



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

3060 Williams Drive ♦ Suite 510 ♦ Fairfax, VA 22031

www.TheNoVaAuthority.org

June 5, 2014

The Honorable Terry McAuliffe
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable William J. Howell
Speaker of the Virginia House of Delegates
P.O. Box 8296
Fredericksburg, VA 22404

The Honorable Richard L. Saslaw
Majority Leader
Senate of Virginia
P.O. Box 1856
Springfield, VA 22151-0856

Subject: Budget Deliberations

Dear Governor McAuliffe, Speaker Howell, and Senate Majority Leader Saslaw,

On behalf of the Northern Virginia Transportation Authority (NVTA), I want to thank you for your efforts to assist the Authority as we implement HB 2313. However, I wish to express the Authority's concerns regarding the potential for the Commonwealth to enter into Fiscal Year 2015 (FY 2015) without an adopted budget.

Since HB 2313 was signed into law and the collection of the new taxes and fees began on July 1, 2013, the Authority has worked quickly and diligently to program these new revenues to help relieve congestion throughout the region. The Authority has programmed approximately \$200 million for regional transportation projects and has provided approximately \$62 million to its nine member jurisdictions to implement a variety of road, transit projects and improvements that are designed to relieve congestion and add capacity. However, these projects can only move forward when a level of economic and funding certainty exists.

Per Virginia's requirements, the HB 2313 revenues which the Authority is charged with implementing must be appropriated by the Commonwealth. The failure to adopt an FY 2015 budget before July 1, 2014 means that the distribution of funds from the taxpayers of Northern Virginia to the NVTA will immediately stop. Though residents and businesses of Northern Virginia will continue to pay these taxes and fees, the funding for many of the transportation projects that Northern Virginia desperately needs may be unavoidably detained.

The Honorable Governor McAuliffe, Speaker Howell, and Senate Majority Leader Saslaw
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While the full extent of a shutdown in the Commonwealth is not known, we do know that there are specific functions of the Commonwealth which a shutdown will impact, including the flow of funds and financial data through various Commonwealth departments to NVTA. The Departments of Taxation, Accounts, Treasury and Virginia Department of Transportation, all play a role in collecting, compiling and distributing revenue and financial data to the Authority.

It is conceivable that a break in any of these functions will prevent the distribution of revenue and financial data to any or all of the three HB 2313 revenue streams. As an example, for the purposes of the local distributions, the Authority requires both the revenue and the financial data reported in order to be able to make the appropriate distributions of funds to the member jurisdictions.

In addition, I'd like to reiterate the Authority's continued concern over Budget Item 427 #1h, as noted in our letter from February 26, 2014 (Attached). If adopted, this language would prohibit the Authority from providing funding to any project after June 30, unless it has been evaluated and prioritized pursuant to the requirements of § 33.1-13.03:1 of the Code.

Given the dire transportation implications I have described, the Authority urges a speedy resolution to the current budget impasse to avoid any interruption in the critical resources needed to relieve congestion and ensure the economic health of our region and the Commonwealth.

We look forward to continuing our work with the Commonwealth to implement HB 2313. If you have any questions or would like to discuss this matter, 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

Enclosed: as

Cc: Members, Northern Virginia Transportation Authority
Members, Northern Virginia Delegation, Virginia General Assembly
The Honorable Aubrey Layne, Secretary of Transportation



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

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February 26, 2014

The Honorable Charles J. Colgan
Senate of Virginia
201 North 9th Street, Room 326
Richmond, Virginia 23219

The Honorable S. Chris Jones
House of Delegates
P.O. Box 406, Room 948
Richmond, Virginia 23218

The Honorable Emmett W. Hanger, Jr.
Senate of Virginia
201 North 9th Street, Room 431
Richmond, Virginia 23219

The Honorable R. Steven "Steve" Landes
House of Delegates
P.O. Box 406, Room 947
Richmond, Virginia 23218

The Honorable Janet D. Howell
Senate of Virginia
201 North 9th Street, Room 321
Richmond, Virginia 23219

The Honorable M. Kirkland "Kirk" Cox
House of Delegates
P.O. Box 406, Room 607
Richmond, Virginia 23218

The Honorable Thomas K. Norment, Jr.
Senate of Virginia
201 North 9th Street, Room 621
Richmond, Virginia 23219

The Honorable John M. O'Bannon, III
House of Delegates
P.O. Box 406, Room 521
Richmond, Virginia 23218

The Honorable Richard L. Saslaw
Senate of Virginia
201 North 9th Street, Room 613
Richmond, Virginia 23219

The Honorable Thomas A. "Tag" Greason
House of Delegates
P.O. Box 406, Room 513
Richmond, Virginia 23218

The Honorable John Watkins
Senate of Virginia
201 North 9th Street, Room 331
Richmond, Virginia 23219

The Honorable Johnny S. Joannou
House of Delegates
P.O. Box 406, Room 423
Richmond, Virginia 23218

Re: HB 30 Amendment Related to the Northern Virginia Transportation Authority (Item 427 #1h)

Dear Members of the Committee of Conference on the Budget:

On behalf of the Northern Virginia Transportation Authority (NVTVA), and based on discussions that occurred at NVTVA's February 20, 2014, meeting, I am writing to express our opposition to Budget Item 427 #1h, which affects future actions of the Northern Virginia Transportation Authority. If adopted, this language would prohibit the Authority from providing funding to any project after June 30, unless it has been evaluated and prioritized pursuant to the requirements of § 33.1-13.03:1 of the Code.

Last session, the Governor and General Assembly exempted FY 2014 funds from the requirement for this Virginia Department of Transportation (VDOT) evaluation to allow projects to commence quickly. Following that direction, NVTAA approved a list of projects to be paid by both bonds and pay-as-you-go financing in July 2013. VDOT has also begun working on the analysis required by § 33.1-13.03:1 (as approved in 2012 in HB 599) and the first round of evaluations is not scheduled to be completed until the end of calendar year 2014. NVTAA was scheduled to nominate projects for this analysis on February 20, 2014; and the Commonwealth Transportation Board (CTB) is expected to adopt a project list at its March meeting.

Additionally, HB 2313 exempts mass transit capital projects that increase capacity from this required analysis. Therefore, the list of projects considered by NVTAA on February 20, 2014, does not include transit projects as would be required by the proposed budget item. Changing the scope of projects to be evaluated, transit or otherwise, also delays the evaluation, and, consequently, project implementation. Requiring this analysis for the unallocated FY 2014 funds would also delay project implementation.

Because NVTAA is in agreement with giving priority to those projects that provide the greatest congestion relief relative to cost, NVTAA undertook a thorough analysis of projects considered for FY 2014 funding to ensure compliance with HB 2313 and NVTAA's authorizing statutes, which include analysis documenting that its projects would provide the greatest congestion relief relative to the cost. NVTAA initiated a bond validation proceeding related to the regional funds to test the validity of the bonds, processes, and authorizing statute. The Fairfax County Circuit Court ruled in NVTAA's favor on all matters. It is imperative that no changes be made to the Northern Virginia portions of HB 2313 or to the code sections specifically related to NVTAA, as it begins implementing these new funding provisions.

We hope that the General Assembly will not use the budget to change well defined processes for the development, review and approval of transportation projects. If you have any questions or would like additional information, please call me at (703) 792-4620.

Sincerely,



Martin E. Nohe
Chairman

Cc: Members, Northern Virginia Delegation of the General Assembly
Members, Northern Virginia Transportation Authority