

*City of Alexandria, Virginia*

---

**MEMORANDUM  
-REVISED-**

DATE: MARCH 6, 2013

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

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

SUBJECT: AGENDA ITEM #2 - FUNDING UPDATE & ACTIONS OF MAJOR  
TRANSPORTATION BODIES

---

**ISSUE:** Update of funding and actions of major transportation bodies.

**RECOMMENDATION:** That the Transportation Commission receive the report.

**DISCUSSION:** This memorandum provides a brief update on funding and/or actions of major regional transportation bodies that relate to Alexandria.

General updates on funding related issues of local, regional and national importance are provided below. Attachment 1 is the Commission's regular Monthly Update of Regional Transportation Board Major Actions and Funding.

**City: City Council**

On February 14, 2013, City Council adopted a resolution giving the City's Purchasing Agent authority to amend Lane Construction Corporation's design/build contract for the Route 1 Transitway. The resolution will allow critical project elements to be included in the contract. The project remains under budget.

**State: Commonwealth Transportation Board (CTB)**

The General Assembly approved a bill modifying Virginia's transportation funding system. The legislation:

- Eliminates the 17.5-cents-per-gallon gasoline tax;
- Imposes a 3.5% tax on gasoline at the wholesale level;
- Increases Virginia's sales tax from 5 to 5.3%;
- Raises the motor vehicle sales tax from 3 to 4.3%;
- Charges a \$100 annual license tax for electric and alternative fuel vehicles;
- Creates a 0.7% sales tax increase in Hampton Roads and Northern Virginia to fund transportation projects there;
- Creates a 3% transient occupancy tax in Northern Virginia;
- Creates a .25 per \$100 of valuation grantor's tax increase.

Overall, about 21% of statewide transportation funds are expected to go to transit and passenger rail by 2018. The allowance for an additional sales, hotel, and grantor's tax increases in Northern Virginia could raise between \$300 and \$350 million per year.

Regional tax revenues will fund the Northern Virginia Transportation Authority. However, jurisdictions that implement the 12.5 cent commercial tax (or an equivalent tax producing the same revenue) would be able to get back 30% of the regional tax revenue which equates to between \$5 million and \$6 million per year. The City would need to increase the 2.2 cent reservation of the City's real estate tax to 3.3 cents or by \$3.7 million in other City revenues raised for transportation expansion purposes in order to capture the full 30%. City staff is currently receiving the transportation elements of the City's FY2014 proposed budget to see if this 3.3 cent or equivalent threshold has been met. It is not affirmed, but City staff believes that the prior NVTA legislation approved in 2007 would require that the 70% that NVTA keeps would need to benefit the localities in which the money was used. This would mean an average of \$10 million to \$12 million in benefits to Alexandria annually.

**State: Department of Rail and Public Transportation (DRPT)**

The legislature considered bills that would modify the transit funding methodology as proposed by the SJR297 reports. The legislation that passed does not modify the current funding methods, but states that any funds generated by the new state transportation legislation must be governed by performance metrics established by a committee composed of state and industry representatives.

**Regional: Transportation Planning Board (TPB) and Northern Virginia Transportation Authority (NVTA), Northern Virginia Transportation Commission (NVTC) , Washington Metropolitan Area Transit Authority (WMATA) and Northern Virginia Regional Commission (NVRC)**

*Transportation Planning Board (TPB)*

At the February 20, 2013 TPB meeting, there was an extensive discussion related to new projects within Northern Virginia which have been added to the FY2013 Constrained Long Range Plan (CLRP) and FY2013-2018 TIP as none of the projects were transit, pedestrian, and bicycle related.

*Washington Metropolitan Area Transit Authority (WMATA)*

The WMATA Board approved the creation of a reimbursable project to buy six buses, funded by Alexandria, to be used on the Crystal City-Potomac Yard Transitway.

Staff continued to have discussions with WMATA staff concerning the projected Alexandria subsidies for WMATA services in FY2014.

*Northern Virginia Transportation Commission (NVTC)*

Since the NVTC Board met in Richmond on January 31, 2013, no NVTC Board meeting was held in February, 2013.

*Northern Virginia Transportation Authority (NVTA)*

The new Virginia transportation funding package will provide funding for NVTA programs.

**Federal: Funding Updates and Grant Notices of Awards**

**Categorical Exclusions and the President's Plan for Infrastructure Spending**

FTA published a new rule on February 7, 2013 regarding categorical exclusions which will be permitted in developing required NEPA documents. The President also released a statement on February 20, 2013 regarding his plan to create jobs by investing in infrastructure.