



Virginia Department of Rail and Public Transportation

DRPT Transit Overview

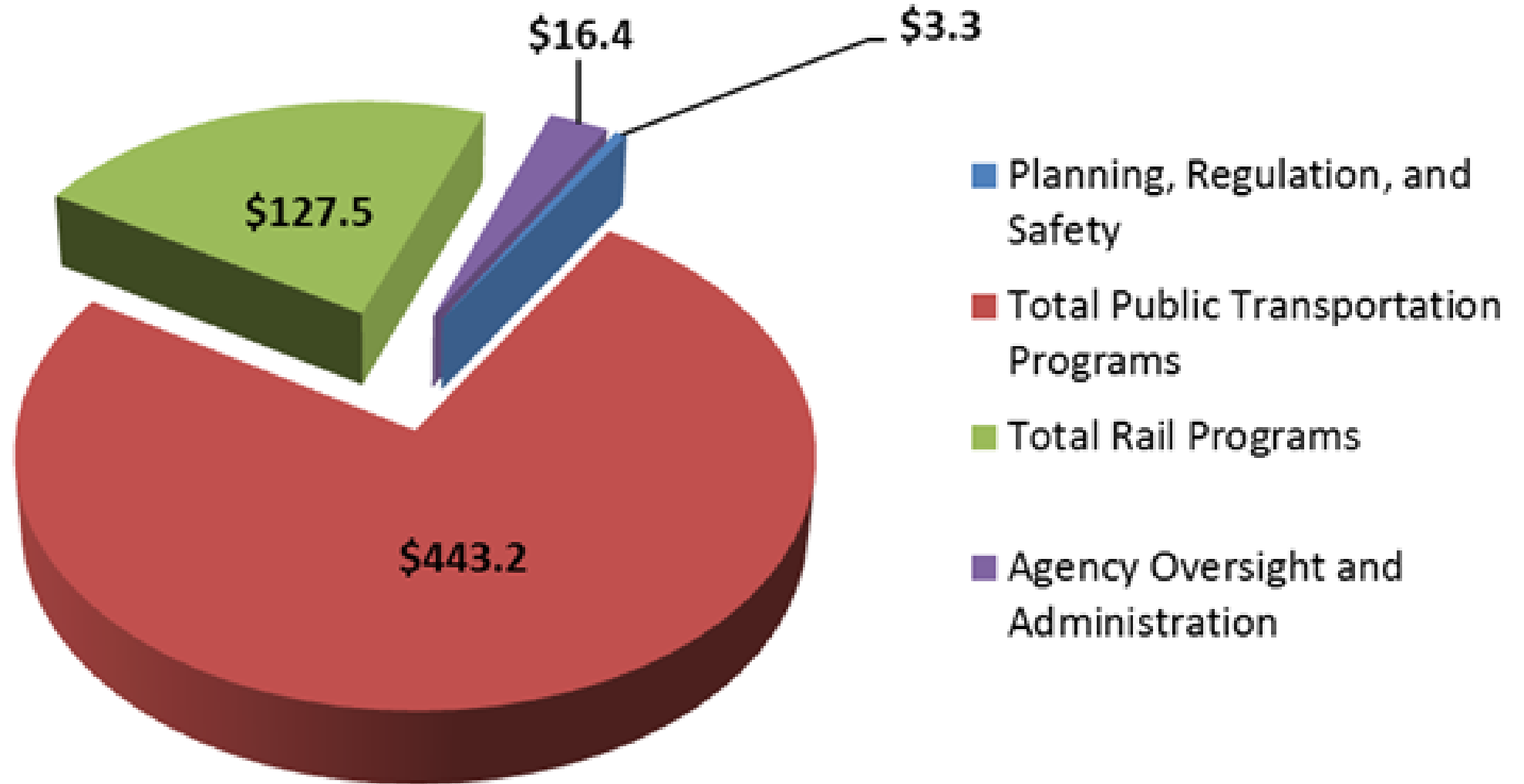
House Appropriations Transportation Subcommittee

January 22, 2018

Jennifer Mitchell
Agency Director

DRPT FY 2019 Budget

(\$ in millions)



Public Transportation Stakeholders

41 Transit Systems

76 Human Service Operators

1 Commuter Rail Operator (VRE)

18 Transportation Demand Management Agencies

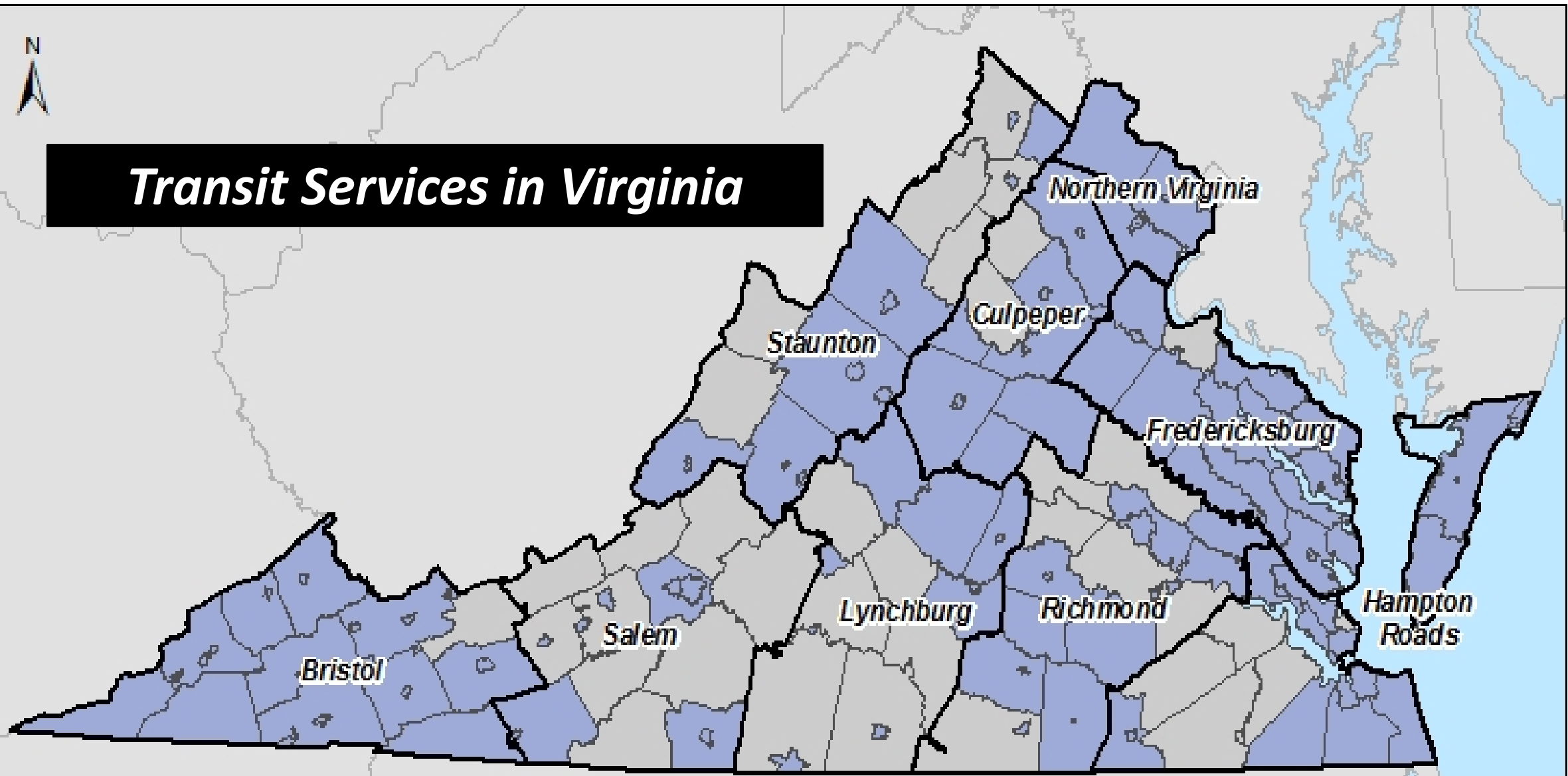
15 Metropolitan Planning Organizations

1 DRPT-Supported Intercity Bus Route





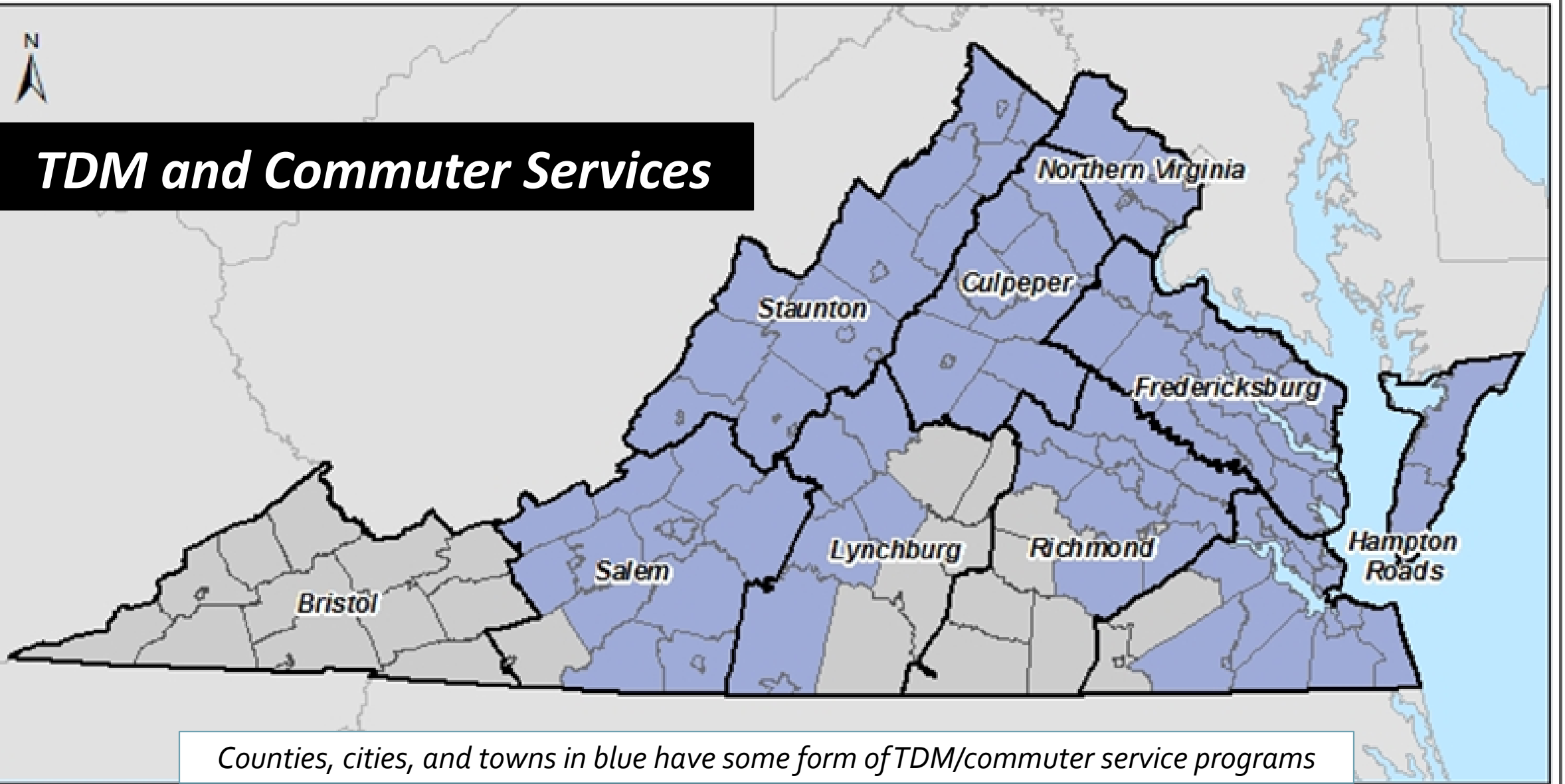
Transit Services in Virginia



Counties, cities, and towns in blue have some form of public transportation



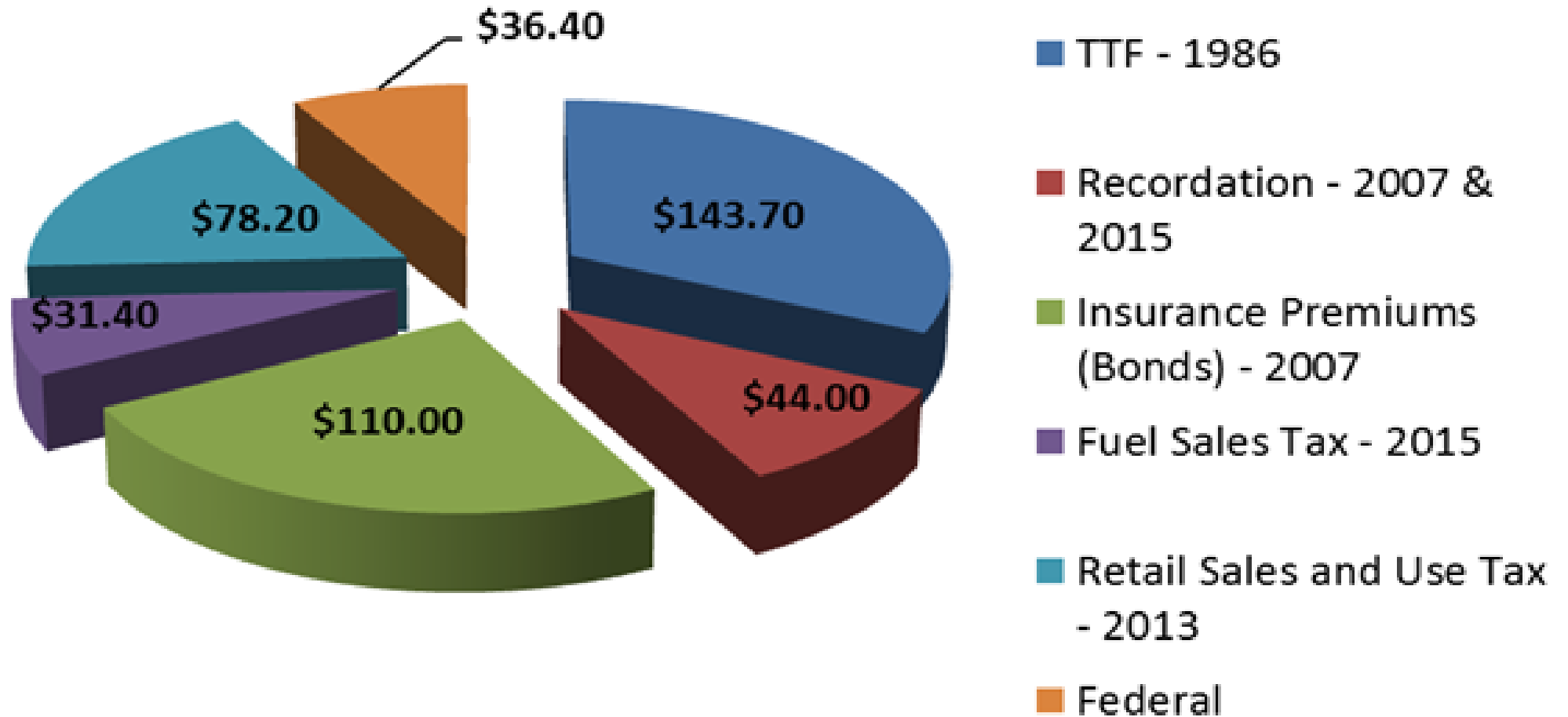
TDM and Commuter Services



Counties, cities, and towns in blue have some form of TDM/commuter service programs

FY 2019 Transit Revenues

(\$ in millions)



Transit Programs: Existing



Operating (50.4%)

- \$160 million distributed to transit agencies based on operating expenses
- Remaining amount allocated based on performance metrics

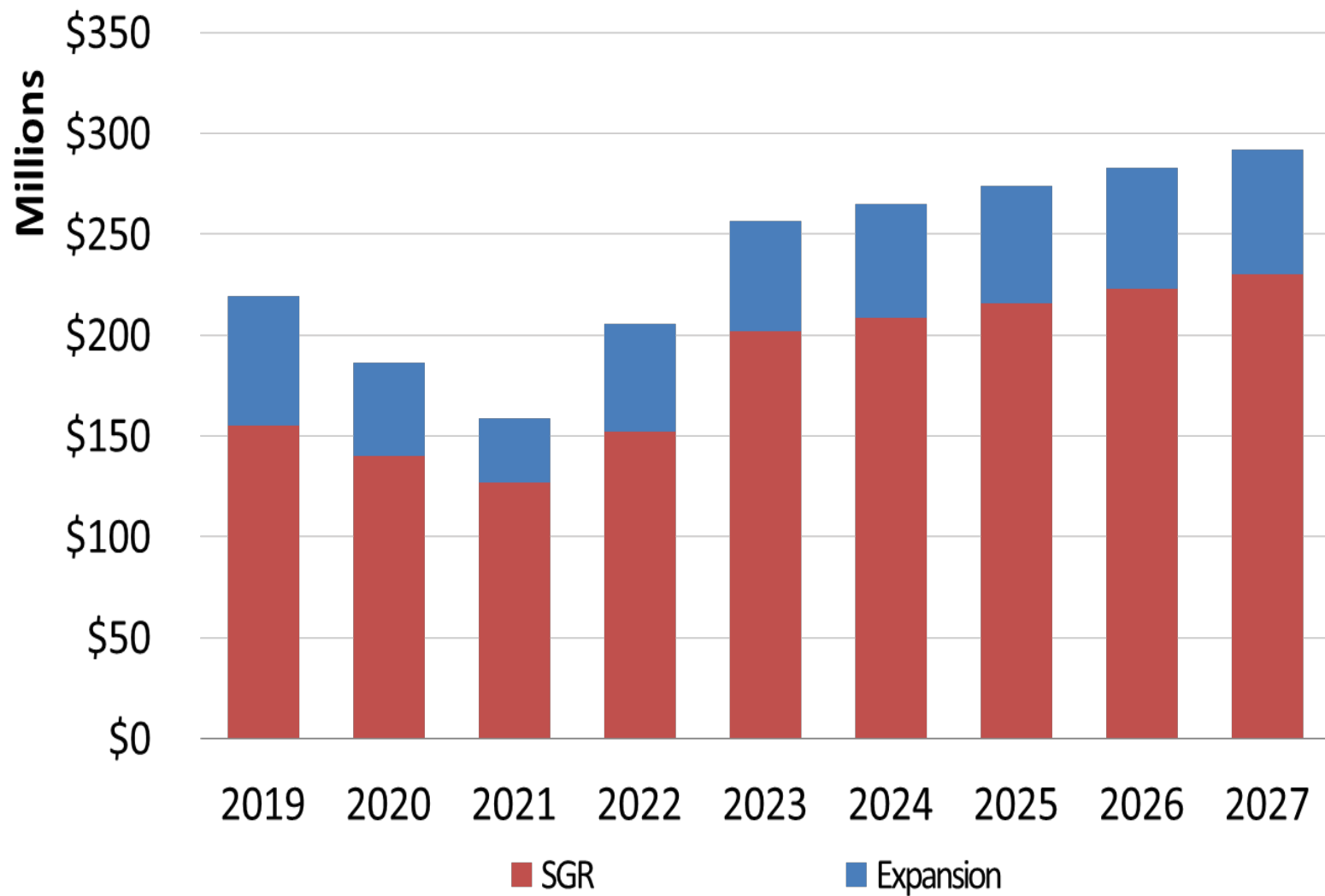
Capital (47.4%)

- Allocated based on “tiers” with state funding levels that vary based on type of investment
- Majority (> 80%) applied to state of good repair needs, including replacement of assets that the Commonwealth has already invested in

Special (2.2%)

- Demonstration projects, technical assistance, and transportation demand management

Future Transit Capital Funding Needs



Transit
Capital
Project
Revenue
Advisory
Board



- Created by the General Assembly in 2016 to:
 - Develop a proposal for new revenues to replace expiring CPR bonds
 - Develop a project-based prioritization strategy for transit capital projects
 - State of Good Repair
 - Expansion projects (using same factor areas as Smart Scale)
- Report provided to General Assembly in August 2017

Transit Capital Project Revenue Bonds

2007 General Assembly authorized CTB to issue \$3 billion in CPR bonds

- Minimum of 20 percent of bond proceeds (\$60 million annually) required for transit capital through 2019

CPR bonds comprise 44 percent (\$110 million) of the entire transit capital program in FY 2018

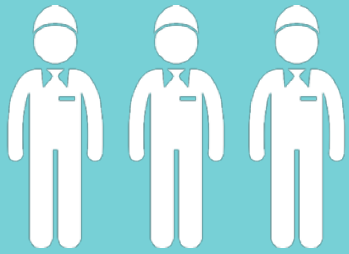
In 2008, Congress provided \$150M in funding to WMATA and required \$50M match from VA, DC and MD

- Ten-year funding commitment expires in 2020
- Funding for VA match is from CPR Bonds



Economic Benefits

Transit Capital Spending
by Virginia transit
agencies generates



\$150 million
in productivity costs

Transit Spending

Each year, Virginia
transit agencies spend:

\$630 million

on capital, including

\$ 440 million

on state of good repair
investment



Benefits for Virginia



\$600 million

in tax revenues to
the Commonwealth
from Metro and VRE
(NVTC, 2018)

"The commonwealth's economic future depends heavily on the tax revenue and tourism dollars driven by Metro"

– Barry DuVal, CEO of the Virginia Chamber of Commerce, and Bryan Stephens, CEO of the Hampton Roads Chamber of Commerce

"The board supports ... long-term dedicated bondable, reliable, and sustainable funding that ... collectively provides \$500 million per year of additional funding ... to support WMATA's capital funding requirements"

– Metropolitan Washington Council of Government's Metro Strategy Group resolution from December 2017

"The economic prosperity of our region relies heavily on a safe, reliable and efficient Metro system that's equipped for future growth"

– MetroNow Coalition, which includes the NOVA Chamber of Commerce, Greater Washington Board of Trade, Greater Washington Partnership, The 2030 Group and Coalition of Smarter Growth

WMATA Funding Needs

- \$15.5 billion in additional capital funds needed over the next 10 years
- Virginia share is \$150 million per year above current funding levels
- Operating subsidies are growing at nearly twice the rate of revenues



LaHood Report Findings



- General Manager is performing well
- Board structure is not what the agency needs
- Operating costs are average
- Labor costs in line with median income in DC region
- Ridership has fallen, with significant revenue impacts
- WMATA offers more service per rider than other transit agencies (bus and rail)
- Jurisdictions have not provided enough to keep the system in acceptable condition
- If capital funds are maintained at current levels the system's condition will get worse, not better
- WMATA can be improved without opening the Compact

LaHood Report Recommendations

- Install a Temporary Reform Board
- Provide service that meets actual demand
- Focus on increasing rail ridership
- Manage costs and increase productivity in the next labor contract
- Reliably deliver a large capital program
- Provide dedicated capital funding that allows WMATA to issue bonds



Regional Collaboration on WMATA



- Maryland and DC also pursuing funding legislation
- Additional \$500M per year in capital funds needed
- Funds must be bondable, long-term and fully dedicated
- Need for reauthorization of \$150M / year in Federal PRIIA Funds; with a desired increase in Federal funding commitment
- Need to constrain annual increases in operating subsidies
- Governance reforms recommended

Governor's Introduced Budget



Transit Capital Program

- CPR Bonds – Authorizes sale of \$110m in Transportation Capital Revenue Bonds (CPR) in FY 2020
 - Authorization is for one year and is intended to replace current bond proceeds that fund 44% of statewide program
 - Debt service paid from Priority Transportation Fund

Governor's Introduced Budget

- Provides additional \$150 million in annual dedicated funding to WMATA
 - Combination of new and existing revenues
- Contingent on DC and Maryland also providing requisite share
- Gas Tax Floor for Northern Virginia & Hampton Roads
 - 2.1% pegged to February, 2013 wholesale price
 - Provides est. \$17m annually in new revenue to NVTC
- Requires CTB to develop project-based prioritization processes for Transit Capital program by FY 2020



Additional Features of HB 1319/ SB 856

- Authorizes the sale of \$550M in CPR bonds with a annual cap of \$110M/year to support the statewide transit capital program
- Requires the implementation of a prioritization process for transit capital funds to ensure funds are being used on the highest needs
- Restructures Commonwealth Mass Transit Account



Restructured Transit Programs: Proposed



- **Statewide Operating (31%)**
 - \$54 million distributed based on operating costs
 - Remaining amount allocated based on performance metrics
 - WMATA would not be eligible
- **Statewide Capital (12.5%)**
 - Distributed under a prioritization process
 - WMATA would not be eligible
- **WMATA (53.5 %)**
 - Allocated to NVTC for WMATA capital and operating
- **Special (3%)**
 - Demo projects, technical assistance and Transportation Demand Management

Current Transit Capital Allocation Process



- Capital program currently uses a tiered prioritization process
 - Tier 1 at 68% State Share
 - Rolling stock for replacement or expansion and related items
 - Tier 2 at 34% State Share
 - Infrastructure and facilities
 - Tier 3 at 17% State Share
 - Support vehicles, shop equipment, spare parts, etc

Proposed Capital Program Prioritization



- Revenue Advisory Board developed an illustrative prioritization process
 - State of Good Repair - based on a combination of asset condition (from existing federal and state asset management processes) and service impact.
 - Major Expansion - based conceptually on the SMART SCALE factor areas and transit focused measures
- Revenue Advisory Board recommended further development with the CTB and TSDAC



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