

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chair Phyllis J. Randall and Members
Northern Virginia Transportation Authority

FROM: David Snyder, Chair, NVTA Finance Committee

DATE: April 3, 2025

SUBJECT: FY2026 Regional Revenue Fund Budget

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) adoption of the proposed FY2026 Regional Revenue Fund Budget as recommended by the Finance Committee.
2. **Suggested Motion:** *I move the Authority adoption of the proposed FY2026 Regional Revenue Fund Budget, as presented.*
3. **Background:** The Regional Revenue Fund Budget is the source for transportation project funding by the Authority. The budget details are contained in an attached report with indexing in the Notes column to this staff report.
 - A. **Revenue:** The Authority's principal four sources of revenue are shown at 70% of what is expected to be received. Additional revenues are:
 - I. **CoVa Interest:** This is interest earned on NVTA funds prior to their transfer to the Authority's investment and banking accounts.
 - II. **Investment Portfolio Earnings:** This is the estimated earnings (excluding unrealized gains or losses) from the Authority's internally managed investment portfolio.
 - B. **Expenditures:**
 - I. **Debt Service - Principal:** The principal payment required on the Authority's outstanding bonds.
 - II. **Debt Service - Interest:** The interest payment required on the Authority's outstanding bonds.
 - III. **Modeling License and Support:** Cost of the software licenses to support the Authority's computer modeling and geographic information system functions.
 - a. The proposed FY2026 budget includes transferring the development costs of the Project Information, Management and Monitoring System (PIMMS) from the Operating Budget to the Regional Revenue Budget.
 - b. The next enhancement to PIMMS is proposed to be the inclusion of CMAQ/RSTP. This proposal will allow member jurisdictions to submit applications through PIMMS rather than manually with similar reporting and tracking as currently is available for NVTA projects, with inclusion on the NOVA Gateway. The current CMAQ/RSTP application process is

managed manually much like the initial NVTA application processes prior to 2018.

- c. Staff are recommending a \$350,000 budget allocation to regionally manage and track CMAQ/RSTP through PIMMS.

IV. TransAction Update: Funding for the start of the next update to TransAction, and three Six Year Program funding cycles are included at \$4.5 million to initiate the procurement in FY2026.

V. Recommended Project Appropriation Requests: Starting in September of 2024, member jurisdictions and agencies were advised monthly of the opportunity to request FY2026 project appropriations. The deadline for requests was January 31, 2025. The total requested and NVTA staff recommended project funding is for eight projects totaling \$173,330,460. The eight recommended projects are:

- a. **Loudoun County:** Route 7 Corridor ITS Implementation Program (2022-315-1) \$2,500,000.
- b. **City of Alexandria:** Alexandria Bike and Pedestrian Trails Construction and Reconstruction: Holmes Run Trail - Dora Kelly Fair-weather Crossing Bridge. (2022-329-1) \$5,000,000.
- c. **City of Alexandria:** West End Transitway Phase 1b: South Van Dorn Street and Bridge Design. (2022-328-1) \$5,000,000.
- d. **City of Manassas:** Liberia Avenue 3rd Lane Eastbound: Route 28 to Euclid Avenue. (2022-314-1) \$8,851,639.
- e. **Virginia Passenger Rail Authority:** Franconia-Springfield Passenger Rail Bypass. (2020-313-1) \$22,958,821.
- f. **Fairfax County:** Eight (8) New Battery Electric Buses - Fairfax Connector Buses for Tysons to Franconia Service (2022-324-1) \$10,000,000.
- g. **Prince William County:** Route 234 and Sudley Manor Drive Interchange. (2024-343-1) \$115,000,000. Note: This is a forward appropriation from the FY2024-2029 program. Prince William County staff have determined the project timing can be accelerated.
- h. **City of Manassas:** Roundabout at Route 28 and Sudley Rd. (2024-342-1) \$4,020,000. Note: This is a forward appropriation from the FY2024-2029 program. City of Manassas staff have determined the project timing can be accelerated.

VI. Net Revenue-Restricted for the FY2020-FY2027 Six Year Program Commitments: This represents funding approved in the FY2020/25 and FY2022/27 Six Year programs for which appropriations have not been requested. These are considered restricted funds which can only be used for the Authority approved projects.

VII. Transfer Out to Operating Fund: Transfer from the Regional Revenue Fund to support the Authority's FY2026 Operating Budget, as permitted in the Code of Virginia, and in lieu of jurisdictions paying on a per capita basis.

- VIII. Restricted Fund Balance - Carryforward to Six Year Program Update:**
When available, these funds represent projected positive revenue variances and investment portfolio income, which is used in future PayGo determinations for updates to the Six Year Program.
- IX. Working Capital Reserve:** This is a NVTAs policy required, and credit rating agency monitored reserve to insulate project and operational funding from variances and disruptions in revenues.
- X. Debt Service Reserve:** This reserve is required by the Authority's bond covenants.

Attachment: Proposed FY2025 Regional Revenue Fund Budget

Northern Virginia Transportation Authority Proposed FY2026 Regional Revenue Fund Budget			
	Adopted FY2025 Budget	Proposed FY2026 Budget	Notes
Revenue 70% Regional Funds			
Sales Tax	\$ 235,254,270	\$ 274,731,130	3.A.
Interstate Operations & Enhancement Program (IOEP) Transfer	14,933,244	16,660,000	3.A.
Grantor's Tax	36,248,882	22,264,138	3.A.
Commonwealth NVTD Transfer	14,000,000	14,000,000	3.A.
CoVa Interest	245,000	733,597	3.A.I.
Bond Proceeds	-	-	
Future Financing/Future Appropriation Finance (if required)	-	-	
Investment Portfolio Earnings	35,000,000	70,000,000	3.A.II.
Total Revenue	\$ 335,681,396	\$ 398,388,865	
Expenditures			
Debt Service - Principal	\$ 3,405,000	\$ 3,575,000	3.B.I.
Debt Service - Interest	2,142,250	1,972,000	3.B.II.
Professional Services - Bond Issuance Costs			
Modeling License, PIMMS & Technical Support	46,645	397,145	3.B.III.
TransAction Update (BRT-PDP, SYP/CRRC/LTB Tech Support)		4,500,000	3.B.IV.
Recommended Project Appropriation Requests	298,800,000	173,330,460	3.B.V.
Total Expenditures / Six Year Program Commitments	\$ 304,393,895	\$ 183,774,605	
Net Revenue-Restricted for the FY2020-FY2027 Six Year Program Commitments	\$ 31,287,501	\$ 214,614,260	3.B.VI.
Transfers & Carryforward			
Transfer Out to Operating Fund	\$ (5,025,647)	\$ (5,650,815)	3.B.VII.
Restricted Fund Balance - Carryforward to Six Year Program			
Update/FWD Appropriations	94,900,000	55,000,000	3.B.VIII.
Total Available for Project Assignments Carryforward	\$ 89,874,353	\$ 49,349,185	
Cumulative Regional Revenue Reserve Balances			
Working Capital Reserve	\$ 120,000,000	\$ 120,000,000	3.B.IX.
Debt Service Reserve (Held by Trustee)	5,551,000	5,551,000	3.B.X.
Cumulative Reserve Balances	\$ 125,551,000	\$ 125,551,000	

*Adopted on April 10, 2025