Local Assistance Update

March 21, 2013
Jennifer B. DeBruhl
Director, Local Assistance Division
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

<table>
<thead>
<tr>
<th>Tentative Allocation Distribution</th>
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<tbody>
<tr>
<td>MPO/TMA Areas</td>
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<tr>
<td>District Members/Secretary</td>
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<tr>
<td>At-Large Members</td>
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<tr>
<td>Total</td>
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* 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
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
FY14 REVENUE SHARING REQUESTS
Localities That Applied
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 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%
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

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<tbody>
<tr>
<td><strong>Total New Funds Available for Construction</strong></td>
<td>$205.0</td>
<td>$312.0</td>
<td>$472.3</td>
<td>$613.7</td>
<td>$634.0</td>
<td>$655.6</td>
<td>$2,892.6</td>
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<tr>
<td><strong>CPR Bonds</strong></td>
<td>161.2</td>
<td>-</td>
<td>-</td>
<td>(13.6)</td>
<td>(13.6)</td>
<td>(13.6)</td>
<td>120.6</td>
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<tr>
<td><strong>Total Funds Available for Formula Distribution</strong></td>
<td>43.8</td>
<td>312.0</td>
<td>472.3</td>
<td>627.2</td>
<td>647.6</td>
<td>669.1</td>
<td>2,772.1</td>
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<td><strong>CTB Formula Distribution</strong></td>
<td>43.8</td>
<td>312.0</td>
<td>472.3</td>
<td>500.0</td>
<td>500.0</td>
<td>500.0</td>
<td>2,328.1</td>
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<tr>
<td>25 percent to bridge reconstruction and rehabilitation;</td>
<td>25.00%</td>
<td>10.9</td>
<td>78.0</td>
<td>118.1</td>
<td>125.0</td>
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<td>125.0</td>
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<td>25 percent to advancing high priority projects statewide;</td>
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<td>118.1</td>
<td>125.0</td>
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<tr>
<td>25 percent to reconstructing deteriorated interstate and primary system pavements</td>
<td>25.00%</td>
<td>10.9</td>
<td>78.0</td>
<td>118.1</td>
<td>125.0</td>
<td>125.0</td>
<td>125.0</td>
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<td>15 percent to projects undertaken pursuant to the PPTA</td>
<td>15.00%</td>
<td>6.6</td>
<td>46.8</td>
<td>70.8</td>
<td>75.0</td>
<td>75.0</td>
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<tr>
<td>5 percent to paving unpaved roads carrying more than 200 vehicles per day</td>
<td>5.00%</td>
<td>2.2</td>
<td>15.6</td>
<td>23.6</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
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<tr>
<td>5 percent to smart roadway technology.</td>
<td>5.00%</td>
<td>2.2</td>
<td>15.6</td>
<td>23.6</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
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<tr>
<td><strong>Construction Formula Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>127.2</td>
<td>147.6</td>
<td>169.1</td>
<td>444.0</td>
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<tr>
<td>Unpaved</td>
<td>5.67%</td>
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<td>-</td>
<td>-</td>
<td>7.2</td>
<td>8.4</td>
<td>9.6</td>
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<tr>
<td>Primary</td>
<td>40.00%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48.0</td>
<td>55.7</td>
<td>63.8</td>
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<tr>
<td>Secondary</td>
<td>30.00%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36.0</td>
<td>41.8</td>
<td>47.9</td>
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<tr>
<td>Urban</td>
<td>30.00%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36.0</td>
<td>41.8</td>
<td>47.9</td>
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*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 (½¢ of the 5.3¢)
  - Local Sales Tax for Local Transportation (½¢ 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%
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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