

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 8, 2013

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: SANDRA MARKS, ACTING DEPUTY DIRECTOR, T&ES

SUBJECT: AGENDA ITEM #7 - FY 2015-2024 CIP UPDATE

ISSUE: Update on FY 2015- FY 2024 City Capital Improvement Program (CIP)

RECOMMENDATION: That the Transportation Commission (Commission) receive the update and provide guidance to staff for preparation of FY 2015-2024 CIP for inclusion in the City Manager's FY 2015 budget and hold a public hearing in February.

DISCUSSION: Each year the City Manager presents a proposed City Budget to the City Council for consideration and action. As part of the budget process, a ten-year Capital Improvement Program (CIP) is developed programming funding for major capital projects in the City. Funding for the CIP comes from the City's general fund, grants and other non-City sources of funding including developer contributions.

As part of the Council's Strategic Plan, one of the objectives is to *develop local, reliable funding mechanisms to support a fiscally constrained transportation plan*. In 2011, the Council approved a 2.2 cent reservation of the property tax to fund transportation projects. This funding has provided the opportunity to fund many of the projects on the Long Range Transportation Plan (LRP) over the next ten years. However, there are still a number of unmet funding needs.

In addition, last year House Bill 2313 was signed into law and levies additional taxes and fees to generate additional revenue for transportation projects. Taking into account these funding sources, at the October 2013 Transportation Commission meeting, the Commission approved the following policy guidance to staff in the preparation of the FY 15 CIP:

- Maintain funding for highest priorities set by Transportation Commission.
- Allocate Northern Virginia Transportation Authority (NVTA) 70% funds for high priority major capital investments with regional impacts, with an emphasis on leveraging non-city funds and/or accelerating project delivery.
- Utilize funding sources with least restrictions on project eligibility (i.e. CMAQ, RSTP, and NVTA 30% funds) for non-motorized projects, project development, ADA improvements, maintenance and operations.
- Commit adequate operating funds to provide the project management, procurement, management and of staff resources necessary to implement new capital projects and programs. Consider capitalizing staff positions that are directly related to capital project

implementation, as allowable, in order to utilize capital funds and reduce impacts on the operating budget.

- Ensure that city transportation funding levels are maintained or increased above the maintenance-of-effort requirements of HB2313, to provide new transportation capacity and enhanced transportation services and programs while also maintaining existing assets in a state of good repair.
- Preserve the 2.2 cent transportation reservation in order to comply with maintenance-of-effort requirements, maintain flexibility, and to offset previous loss of state urban funds.

This guidance reflects the additional responsibilities that come along with the new regional and state funding available for transportation projects in FY2015 and beyond.

Staff is developing the FY 15 CIP budget priorities consistent with the Transportation Commission guidance that will include a number of changes base on the changes in funding this year. As a result of increased funding and a proposed change in how the TIP funding can be used, we are able to propose a draft budget that maintains funding for all capital projects and maintains or increases funding levels for all existing programs including Complete Streets. Some of the changes that are proposed include:

- Additional project implementation staff in T&ES and Department of Project Implementation
- Revision of TIP definition to include:
Capital infrastructure costs associated with maintaining the City's transportation infrastructure including: reconstruction and resurfacing of major roads, sidewalk reconstruction, bridge reconstruction, non-motorized hard surface trails reconstruction, replacement of fixed transportation including signals and mast arms and parking meter replacement, and DASH bus and trolley replacement as annual funding allows.
- Additional funding for Street Reconstruction & Resurfacing of Major Roads
- Additional funding for trail maintenance
- Funding for expansion of Capital Bikeshare

Staff will provide a more detailed budget proposal for consideration at the Commission's February 2014 meeting.

Upcoming dates:

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| February 5, 2014 | Transportation Commission Public Hearing |
| February 25, 2014 | Proposed Budget Presentation by CMO |
| March 10, 2014 | City Council Public Hearing on FY2015 Budget |
| April 12, 2014 | City Council Public Hearing on tax rate |
| May 13, 2014 | Final Budget and Tax Rate Adoption |