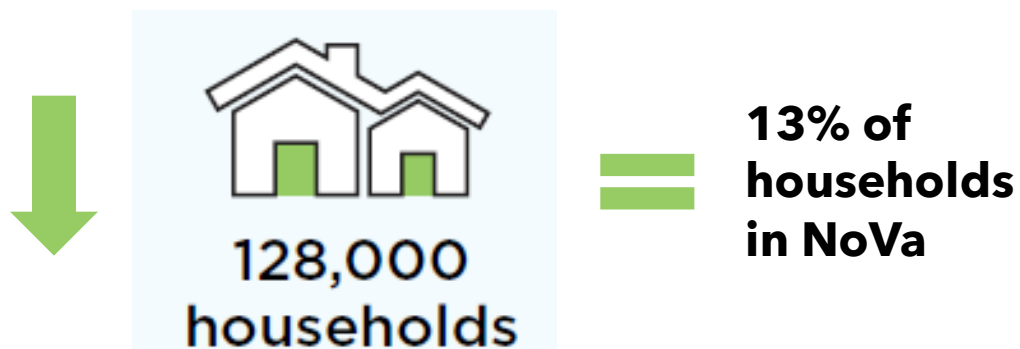


What Is Indirect & Induced Employment?

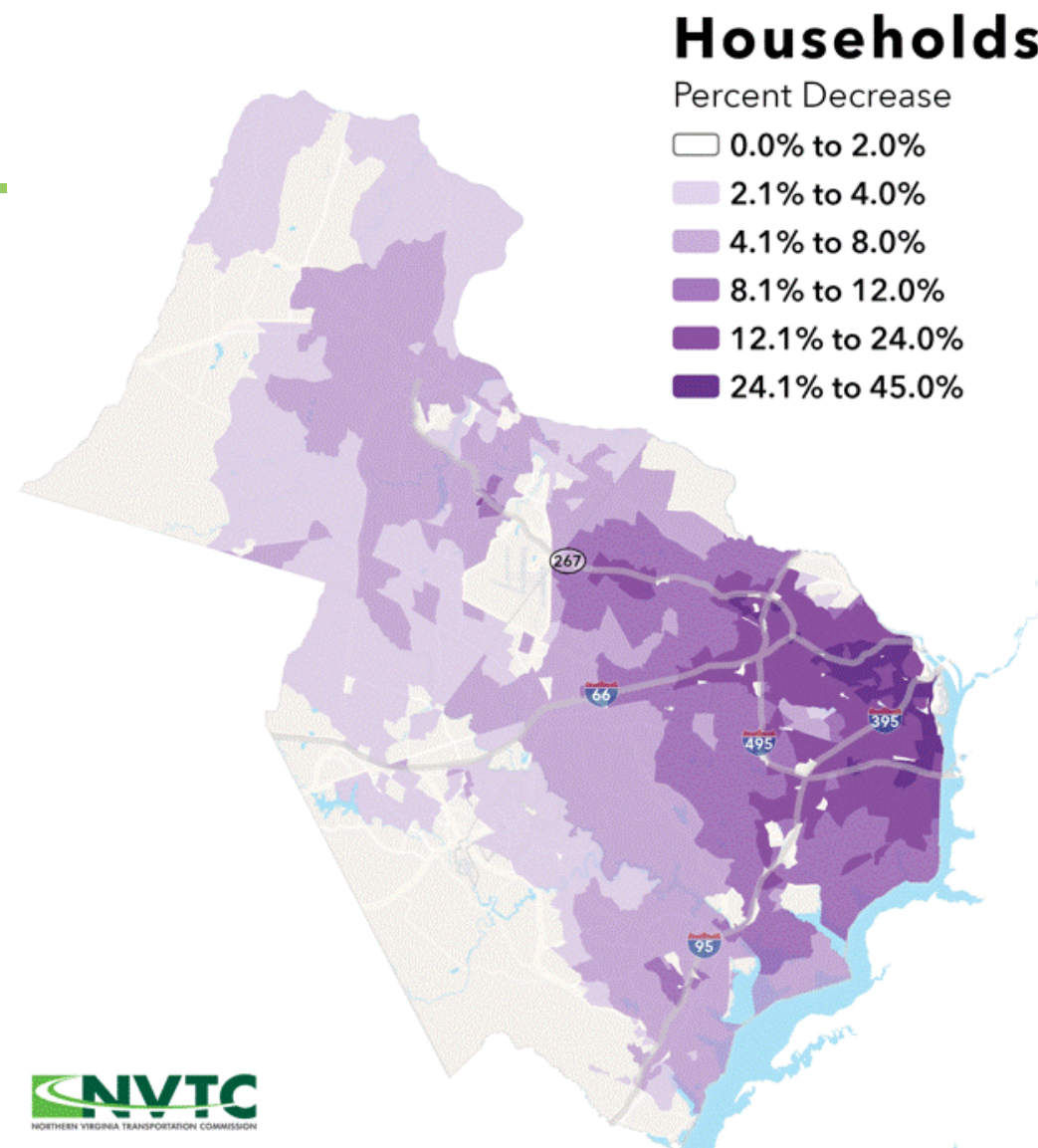


****76% of these jobs are within ½ mile of a Metro station***

Household Impacts



The loss of households is more distributed across the region compared to employment. Approximately 42% of the households lost are within ½ mile of a Metro station.



Key Findings for NoVa

Transit in Northern Virginia in 2025:

Supports 128,000
households

Supports 270,000
jobs in NoVa
(311,000 statewide)

Saves commuters
\$246 M in vehicle
operating costs

Avoids about
150,000 metric tons
of CO₂ emissions

Avoids over 400
serious injuries

Why Is This Important?

- \$1.5 billion dollars represents about 5% of Virginia's total revenue.
- The Commonwealth has a 160% return on investment for transit in Northern Virginia. For every \$1 spent, it receives the original dollar plus an additional \$1.60 in return.
- Our major employment centers relied on transit-oriented development to grow. Without frequent and reliable transit, they cannot support the same number of jobs and households.
- Funding NoVa's transit network helps ensure our interstates can quickly move both people and goods across the Mid-Atlantic region.

Questions?



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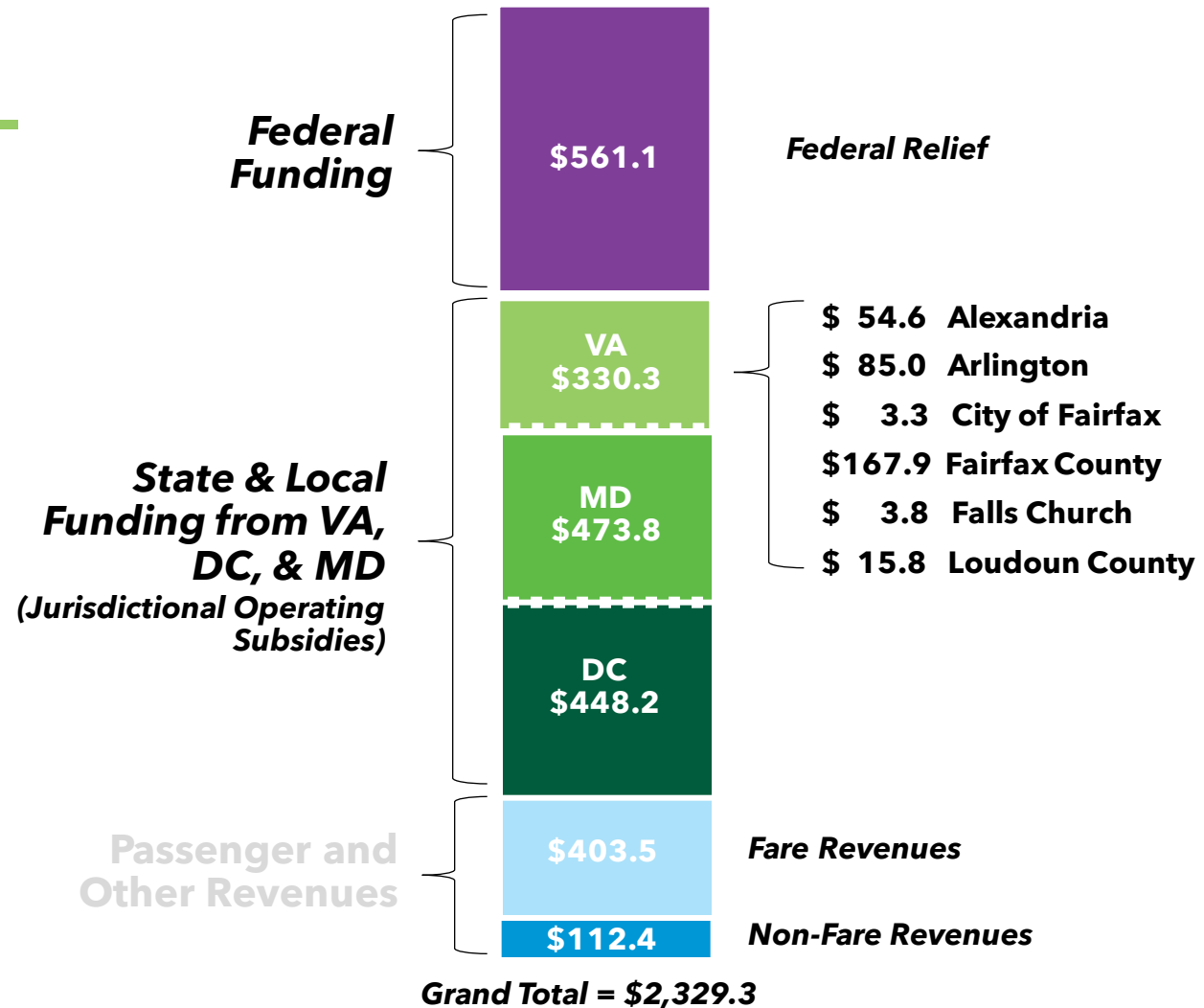
3) NVTC Staff Presentations

B. Overview of NVTC's Metro
Operating Funding and Reform
Working Group

WMATA's Operating Funding Sources

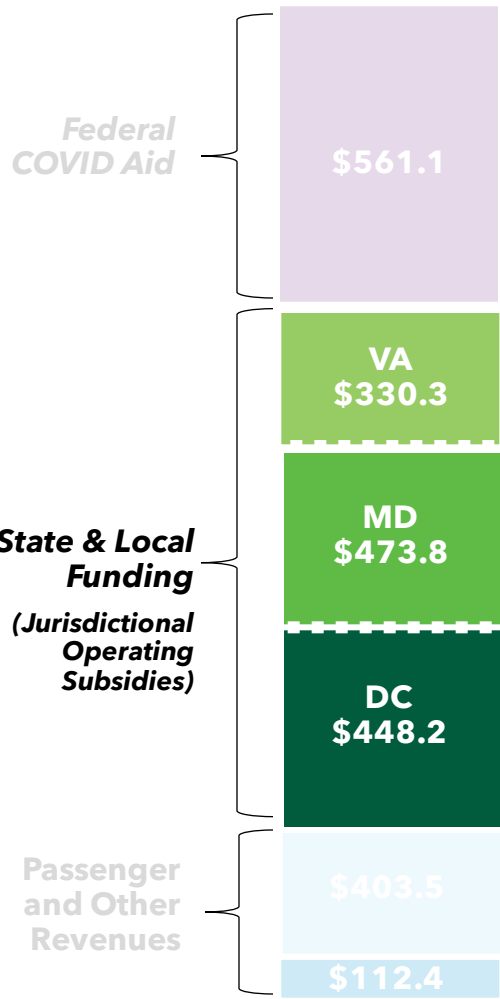
- Fare revenues include all modes and depend on ridership, which is well below pre-pandemic levels
- Non-Fare revenues include advertising, parking, and other sources.
- Expenses - Revenues = Jurisdictional Operating Subsidies, which are allocated to each funding jurisdiction
- Federal funds are one-time COVID-19 relief funds which will be exhausted in FY 2024

Approved FY 2024 Operating Budget Funding Sources (in millions)



How DC, MD, and VA fund WMATA

Approved FY 2024 Operating Budget
Funding Sources (in millions)



Grand Total = \$2,329.3

WMATA

- WMATA does not have dedicated operating revenues (typically taxes that flow directly to and are managed by a transit agency). However, some funding jurisdictions have revenue sources designated specifically for paying WMATA subsidies.

Virginia

- Local governments meet their obligations using a mixture resources: **general fund** revenues (primarily property taxes), NVTa 30% funds and other transportation funds.
- Local governments instruct NVTC to make payments on their behalf from their respective regional gas tax or state aid trust fund accounts

Maryland

- The State of Maryland meets the majority of its obligation from the **state-wide transportation trust fund**, which is supported by a variety of transportation taxes and fees.

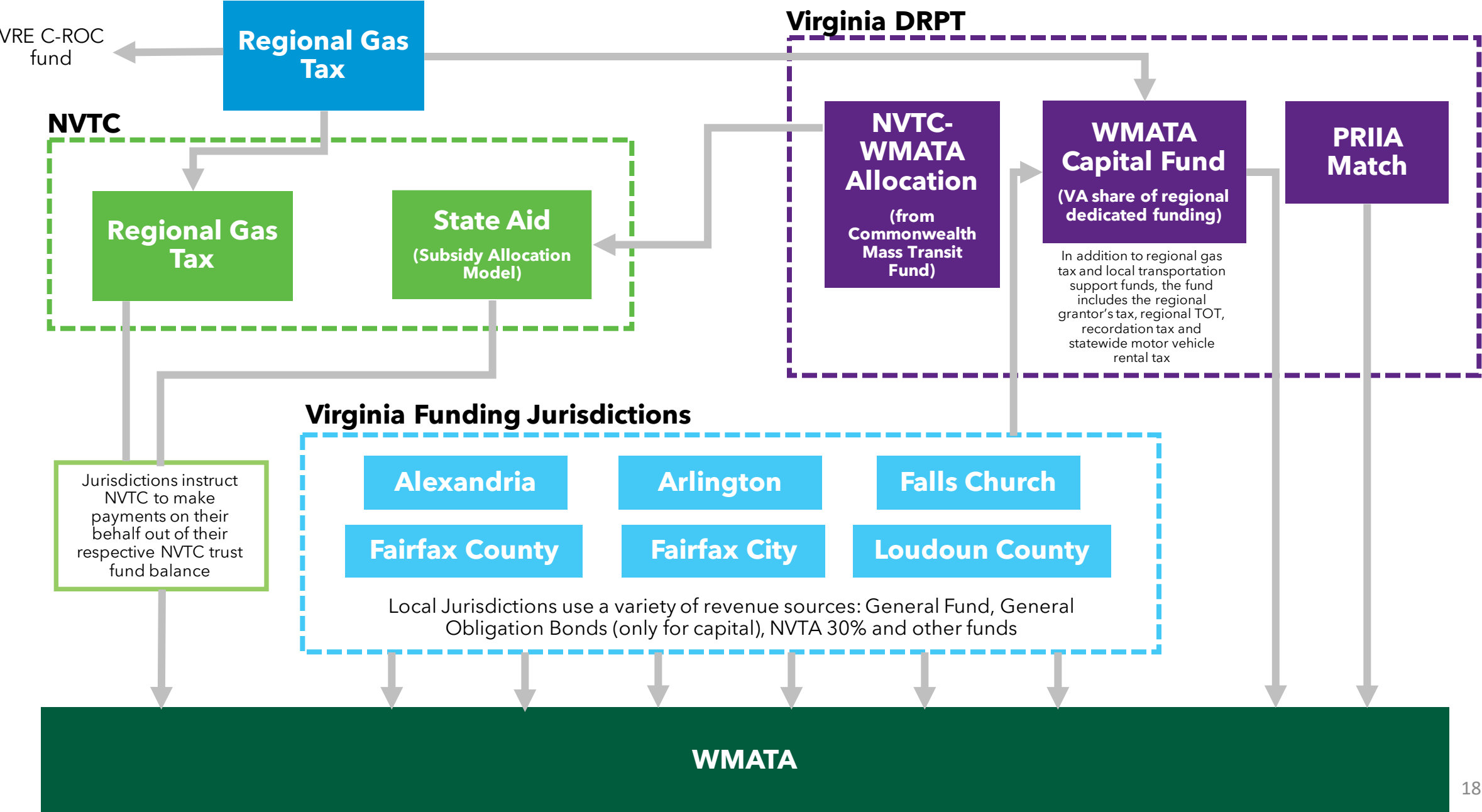
District of Columbia

- The majority of DC’s operating funding comes from its **general fund**. Parking meter revenue and taxes on revenues generated from private operators of parking lots and garages are also used to pay DC’s operating subsidy.

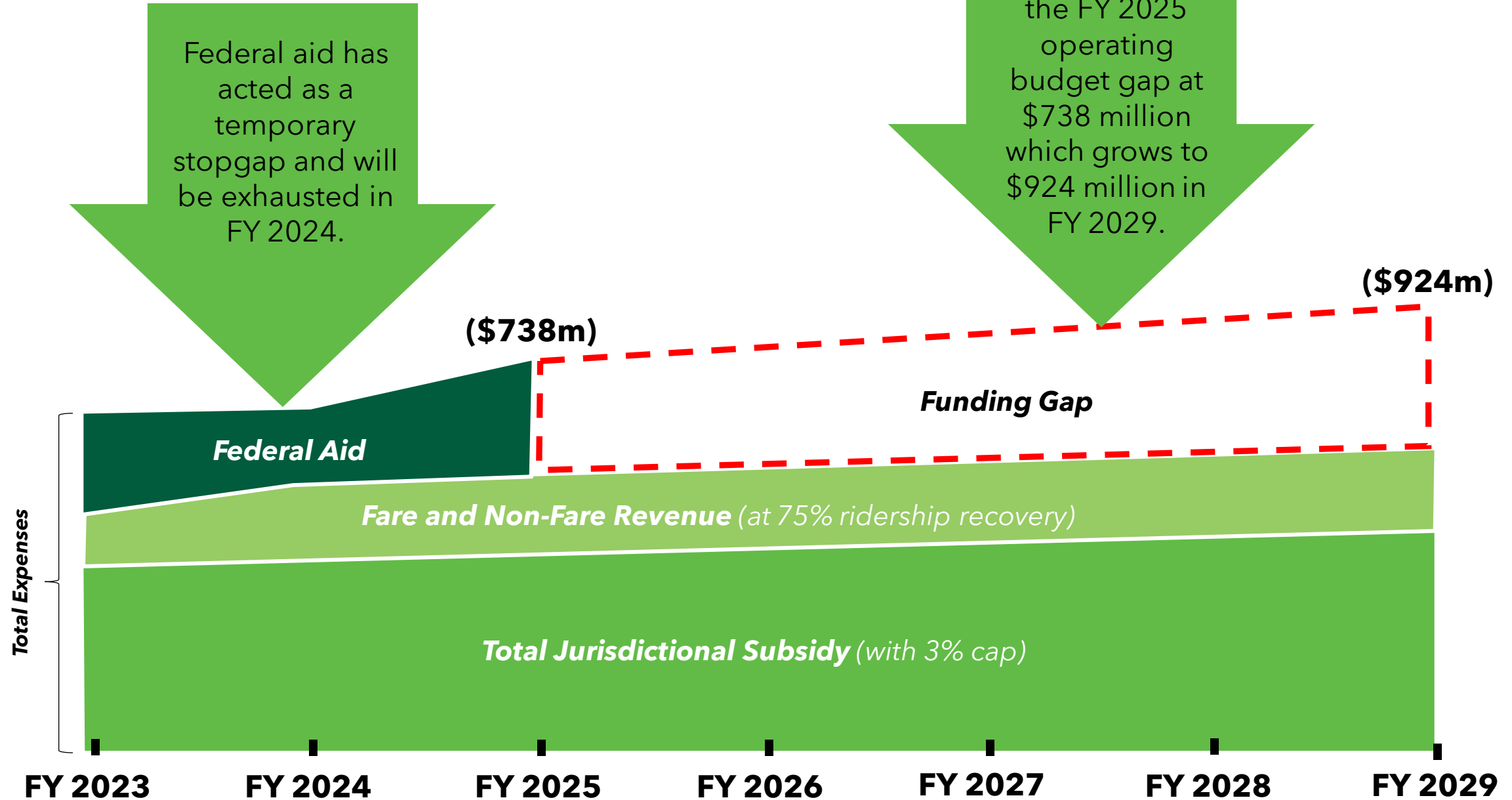
Source: WMATA Board [FY 2024 Budget Approval](#), April 2023

* Since FY 2020, the Maryland’s general fund has also helped fund the dedicated capital portion of the WMATA subsidy.

How WMATA is Funded in VA



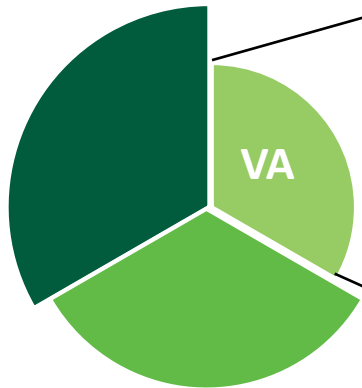
WMATA Operational Budget Projections



NVTC's Metro Operating Funding & Reform Working Group

Working Group Approach

**Potential Dedicated
Operating Funding to
WMATA**



**Examine a variety of
sources that are stable
and sustainable in the
long-term**

Considerations for Revenue Sources

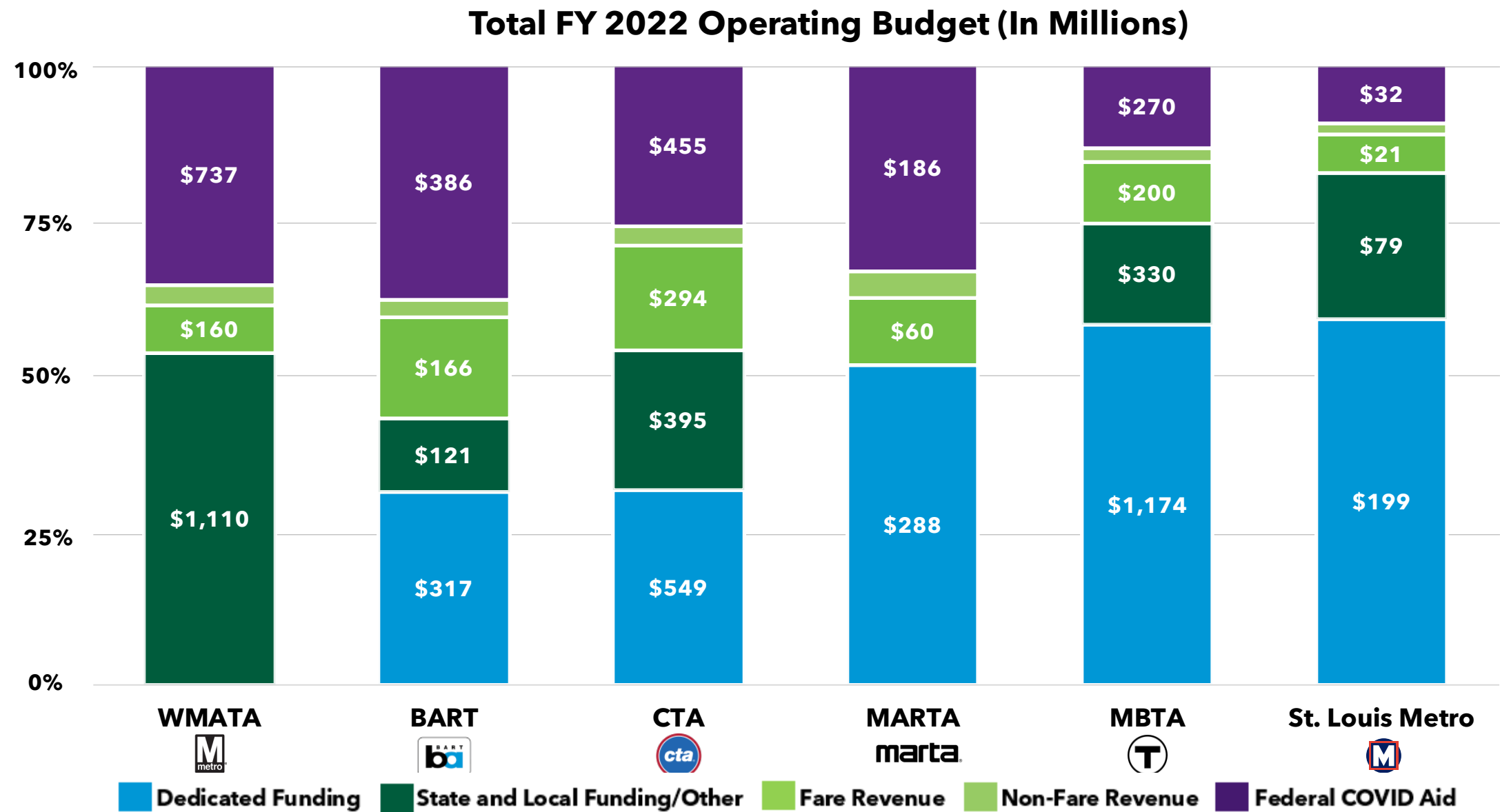
- Variety of revenue streams (taxes, fees, new or existing, P3, etc.)
- Amount each source could generate annually
- Long-term growth and stability of overall funding portfolio
- Administrative and political viability

NVTC's Metro Operating Funding & Reform Working Group

Considerations for Revenue Structure: Questions for the Working Group
















- Is our goal to meet or exceed the funding gap?
 - Option to lower traditional operating subsidy
 - Option to include other Northern Virginia transit operators
- What modes are we funding?
- As it pertains to WMATA, should transit operating revenues be allocated regionally (to NoVa) or to each individual city and county?
- Where should the revenue flow to be held in trust?

NVTC Research on WMATA Peer Transit Agency Operating Funding



Note: Figures are rounded and derived from each agency’s approved FY 2022 operating budget. NVTC staff consolidated figures into like categories for comparison.

NVTC Research on WMATA Peer Transit Agency Operating Funding

Funding Source	Agency
Sales Tax	      
Property Tax	
Real Estate Transfer Tax	 
Title Ad Valorem Tax	
Payroll Mobility Tax/Metropolitan Commuter Transportation Mobility Tax	
Petroleum Business Tax <i>(Business Privilege tax, Gasoline and Diesel Fuel Excise Tax, Vehicle Registration/Driver License Fees)</i>	
Mortgage Recording Tax <i>(MRT-1 & MRT-2)</i>	
Corporate Franchise Tax	

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