



Local Assistance Update

March 21, 2013

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Agenda

- **Transportation Alternatives**
- **Revenue Sharing**
- **Impacts of HB 2313 – Transportation Bill**

Transportation Alternatives Program Overview

- Available funding now includes TE, SRTS, and RecTrail Programs
- Mandatory set-aside for Rec Trail (DCR)
- 9 eligibility categories
- **Current CTB Policy for FY14 allocation**
 - Existing TA eligible Enhancement Projects Only
 - MPO/TMA area selections
 - Statewide selections by the District CTB members and Secretary of Transportation
 - CTB At-Large selections based on population areas under 200,000

Eligible Categories

- 1. On-Road and off-road facilities for non-motorized forms of transportation (Bike/Ped)**
- 2. Infrastructure projects that provide safe routes for non-drivers**
- 3. Conversion of abandoned railway corridors into trails**
- 4. Construction of turn-outs, overlooks, and viewing areas**
- 5. Inventory, control, and removal of outdoor advertising**
- 6. Historic preservation and rehabilitation of historic transportation facilities**
- 7. Vegetation management practices in transportation rights-of-way**
- 8. Archaeological activities related to impacts from implementation of a transportation project**
- 9. Environmental mitigation and water pollution related to highway construction; and wildlife protection from transportation facility impacts**

FY14 Application Summary

- Received February 1, 2013
- 51 Applications requesting ~ \$23M
Anticipated allocations FY14~ \$ 18M

Tentative Allocation Distribution

MPO/TMA Areas	\$ 5.4M
District Members/Secretary	\$ 9M (\$900,000/ea.)
At-Large Members	\$ 3.6M
Total	\$ 18M*

* Does not include potential allocations made available through the deallocation process

Project Scoring

Priority Ranking

- Additional info to assess progress of existing projects
- Focus on projects that will use funds quickly
- Projects reviewed based on several indicators
- Ranking from 1 to 6 (1-project ready for construction; 6-initial stages of project development)
- Projects with the same Priority Ranking are listed by application receipt number

Program Status

(as of February 2013)

978 individual projects have received funding since 1993 (through FY13)

- **540 projects completed (55% of projects selected)**
- **110 projects under construction**
- **235 projects in project development**
- **93 cancelled and remaining funds re-allocated**

62.6% of allocated funds have been expended (February 2012 rate was 59.8%)

TA Program Next Steps

March 2013 – Applications and Priority Scores presented to the TMAs and the CTB

April 2013 – CTB Tentative Selections completed

May 2013 – Meet with MPOs in TMAs on FY14 selection process

June 2013 – CTB Approval of FY14 selections

June 2013 - FY15 Project Selection Policy presented to CTB for consideration

July 2013 – CTB Approval of FY15 Project Selection Policy

September/October 2013– CTB Approval of remaining FY14 TMA Area selections

FY14 Revenue Sharing Program Update

2012 Legislative Changes (HB1248/SB639)

- **Added maintenance as an eligible item**
 - Up to \$5M of the \$10M a locality can apply for can be designated for maintenance projects
- **Priority tiers updated**
 - Priority is given to construction projects that accelerate projects in the Six-Year Improvement Program or the locality's capital plan
 - Next priority given to pavement resurfacing or bridge rehabilitation where the infrastructure is below the Department's maintenance performance target
- **Guidelines updated due to legislation changes and adopted by CTB**
July 18, 2012
 - Guidelines indicate how funds will be distributed and administered in light of new legislation

FY14 Revenue Sharing Program Update

FY14 Formal Application Process

- Call for applications – August 7, 2012
- Application deadline – November 1, 2012

- **77 Localities submitted applications**
 - 7 localities requested maximum \$10M
- **Total requests – \$173.5M**
 - Tier 1 – Advance Construction Projects - \$149.4M
 - Tier 2 – Maintenance Priority Projects - \$19.3M
 - Tier 3 – All other CN and MN Requests - \$4.8M

Total required for FY14 Program – \$173.5M

Total amount being de-allocated - \$4.4M

REQUIRED FOR FULL FUNDING OF FY 14 PROGRAM - \$169.1M

Commonwealth Transportation Fund FY 2014 – 2019 Preliminary Six-Year Financial Plan

- **The FY 2014 – 2019 Preliminary Six-Year Financial Plan has been updated to reflect the additional transportation revenues provided by HB 2313**
- **HB 2313 is estimated to provide \$4 billion of additional statewide transportation revenues over the period**
- **The FY 2014 – 2019 Preliminary Six-Year Financial Plan totals nearly \$30 billion**
- **The Bill is also estimated to provide \$2.6 billion of local and regional revenues for transportation (through FY 2018) – not included in the CTF revenues**

HB 2313 Revenues Statewide

- **HB 2313 moves Virginia away from a cents per gallon motor fuels tax in favor of a sales tax on motor fuels**
 - **3.5% on gasoline**
 - **6.0% on diesel**
- **It incrementally raises the Motor Vehicle Sales Tax from 3.0% to 4.3% by FY 2017**
- **A \$100 registration fee is added to alternative fuel vehicles**
- **The Bill recognizes the importance of transportation as a core function of government, providing additional funding from traditionally general fund revenue sources**
 - **Increases the retail sales tax revenues dedicated to transportation from 0.5% to 0.675% by FY 2017**
 - **Increases the retail sales and use tax from 5.0% to 5.3%**

Construction FY 2014 – 2019

- **Based on the new construction formula approved in the 2012 General Assembly Session, an amount not to exceed \$500 million in any given year, may be distributed as follows:**
 - 25 percent to bridge reconstruction and rehabilitation;
 - 25 percent to advancing high priority projects statewide;
 - 25 percent to reconstructing deteriorated interstate and primary system pavements determined to have a Combined Condition Index of less than 60;
 - 15 percent to projects undertaken pursuant to the PPTA
 - 5 percent to paving unpaved roads carrying more than 200 vehicles per day;
 - 5 percent to smart roadway technology.
- **Amounts available for construction in excess of \$500 million to be distributed by the original construction formula**
- **Original formula created in 1986**
 - 5.67% unpaved roads
 - Balance distributed - 40% primary, 30% secondary, and 30% urban

Implementation FY 2014 – 2019

- **Funds will be distributed using the new CTB formula during the period**
 - **Distribute the first \$500 million annually for the specific purposes as outlined, balancing by category over the six-years**
 - **Amounts exceed \$500 million in FY 2017 and are distributed through the original formula**
- **Additional PTF revenues will also permit the issuance of the CPR bonds as previously planned**

Distribution of Funds Available for Construction

<i>Estimated (in millions)</i>		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*	Total
Total New Funds Available for Construction		\$ 205.0	\$ 312.0	\$ 472.3	\$ 613.7	\$ 634.0	\$ 655.6	\$ 2,892.6
CPR Bonds		161.2	-	-	(13.6)	(13.6)	(13.6)	120.6
Total Funds Available for Formula Distribution		43.8	312.0	472.3	627.2	647.6	669.1	2,772.1
CTB Formula Distribution		43.8	312.0	472.3	500.0	500.0	500.0	2,328.1
<i>25 percent to bridge reconstruction and rehabilitation;</i>	<i>25.00%</i>	<i>10.9</i>	<i>78.0</i>	<i>118.1</i>	<i>125.0</i>	<i>125.0</i>	<i>125.0</i>	582.0
<i>25 percent to advancing high priority projects statewide;</i>	<i>25.00%</i>	<i>10.9</i>	<i>78.0</i>	<i>118.1</i>	<i>125.0</i>	<i>125.0</i>	<i>125.0</i>	582.0
<i>25 percent to reconstructing deteriorated interstate and primary system pavements</i>	<i>25.00%</i>	<i>10.9</i>	<i>78.0</i>	<i>118.1</i>	<i>125.0</i>	<i>125.0</i>	<i>125.0</i>	582.0
<i>15 percent to projects undertaken pursuant to the PPTA</i>	<i>15.00%</i>	<i>6.6</i>	<i>46.8</i>	<i>70.8</i>	<i>75.0</i>	<i>75.0</i>	<i>75.0</i>	349.2
<i>5 percent to paving unpaved roads carrying more than 200 vehicles per day</i>	<i>5.00%</i>	<i>2.2</i>	<i>15.6</i>	<i>23.6</i>	<i>25.0</i>	<i>25.0</i>	<i>25.0</i>	116.4
<i>5 percent to smart roadway technology.</i>	<i>5.00%</i>	<i>2.2</i>	<i>15.6</i>	<i>23.6</i>	<i>25.0</i>	<i>25.0</i>	<i>25.0</i>	116.4
Construction Formula Total		-	-	-	127.2	147.6	169.1	444.0
<i>Unpaved</i>	<i>5.67%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7.2</i>	<i>8.4</i>	<i>9.6</i>	25.2
<i>Primary</i>	<i>40.00%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>48.0</i>	<i>55.7</i>	<i>63.8</i>	167.5
<i>Secondary</i>	<i>30.00%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>36.0</i>	<i>41.8</i>	<i>47.9</i>	125.6
<i>Urban</i>	<i>30.00%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>36.0</i>	<i>41.8</i>	<i>47.9</i>	125.6

* Projected

Enhancement of the Construction Program

- **Funds will be allocated through the original construction formula for the first time since 2009**
 - Will focus the primary formula allocations of \$167.5 million on primary pavements
 - The cities and counties will be allocated \$125.6 million in FY 2017-2019 to be directed to their priorities
 - \$141.6 million will be provided to the counties to address unpaved roads
- **Will work closely with regional bodies to utilize the local and regional revenues in combination with CTB funds to maximize transportation investments**
- **New revenue will provide much needed funding for key projects**

HB 2313 Local and Regional Revenues

- **A portion of the sales and use tax revenues from MEA will be distributed to the localities**
 - **Local Sales Tax - optional ($\frac{1}{2}\text{¢}$ of the 5.3¢)**
 - **Local Sales Tax for Local Transportation ($\frac{1}{2}\text{¢}$ of the 5.3¢)**
- **The Bill also generates revenues specifically for Hampton Roads and Northern Virginia**
 - **Hampton Roads**
 - 0.7% local sales tax
 - 2.1% Sales Tax on Fuel
 - **Northern Virginia**
 - 0.7% local sales tax
 - Regional congestion relief fee - \$0.25 per \$100
 - Northern Virginia transient occupancy tax – 3%

Summary

- **The revenues generated by HB 2313 will breathe new life into Virginia's transportation program**
- **It will provide substantial revenues to eliminate the state maintenance crossover and provide funding for construction formula distributions**
- **The new revenues will mitigate the reductions in the state and federal revenue updates previously identified**
- **Significant efforts will be focused on pavement rehabilitation**
- **The construction program will be increased by nearly 50%; advancing much needed projects**
- **The Bill will provide dedicated revenues to IPROC and mass transit**
- **HB 2313 will generate additional revenues in Hampton Roads and Northern Virginia to address the special transportation needs of those areas**
- **Implementation will require an enhanced partnership with local governments to deliver much needed transportation solutions**



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