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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

M E M O R A N D U M

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chair, NVTA Finance Committee

DATE: October 6, 2017

SUBJECT: Revenue Projections FY2018 through FY2023

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1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) adoption of proposed revenue projections for FY2018 through FY2023.

2. **Suggested Motion***: I move Authority adoption of the proposed FY2018 - FY2023 revenue projections.*

3. **Background:**
   - **a.** Revenue projections are the initial step in determining the amount of Regional Revenue Fund PayGo resources available for the Authority's FY2018 - FY2023 Six Year Program.
   - **b.** The process for developing the revenue projections followed these steps:
     - **i.** All jurisdictions were provided all previous fiscal year actuals of all revenues, for all member jurisdictions.
     - **ii.** We requested each member jurisdiction estimate the NVTA Sales, Grantors and Transient Occupancy taxes for their jurisdiction for FY2018 through FY2024.
     - **iii.** All jurisdiction estimates were consolidated into one overall schedule.
     - **iv.** NVTA staff reviewed each projection, examining the long term trends for each tax type by jurisdiction, and determine if there are any one time events which affect the projections.
     - **v.** The compiled projections were shared with all jurisdictions, allowing each jurisdiction to examine all other jurisdiction projections by tax type.
     - **vi.** The table below shows the projected revenue by fiscal year, tax type, total revenue, 70%/30% split and rates of change.
     - **vii.** The attached spreadsheet shows the detailed projections by fiscal year, jurisdiction and tax type.

Northern Virginia Transportation Authority							
NVTA Revenue	FY2018 Projection	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection	Total Revenues FY 2018 - 2023
Sales Tax	$253,421,494	$ 258,926,224	$265,846,393	$ 272,982,830	$ 280,453,992	$ 288,142,662	$1,619,773,594
Transient Occ. Tax	$ 30,218,980	$ 31,034,154	$ 31,748,477	$ 32,570,413	$ 33,330,749	$ 34,159,837	$ 193,062,611
Grantors Tax	$ 44,616,624	$ 45,167,888	$ 45,819,213	$ 46,377,477	$ 47,043,160	$ 47,614,206	$ 276,638,568
Total Revenue	$328,257,098	$ 335,128,266	$343,414,083	$ 351,930,721	$ 360,827,901	$ 369,916,705	$2,089,474,773
70% Regional Revenue	$229,779,968	$ 234,589,786	$240,389,858	$ 246,351,504	$ 252,579,531	$ 258,941,694	$1,462,632,341
30% Local Distribution	$ 98,477,129	$ 100,538,480	$103,024,225	$ 105,579,216	$ 108,248,370	$ 110,975,012	$ 626,842,432
Year to Year % Change		2.09%	2.47%	2.48%	2.53%	2.52%	

4. Next Steps

a. With the revenue projections approved for FY2018 through FY2023, NVTA staff will develop the PayGo availability projections for the same period.

b. PayGo projections include calculations and estimates for:

- **i.** Regional Revenue Fund income projections approved by the Authority.
- **ii.** Regional Revenue Fund interest earnings
- **iii.** Regional Revenue Fund carryforward comprised of:
  1. Revenue projection variances
  2. Completed project excess balances
  3. Project cancellations
  4. Fund balance carryforward
- **iv.** Existing Debt Service Payments
- **v.** Impact of the I-66 Outside the Beltway Project (one-time event)
- **vi.** Costs of:
  1. Future TransAction Updates
  2. Congestion Reduction Relative to Cost (CRRC) technical support
  3. Long Term Benefit interim assessment technical support
- **vii.** Tapering percentages for the last three years of the Six Year Program.

c. Finalizing the future PayGo recommendations to the Finance Committee will benefit from I-66 Outside the Beltway Project finalization by the Commonwealth[1]. This project has implications for:

- **i.** A single year $100 million cash impact.
- **ii.** Timing of a $200 million bond sale.
- **iii.** Debt service on $200 million over a 20 year period.
- **iv.** The Commonwealth had projected a July 2017 financial close on this project. As of this report's preparation no revised date has been released.

[1] The Authority is expected to de-allocate funding for this project with the expectation the Commonwealth will reach financial close.

Attachment: Draft FY2018 – FY2023 NVTA Revenue Projections

Coordination:
NVTA Finance Committee
Arlington County
Fairfax County
Loudoun County
Prince William County
City of Alexandria
City of Fairfax
City of Falls Church
City of Manassas
City of Manassas Park

X.ATTACHMENT

NVTA FY 2018 - FY 2023 Revenue Estimates	FY2018 Projection	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection
City of Alexandria						
Sales	$ 15,741,728	$ 16,057,290	$ 16,379,177	$ 16,707,517	$ 17,042,440	$ 17,384,076
TOT	3,496,154	3,583,558	3,673,147	3,764,975	3,859,100	3,955,577
Grantors	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Total	$ 22,597,882	$ 23,000,847	$ 23,412,324	$ 23,832,493	$ 24,261,539	$ 24,699,653
Arlington						
Sales	$ 25,927,100	$ 25,308,696	$ 25,943,302	$ 26,591,884	$ 27,391,615	$ 28,214,713
TOT	9,886,298	10,202,892	10,406,950	10,667,124	10,933,802	11,207,147
Grantors	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000
Total	$ 40,463,398	$ 40,161,588	$ 41,000,252	$ 41,909,008	$ 42,975,418	$ 44,071,860
City of Fairfax						
Sales	$ 7,359,015	$ 7,432,605	$ 7,506,931	$ 7,582,001	$ 7,657,821	$ 7,734,399
TOT	400,000	408,000	416,160	424,483	432,973	441,632
Grantors	432,500	436,825	441,193	445,605	450,061	454,562
Total	$ 8,191,515	$ 8,277,430	$ 8,364,284	$ 8,452,089	$ 8,540,855	$ 8,630,593
Fairfax County						
Sales	$ 109,062,126	$ 111,788,679	$ 114,583,396	$ 117,447,981	$ 120,384,181	$ 123,393,786
TOT	11,584,628	11,874,244	12,171,100	12,475,378	12,787,262	13,106,944
Grantors	21,021,600	21,231,816	21,444,134	21,658,575	21,875,161	22,093,913
Total	$ 141,668,354	$ 144,894,739	$ 148,198,630	$ 151,581,934	$ 155,046,604	$ 158,594,643
City of Falls Church						
Sales	$ 2,546,900	$ 2,659,800	$ 2,777,700	$ 2,900,900	$ 3,029,500	$ 3,163,800
TOT	187,900	194,000	200,200	206,600	213,300	220,200
Grantors	257,704	257,704	257,704	257,704	257,704	257,704
Total	$ 2,992,504	$ 3,111,504	$ 3,235,604	$ 3,365,204	$ 3,500,504	$ 3,641,704
Loudoun						
Sales	$ 49,460,000	$ 50,940,000	$ 52,470,000	$ 54,040,000	$ 55,660,000	$ 57,330,000
TOT	3,020,000	3,080,000	3,140,000	3,240,000	3,260,000	3,330,000
Grantors	9,200,000	9,400,000	9,700,000	9,900,000	10,200,000	10,400,000
Total	$ 61,680,000	$ 63,420,000	$ 65,310,000	$ 67,180,000	$ 69,120,000	$ 71,060,000
City of Manassas						
Sales	$ 5,000,000	$ 5,100,000	$ 5,202,000	$ 5,306,040	$ 5,412,160	$ 5,520,400
TOT	61,000	61,460	61,920	62,380	62,850	63,320
Grantors	370,000	371,850	373,710	375,580	377,460	379,350
Total	$ 5,431,000	$ 5,533,310	$ 5,637,631	$ 5,744,000	$ 5,852,469	$ 5,963,070
City of Manassas Park						
Sales	$ 1,439,384	$ 1,462,415	$ 1,469,727	$ 1,509,007	$ 1,549,515	$ 1,591,923
Grantors	152,820	155,693	156,471	158,728	162,837	166,638
Total	$ 1,592,204	$ 1,618,108	$ 1,626,198	$ 1,667,735	$ 1,712,352	$ 1,758,562
Prince William						
Sales	$ 36,885,240	$ 38,176,740	$ 39,514,160	$ 40,897,500	$ 42,326,760	$ 43,809,565
TOT	1,583,000	1,630,000	1,679,000	1,729,473	1,781,463	1,835,016
Grantors	5,172,000	5,304,000	5,436,000	5,571,285	5,709,937	5,852,039
Total	$ 43,640,240	$ 45,110,740	$ 46,629,160	$ 48,198,258	$ 49,818,160	$ 51,496,620
Total NVTA Revenue						
Sales	**$ 253,421,494**	**$ 258,926,224**	**$ 265,846,393**	**$ 272,982,830**	**$ 280,453,992**	**$ 288,142,662**
TOT	**30,218,980**	**31,034,154**	**31,748,477**	**32,570,413**	**33,330,749**	**34,159,837**
Grantors	**44,616,624**	**45,167,888**	**45,819,213**	**46,377,477**	**47,043,160**	**47,614,206**
Total	**$ 328,257,098**	**$ 335,128,266**	**$ 343,414,083**	**$ 351,930,721**	**$ 360,827,901**	**$ 369,916,705**
70%	**$ 229,779,968**	**$ 234,589,786**	**$ 240,389,858**	**$ 246,351,504**	**$ 252,579,531**	**$ 258,941,694**
30%	**$ 98,477,129**	**$ 100,538,480**	**$ 103,024,225**	**$ 105,579,216**	**$ 108,248,370**	**$ 110,975,012**
Percent Annual Increase:						
Sales		2.17%	2.67%	2.68%	2.74%	2.74%
TOT		2.70%	2.30%	2.59%	2.33%	2.49%
Grantors		1.24%	1.44%	1.22%	1.44%	1.21%
Total		2.09%	2.47%	2.48%	2.53%	2.52%