

**Northern Virginia Transportation Authority
Organizational Working Group**

**Meeting Summary
May 16, 2013**

Members Present:

Scott York, Chair	Tracy Gordon
Sharon Bulova, Vice Chair	Alfred Harf
Doug Allen	Tim Hemstreet
Tom Blaser	Dan Malouff
Sandy Bushue	Charles Yudd, Staff Coordinator
Bernard Caton	Hal Parrish
Noelle Dominguea, Staff Coordinator	

1. Introductions

Scott York opened the meeting and members of the working group introduced themselves.

2. Selection of Staff Coordinator and Assistant Staff Coordinators, including Recorder

Charles Yudd, Loudoun County Assistant County Administrator and Noelle Dominguez, Fairfax County Legislative Liaison will be serving as the Organizational Working Group's staff coordinators. Lisa Erickson, Assistant to Charles Yudd, will serve as the group's recorder.

Mr. Yudd gave an overview of the items to be discussed: 1) background on the legislation; 2) overview of the Transportation Bill; 3) Report from the 2007 working group; and 4) breakout chart individually listing questions regarding the organizational structure.

3. Explanation of Bill Provisions – Noelle Dominguez

Noelle Dominguez provided the group with a summary of HB2313, highlighting the provisions pertaining to the regional funding, to become effective July 1, 2013. The final transportation funding bill provides approximately \$840 million annually for statewide maintenance, construction, and transit by 2018. The bill also includes a regional component for planning districts that meet certain thresholds (population, registered vehicles, and transit ridership). Currently, only Northern Virginia and Hampton Roads meet the criteria, but other planning districts may do so in the future. The Northern Virginia plan is expected to provide approximately an additional \$300 million per year. (See Attachment 1 for a breakdown of each funding mechanism.)

Seventy percent of the Northern Virginia plan will be provided to the NVTA to be used on 1) regional projects included in TransAction 2040 or its future updates that have also been evaluated by VDOT for reducing congestion or 2) mass transit capital projects that increase capacity. Thirty percent of funds will be distributed to individual localities and must be spent on urban or secondary road construction, capital improvements that reduce congestion, projects included in TransAction 2040 or its future updates, or for public transportation purposes.

Chairman York questioned if the Silver Line project was eligible under the 30 percent funding for localities or the 70 percent regional funding. Ms. Dominguez stated the Silver Line was included in the CLRP as part of TransAction 2040 and was also considered as a mass transit capital project which increases capacity, and therefore should be eligible for both local and regional funding.

Hal Parrish, Manassas, questioned if the diesel tax had been eliminated in addition to the 17.5 cents per gallon gas tax. Ms. Dominguez stated that both gas and diesel tax had been eliminated and replaced with a 3.5 percent wholesale gas tax and a 6 percent wholesale diesel tax.

The Committee discussed the requirement that localities must enact the local Commercial and Industrial (C&I) Property Tax at \$.125 per \$100 valuation or dedicate an equivalent amount to be used only for transportation. Mr. Yudd questioned if a jurisdiction could chose to appropriate other funds to match the 12.5 percent. Tom Biesiadny, Fairfax County/Financial Working Group, explained that the law stated if a jurisdiction did not institute the full 12.5 percent C&I tax, or equivalent, then the 30 percent would be distributed proportionally. Chairman York questioned the Towns' eligibility to apply for funding from NVTA. Mr. Biesiadny explained that the law required NVTA to work cooperatively with the Towns within each eligible County for both the local and regional funding.

4. Review of Overarching Working Group Question

(Based on the information provided by the other four working groups, how should NVTA be organized to effectively and efficiently undertake the work it has been assigned, and what are the interim steps that need to be taken to reach that end?)

As of December 31, 2012 the current structure of NVTA is as follows:

- NVTA “staff” is provided by an inter-jurisdictional coordinating committee made up of local, regional, and state transportation agencies and provides guidance on allocations of federal resources
- NVTA has limited financial responsibility
- Virtual Office (street address, mailbox, receptionist) at the Innovation Center (month-to-month agreement).

- NVTC, established in 2007, serves as the financial group authorized by the NVTA to pay bills

The history of the 2007 process was presented as follows:

- NVTA had the authority to impose seven taxes and fees and several parties had questioned legality/constitutionality
- Legal Working Group recommended pursuing a bond validation suit and to prepare for selling bonds (filed suit in August 2007; court answered in February 2008). Future suits would be consolidated and expedited.

For 2013, the Legal Working Group will most likely recommend a similar strategy for consideration.

The working group discussed matters relating to bond issuance and the effects of debt and interest rates on individual jurisdictions.

5. Review and Discuss Individual Questions

- a. What is the best organizational structure, related to the use of in-house staff, consultants, local jurisdictional staffs, and transportation and planning agency staffs?
- b. What level and type of administrative support will NVTA need?
- c. What amount of office space will NVTA need and where should it be located?
- d. What timeline should be used for implementing changes to NVTA's organizational structure if any?
- e. What is the recommend meeting schedule for calendar year 2013?

In 2007 NVTA developed a standing resolution to use a "Council of Counsels," made up of attorneys from the larger jurisdictions, to provide legal advice. Subject to the approval of each jurisdiction, the Legal Working Group will be making a recommendation to continue with this strategy for legal services.

Effective July 1, 2013, approximately \$275 million will be distributed into the Northern Virginia Transportation Account (received by mid-August/September). NVTA will need to make a decision about how to manage the account. In 2007 NVTC was designated to manage funds and still exists as a means to receive local funds from the State. The Committee discussed whether it preferred to continue using the NVTC account or to explore other options.

NVRC offered its current office space for NVTA meetings and dedicated staff. The Committee discussed options for dedicated staff, such as hiring a consultant or management firm to serve as an Executive Director/CEO and/or to provide financial or legal support. The Committee further discussed the necessity for better communication

between each of the working groups and requested that staff regularly provide updates on activities.

Actions:

1. The Organizational Working Group forwarded to the Financial Working Group a request to poll each jurisdiction as to their ability to carry debt through bonding.
2. The Organizational Working Group requested that Mark Gibb, NVRC, come back to the group with a proposal for larger meeting space/office space, subject to all required procurement practices.
3. May 30, 2013 Organizational Working Group Meeting:
 - Determine recommendation for interim and/or permanent central staffing (Executive Director, Consulting/Management firm, etc.)
 - Determine recommendation for managing funds (existing NVTC account, other account, etc.); this can be considered further by the Financial and Legal Working Groups.
 - Determine recommendation for office/meeting space (NVRC, etc.)

The Organizational Working Group discussed the proposed meeting schedule for calendar year 2013. The NVTA's 2013 schedule, originally passed in November 2012 and prior passage of HB 2313 called for meetings in January, May and December. However, additional meetings will be needed as HB 2313 is implemented.

The Organizational Working Group, therefore, recommends that the NVTA take the following actions on May 23, 2013:

- That the NVTA meet monthly through the end of the calendar year, except for August and November (Attachment 2).
- That the meetings continue to be held at 5:30 on the evenings that NVRC meets at the NVRC offices or a nearby location. Due to space constraints of the current meeting room, NVTA and NVRC staff has been asked to explore whether larger meeting rooms are available at either the building where NVRC is located or at neighboring Luther Jackson Middle School. More information will be presented at the June 20, 2013 meeting.

Future Organizational Working Group Meeting Dates:

- May 30, 2013, 1:00 p.m. – Organizational Working Group Meeting
- June 13, 2013, 1:00 p.m. – Organizational Working Group Meeting

Members of the Working Group:

Loudoun County Chairman Scott York (Working Group Chair; NVTA Member); Fairfax County Chairman Sharon Bulova (Working Group Vice-Chair; NVTA Member); Mayor of Manassas Harry J. “Hal” Parrish (NVTA Member); Governor’s Appointee Sandy Bushue (NVTA Member); Bernard Caton (Alexandria); Dan Malouff (Arlington); Steve MacIsaac (Arlington); Tom Bruccoleri (Arlington); Noelle Dominguez (Fairfax County); Corinne Lockett (Fairfax County); Erin Ward (Fairfax County); John Foster (Falls Church); Cindy Mester (Falls Church); Tim Hemstreet (Loudoun); Charles Yudd (Loudoun); Jay Johnson (Manassas Park); Vanessa Watson (Manassas Park); Tom Blaser (Prince William); Ric Canizales (Prince William); Rob Dickerson (Prince William County); Tracy Gordon (Prince William); Alfred Harf (PRTC); Doug Allen (VRE)

ATTACHMENTS:

1. Transportation Summary, April 16, 2013
2. Proposed Calendar Year 2013 Meeting Schedule – Northern Virginia Transportation Authority

Transportation Summary

April 16, 2013

Transportation Funding

The final transportation funding bill provides approximately \$840 million annually for statewide maintenance, construction, and transit by 2018 by:

- Eliminating the 17.5 cents per gallon gas tax.
- Imposing a 3.5% wholesale gas tax and a 6% wholesale diesel tax.
- Increasing the automobile sales tax from 3% to 4.15%, phased in over three years.
- Increasing the state sales tax from 5% to 5.3%.
- Transferring an additional .175% (from .5% to .675%) of the state's portion of existing sales tax from the General Fund to transportation, phased in over five years.
- Increasing the fee for alternative fuel vehicles to \$64, including electric and hybrid vehicles, but excluding natural gas-powered vehicles.
- Dedicating potential federal revenues that would become available if Congress enacts the Marketplace Equity Act, which grants states legal authority to collect out-of-state sales taxes. If Congress does not pass the Act by January 1, 2015, the wholesale gas tax (not diesel) would increase to 5.1%.
- Prohibiting tolling on I-95 south of Fredericksburg without prior General Assembly approval.
- Allocating \$300 million from the state maintenance funding, or other available revenue sources, to Dulles Rail Phase II.

The bill also includes a regional component for planning districts that meet certain thresholds (population, registered vehicles, and transit ridership). Currently, only Northern Virginia and Hampton Roads meet the criteria, but other planning districts may do so in the future. The Northern Virginia plan is expected to provide approximately an additional \$300 million per year by:

- Imposing a .7% sales tax, to a total of 6% for Northern Virginia.
- Imposing a 2% Transient Occupancy Tax (hotel tax).
- Imposing a regional congestion fee (grantors tax) of \$0.15 per \$100 valuation.
- 70% will be provided to the Northern Virginia Transportation Authority to be used on (1) regional projects included TransAction 2040 or its future updates that have also been evaluated by VDOT for reducing congestion, or (2) mass transit capital projects that increase capacity. The VDOT evaluation is not required for funds received in FY 2014.
- 30% of funds will be distributed to individual localities and must be spent on urban or secondary road construction, capital improvements that reduce congestion, projects included in TransAction 2040 or its future updates, or for public transportation purposes.
 - Localities must enact the local Commercial and Industrial Property (C&I) at \$.125 per \$100 valuation or dedicate an equivalent amount to be used only for transportation. Those localities that do not do this or do so at a lower rate will have these revenues reduced by a corresponding amount.
- Requiring the NVTa and its counties and cities to work cooperatively with the towns when implementing these provisions to ensure that towns receive their respective share of transportation project revenues.
- Repealing the local option to enact a 1% income tax by referendum.
- Including language stating that if the regional funds will expire if the General Assembly appropriates or transfers any of the additional revenues for any non-transportation-related purpose. Localities that use the funds for non-transportation purposes would not receive any of the regional transportation funding in the following year.
- Requiring localities receiving these funds to maintain the current level of local transportation funding in the future. If a locality does not contribute this minimum level of local funding, they would not receive any of the regional transportation funding in the following year.

ATTACHMENT 2

Proposed Calendar Year 2013 Meeting Schedule*
Northern Virginia Transportation Authority
May 23, 2013

January 24, 2013 (CANCELLED)	6:00 p.m.
January 31, 2013 (Joint Meeting with NVTC in Richmond) VaCo/VML Day schedule	5:30 p.m.
March 8, 2013	5:30 p.m.
April 25, 2013	5:30 p.m.
May 23, 2013	5:30 p.m.
June 20, 2013	5:30 p.m.
July 25, 2013	5:30 p.m.
September 26, 2013	5:30 p.m..
October 24, 2013	5:30 p.m.
December 12, 2013	5:30 p.m.

*meeting dates are prior to the NVRC meetings with the exception of the joint meeting with NVTC in Richmond.