

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 21, 2015

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: SANDRA MARKS, DEPUTY DIRECTOR, T&ES

SUBJECT: AGENDA ITEM # 5 - FY 2017-2026 CIP UPDATE

ISSUE: Update on FY 2017 - FY 2026 City Capital Improvement Program (CIP).

RECOMMENDATION: That the Transportation Commission (Commission) receive the update and provide guidance to staff for preparation of the FY 2017 budget for inclusion in the City Manager's FY 2017 budget.

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 that programs funding for major capital projects in the City. Funding for CIP comes from the City's general fund, grants, and other non-City sources of funding such as developer contributions.

One of the objectives of the Council's Strategic Plan 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. In 2013, House Bill 2313 was signed into law which levies additional taxes and fees to generate additional revenue for transportation projects. Taking into account this new funding source, in November 2014 the Commission recommended the following initial policy guidance to staff for the FY 2016-25 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, and 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 the City's highest priorities, as determined 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.

In addition to considering this guidance from last year in developing the FY 2016 budget, WMATA's operating and capital programs put significant pressure on City funding sources, and in particular, its transportation sources. As a result, through the upcoming FY 2017 budget, it will be necessary to once again assess WMATA's operating and capital impact and consider this through the budget process.

An analysis was completed to determine the percentage of the total CIP funding that was budgeted for each mode of transportation over a historical period (FY 2009 through FY 2016, Attachment 1). Over the past eight years, the funding and percentage of total CIP funding that has been allocated toward both non-motorized and transit projects has generally increased. The funding increased significantly in 2012 when the Real Estate Tax (TIP) was included as part of the budget. These changes are consistent with the priorities set forth in the 2008 Transportation Master Plan and Transportation Commission guidance.

Staff anticipates taking Transportation Commission guidance, and bringing back CIP priorities in December 2015 or January 2016 for consideration by the Transportation Commission, followed by a public hearing at the February 2016 Transportation Commission meeting.

Attachment 1: CIP Budget by mode

CIP Historical Breakdown by Transportation Mode

CIP Year	Transit	Non-Motorized	Streets & Bridges	Fixed Transp. Equipment	TOTAL
2009 Amount	\$31,707,486	\$966,702	\$36,763,581	\$7,580,706	\$77,018,475
2009 Percentage	41%	1%	48%	10%	100%
2010 Amount	\$45,467,567	\$2,886,588	\$34,661,500	\$6,384,000	\$89,399,655
2010 Percentage	51%	3%	39%	7%	100%
2011 Amount	\$33,716,000	\$7,100,000	\$28,870,000	\$8,430,000	\$78,116,000
2011 Percentage	43%	9%	37%	11%	100%
2012 Amount	\$105,745,000	\$19,255,857	\$39,320,000	\$13,200,000	\$177,520,857
2012 Percentage	60%	11%	22%	7%	100%
2013 Amount	\$90,157,750	\$24,185,857	\$37,320,000	\$14,285,000	\$165,948,607
2013 Percentage	54%	15%	22%	9%	100%
2014 Amount	\$92,578,378	\$23,027,071	\$66,315,679	\$13,887,019	\$195,808,147
2014 Percentage	47%	12%	34%	7%	100%
2015 Amount	\$168,672,560	\$27,974,000	\$100,793,000	\$16,725,000	\$314,164,560
2015 Percentage	54%	9%	32%	5%	100%
2016 Amount	\$165,279,229	\$25,227,685	\$100,581,500	\$15,503,063	\$306,591,477
2016 Percentage	54%	8%	33%	5%	100%
8-Year Average Percentage	52%	9%	32%	7%	100%

NOTE: Transit excludes funding for Potomac Yard Metrorail station, and WMATA Capital funds

2009-2011 CIP did not include Real Estate Tax for Transportation Improvements

2016 CIP Amount includes the TIP Balance as recommended by staff