

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 2, 2014

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

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

SUBJECT: AGENDA ITEM #3 - DRAFT FY 2015 – FY 2024 TRANSPORTATION BUDGET

ISSUE: Hold public hearing and make a recommendation on the projects included in the draft FY 2015 – FY 2024 transportation budget.

RECOMMENDATION: That the Transportation Commission hold a public hearing and recommend that the draft FY 2015 – FY 2024 transportation budget be adopted by City Council.

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.

Several changes have occurred in FY 2013 and FY 2014 that affect how the City budgets transportation projects:

1. House Bill 2313 was signed into law and levies additional taxes and fees to generate additional revenue for transportation projects. Thirty percent of these funds will be returned to the local jurisdictions for qualifying road projects or public transportation purposes. The City expects to receive approximately \$6.5 million annually in 30% funds.
2. The other 70% of the HB2313 funds will be distributed by the Northern Virginia Transportation Authority (NVTA) for capital projects of regional significance. The City estimates that it will see up to \$165 million in benefits over a 10-year period (annual average of \$16.5M). The Transportation Commission has forwarded their recommended funding plan for the 70% funds to the City Council who approved a modified plan on January 28, 2014 (Attachment 1).
3. New state funding was made available in FY 2014 and allocated by DRPT based on performance. Approximately \$4 million in new funding was deposited in the City's NVTC trust fund. The City will continue to use the trust fund primarily to fund the WMATA operating and capital subsidies.

Since significant new funding is available for transportation projects, staff has followed the

Transportation Commission guidance and shifted some projects from the TIP to different funding sources. This freed up funding in the TIP for both expansion operations (e.g., DASH expansion) and deferred road maintenance (e.g., street resurfacing). Projects that were previously funded by cash capital or General Obligation bonds can now be fully or partially funded by some combination of NVTA or TIP funds, easing pressure on the General Fund. In addition, by shifting projects to new revenue sources, staff was able to eliminate borrowing in the TIP, saving considerable money over the 10-year plan by reducing debt service payments.

ATTACHMENT: Proposed FY 2015-2024 CIP