

# *City of Alexandria, Virginia*

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## **MEMORANDUM**

DATE: MAY 16, 2018

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: HILLARY ORR, DEPUTY DIRECTOR, AND T&ES STAFF

SUBJECT: AGENDA ITEM #3 – ITEMS FOR CONSENT

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**ISSUE:** Staff update to Transportation Commission on various ongoing projects.

**RECOMMENDATION:** That the Commission receive the items for consent.

**WMATA Funding:** During the 2018 Legislative Session, the General Assembly adopted legislation providing \$154M in annual dedicated funding for WMATA's (Washington Metropolitan Area Transit Authority) capital needs beginning in FY19. The City is directly impacted by two elements of the funding package:

- 1) Diversion of TOT (Transient Occupancy Tax) and Grantor's Tax revenue from NVTA (Northern Virginia Transportation Authority) to WMATA, resulting in a loss of approximately \$2.2M in NVTA 30% funds per year.
- 2) Requirement that WMATA funding jurisdictions pay their share of 'Local Funds'; Alexandria's portion is \$4.3M per year

Currently, the City uses NVTA 30% funds to purchase DASH fleet replacement buses and for WMATA Operating Subsidy and WMATA Capital Contributions.

For FY19, OMB (Office of Management and Budget) has identified funding to address the new funding gap. For FY20 and beyond, the City will need to develop a plan to address the ongoing funding gap created by the WMATA legislation, specifically the impact to the NVTA 30% program and how to pay for the City's portion of "Local Funds."

In addition to the impacts of State legislation, the City's WMATA capital subsidy has increased by \$0.7 million since the budget was proposed due to the changes in the subsidy allocation formula used by WMATA to calculate each jurisdiction's capital subsidy. In total, this results in a \$7.2 million funding gap for public transportation capital funding in FY 2019.

Change in WMATA's Capital Subsidy Allocation	\$	700,000
New Local Match Required for State WMATA Capital Funding	\$	4,300,000
Loss of Grantor's Tax & Transient Occupancy Tax Revenue Designated to NVTA	\$	2,200,000
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TOTAL FUNDING GAP	\$	7,200,000

For FY 2019, the \$7.2 million funding gap will be addressed without reducing expenditures using one-time sources restricted for transportation purposes, specifically NVTA 30% fund balance (\$6.2 million), and Transportation Improvement Program (TIP) designated fund balance (\$0.7 million). In addition to these sources, the latest revenue estimates available result in an increase in sales tax revenue designated to NVTA 30% of \$0.3 million, which will address the remaining funding gap.

Use of NVTA 30% Fund Balance	\$	6,244,602
Use of TIP Designated Fund Balance	\$	700,000
Revised NVTA 30% Sales Tax Revenue Estimate	\$	255,398
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TOTAL FUNDING	\$	7,200,000

**FY 2019 City Budget Highlights:** On May 3, City Council adopted the FY19 Operating Budget and the FY19-28 Capital Improvement Program (CIP). Transportation Budget highlights include:

- Full funding of WMATA's Capital Contribution and Operating Subsidy request.
- Funding DASH's capital program to maintain progress towards getting the bus fleet and hybrid battery pack program to a state of good repair.
- Maintaining support for DASH's operating budget by increasing the base from \$1.60 to \$1.75 and increasing the monthly DASH Pass from \$40 to \$45.
- Slight increase to the City's DOT Paratransit program.
- Nearly \$1 million to support vision zero and complete street-related projects
- The introduction of sixth traffic safety officer positions to support Vision Zero Policy