



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

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www.TheNoVaAuthority.org

March 13, 2013

The Honorable Robert F. McDonnell, Governor
Patrick Henry Building, 3rd Floor Comments on HB 2313
1111 East Broad Street
Richmond, Virginia 23219

Subject: Comments on HB 2313, Transportation Funding Bill

Dear Governor McDonnell:

On behalf of the Northern Virginia Transportation Authority (NVTA), I want to thank you and our General Assembly delegation for the efforts to secure new transportation funding for Northern Virginia and the Commonwealth. We applaud your collective efforts and deeply appreciate your willingness to work together towards providing the resources necessary to address our transportation infrastructure and capacity needs, which are vital to the economic health of our region.

The work done by you and the General Assembly in passing this legislation (HB 2313) is of historical significance in moving transportation in Northern Virginia forward. We do, however, have concerns that some provisions in the bill limit the NVTA's ability to fully act in accordance with its authorized duties, such as allocating funds to regional transportation projects at its discretion, and setting transportation priorities based on various criteria included in the NVTA's authorizing legislation, such as reducing delays and improving travel times, safety, and air quality.

On March 8, 2013, the NVTA met to discuss HB 2313 and next steps for the region. We are concerned that the bill includes language that will make it difficult for the NVTA and our member jurisdictions to implement some of the bill's regional provisions. Following extensive discussion, the NVTA approved the attached recommended amendments to HB 2313. The amendments fall into five specific areas that are described below:

- The first amendment is purely technical in nature. A reference to the previous subdivision in the bill is necessary to clarify language pertaining to the distribution of revenue to localities.
- HB 2313 limits the NVTA's ability to fund roadway improvements to those projects included in the NVTA's adopted regional transportation plan (TransAction 2040) that have also been rated by the Virginia Department of Transportation (VDOT) in terms of their ability to reduce congestion and address emergency evacuation. As provided in HB 599/SB 531 (2012), VDOT is undertaking a study to evaluate and rate significant projects in Northern Virginia to meet the congestion relief and emergency evacuation provisions of the legislation; however, the study is expected to take 18 months to complete. We don't believe it was the intent of the legislation to wait 18 months to begin working on roadway projects. Accordingly, we are proposing an amendment to allow the NVTA to move forward with up to 11 road improvement projects prior to the completion of VDOT's effort. This initial set of projects would be drawn from TransAction 2040 as required, and would include projects in the region's Constrained Long Range Plan, which has previously been the subject of

public comments and approval by the National Capital Region Transportation Planning Board, which includes local and state representatives. It is our strong belief that a specific list of projects should not be written into the legislation.

- As you know, transit plays a significant role in our transportation system in Northern Virginia. Two of our largest transit providers are the Washington Metropolitan Area Transit Authority and the Virginia Railway Express. Both of these providers serve areas beyond the boundaries of the NVTA. As passed by the General Assembly, HB 2313 would prohibit the new regional funding from being used for projects such as expanding a VRE storage yard or purchasing additional VRE or Metrorail cars. We believe that this language needs to be broadened to address this issue.
- While we understand the purpose of the maintenance-of-effort provision in the bill, as worded, this provision creates significant problems for several of our member jurisdictions. One problem stems from at least one jurisdiction having a very active road bond construction program over the past several years, which will be ending in 2013. This jurisdiction has no voter approval to continue the program beyond this year. Several other jurisdictions have spikes in transportation expenditures in FY 2013, including for a periodic bus purchase and a large revenue sharing match. As a result, we are recommending that bond funds be excluded from the maintenance-of-effort calculation and that a five-year average be used to calculate the level that must be maintained. In addition, we would recommend language intended to clarify that state and federal grant expenditures are not included in these calculations.
- HB 2313 includes a provision mandating that if the Commonwealth, the NVTA, Hampton Roads, or any of the local jurisdictions use any of the funding raised for anything other than transportation purposes, the revenue sources expire. While we support the concept, we are concerned that the misdeeds of any single jurisdiction could cause the Commonwealth, the NVTA and all other jurisdictions to suffer. This could put any bonds that might be supported by this revenue at risk. To resolve this issue, we would request that the misappropriation language and consequences be specific to individual jurisdictions.

We request that you submit amendments that will correct these issues and allow our region to move forward.

We look forward to working with the Commonwealth to begin to implement new transportation capacity improvements to relieve congestion in Northern Virginia and ensure the economic health of our region and the Commonwealth. If you have any questions or would like to discuss any of the comments, please contact me at (703) 792-4620. Again, thank you for efforts to address our region's transportation funding needs.

Sincerely,



Martin E. Nohe
Chairman

Attachment

Cc: Members, Northern Virginia Transportation Authority
Members, Northern Virginia Delegation, Virginia General Assembly
The Honorable Sean T. Connaughton, Secretary of Transportation

Proposed Edits to HB 2313ERLines 76-85

2. If a locality has not deposited into its special fund (i) revenues from the tax collected under § 58.1-3221.3 pursuant to the maximum tax rate allowed under that section or (ii) an amount, from sources other than moneys received from the Authority, that is equivalent to the revenue that the locality would receive if it was imposing the maximum tax authorized by § 58.1-3221.3, then the amount of revenue distributed to the locality pursuant to subdivision 1 shall be reduced by the difference between the amount of revenue that the locality would receive if it was imposing the maximum tax authorized by such section and the amount of revenue deposited into its special fund pursuant to subdivision (i) or (ii), as applicable. The amount of any such reduction in revenue shall be redistributed according to subsection C. The provisions of this subdivision shall be ongoing and apply over annual periods as determined by the Authority.

Lines 86-97

C. 1. The remaining ~~60%~~ 70 percent of the revenues from such sources received by the Authority under subsection A, plus the amount of any revenue to be redistributed pursuant to subsection B, shall be used by the Authority solely for transportation projects and purposes that benefit the counties and cities embraced by the Authority to fund (i) transportation projects selected by the Authority that are contained in the regional transportation plan in accordance with § **15.2-4830** and that have been rated in accordance with § **33.1-13.03:1** or (ii) mass transit capital projects that increase capacity. The requirement for rating in accordance with § 33.1-13.03:1 shall not apply to an initial list of no more than 11 projects identified by the Authority by October 1, 2013. The Authority shall give priority to selecting projects that are expected to provide the greatest congestion reduction relative to the cost of the project and shall document this information for each project selected. Such projects selected by the Authority for funding shall be located (a) only in localities embraced by the Authority or (b) may extend into ~~in~~ adjacent localities but only to the extent that such extension is an insubstantial part of the project and is essential to the viability of the project within the localities embraced by the Authority, and (c) with regard to mass transit projects, only in localities embraced by the Authority, and in localities in adjacent planning districts or transportation districts, and in jurisdictions in the same metropolitan area in which one or more localities embraced by the Authority are located but only when the project constitutes an improvement to an existing mass transit system, which improvement is essential to the operation of the mass transit system and increases the capacity of the mass transit system within the localities embraced by the Authority.

Lines 2626-2632

10. That each county or city embraced by the Northern Virginia Transportation Authority shall expend or disburse for transportation purposes an amount that is at least equal to the total amount, excluding bond proceeds and debt service payments, and state and federal grants, expended or disbursed for transportation purposes by the county or city ~~in its~~ on average for the fiscal years that began on July 1, 2008 through July 1, 2012. Each county or city embraced in the Hampton Roads Region, as described in subsection B of § 33.1-23.5:3, shall expend or disburse for transportation purposes an amount that is at least equal to the total amount expended or disbursed for transportation purposes by the county or city in its fiscal year that began on July 1, 2007.

Lines 2643-2647

Delete:

14. That the provisions of this act that generate additional revenue through state taxes or fees imposed only in Northern Virginia and in the Hampton Roads area shall expire on December 31 of any year in which the General

Assembly, any locality, or any Authority appropriates any of such revenues for any non-transportation-related purpose or for any project outside the geographic boundaries provided in this act.

Insert:

14. Should either the Northern Virginia Transportation Authority or the Hampton Roads Region appropriate any of their respective revenues generated by the implementation of this Act for any non-transportation related purpose or for any project located outside either Authority's respective geographic boundaries, except as may be authorized by this Act, then the revenue generating provisions of this Act shall expire as to the non-compliant Authority or Region on December 31 of any year in which such non-complying appropriation is made. Should any locality which is a member of the Northern Virginia Transportation Authority or any locality which is contained in the Hampton Roads Region, as defined by this Act, appropriate any revenues for any non-transportation related purpose or for any project located outside that locality's geographical borders, except as may be authorized by this Act, then such localities shall not be entitled to receive any allocation of any revenue generated by § 15.2-4838.1 (B) or § 15.2-4838.1 (C) as of December 31 of any year in which such non-complying appropriation is made and any year thereafter.