

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 21, 2015

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

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

SUBJECT: AGENDA ITEM #6 - FY 2016-2025 CIP UPDATE

ISSUE: Update on FY 2016- FY 2025 City Capital Improvement Program (CIP)

RECOMMENDATION: That the Transportation Commission (Commission) receive the update and provide guidance to staff for preparation of FY 2016-2025 CIP for inclusion in the City Manager's FY 2015 budget.

BACKGROUND: 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, 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 November 19, 2014 Transportation Commission meeting, the Commission approved the following policy guidance to staff in the preparation of the FY 16 CIP:

- 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.
- 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.
- 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.
- Pursue discretionary grant funding for transportation projects, including state capital assistance and federal New Starts, Small Starts, and TIGER grants.
- Ensure adequate funding for the Alexandria Police Department to enforce the proper use of High Occupancy Vehicle (HOV) lanes on Route 1 and Washington Street.
- 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.
- Recognizing that regional transportation, including WMATA transit service is a priority that should not fall entirely on the transportation budget but rather a shared cost, the Council should explore opportunities to help fund the regional transit needs beyond the City's transportation resources.

This guidance reflects the additional responsibilities that come along with the new regional and state funding available for transportation projects in FY2016 and beyond.

DISCUSSION: Because revenues are projected to come in lower than expected, and WMATA's capital program is putting pressure on City funding sources, staff is developing CIP scenarios that do not include any expansion of programs or service. The CIP will likely include reductions and deferrals of projects. The scenarios will focus on maintenance of infrastructure and existing services and look to defer or cut back capital projects in order to reach target funding.

The Office of Management and Budget is holding a series of public engagement meetings to get community input. The meeting that will cover transportation issues will be held on February 5, 2015 at 6:30 pm.

Staff will provide a detailed CIP budget proposal for public hearing consideration at the Commission's February 2015 meeting.

Upcoming dates:

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| February 5, 2015 | Civic Engagement meeting on budget |
| February 18, 2015 | Transportation Commission Public Hearing |
| March 3, 2015 | Proposed Budget Presentation by CMO |
| March 23, 2015 | City Council Public Hearing on FY2016 Budget |
| May 7, 2015 | Final Budget and Tax Rate Adoption |