

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Michael Longhi, Chief Financial Officer

DATE: October 5, 2018

SUBJECT: FY2019 Regional Revenue Fund Appropriations

- I. Purpose:** To seek Northern Virginia Transportation Authority (NVTa) budget appropriation action for those projects from the FY2018 to FY2023 Six Year Program (SYP) requiring FY2019 Regional Revenue Funds.
- II. Suggested Motion:** *I move the Authority budget and appropriate \$527,233,959 of Regional Revenue Funds to the sixteen FY2018-FY2023 Six Year Program projects as detailed below:*

FY2019 Regional Revenue Fund Project Appropriations			
Project ID#	Jurisdiction / Agency	Project	Appropriation
2018-005-0	Arlington County	Intelligent Transportation System Improvements	10,000,000
2018-001-0	Arlington County	ART Operations and Maintenance Facilities	39,027,000
2018-042-1	City of Alexandria	Alexandria Bus Network ITS	150,000
2018-046-0	City of Fairfax	Jermantown Road Corridor Improvements Project	21,000,000
2018-049-0	City of Fairfax	Roadway Network Northfax West	2,500,000
2018-007-0	Fairfax County	Richmond Highway Bus Rapid Transit - Phases I & II	250,000,000
2018-024-0	Loudoun County	Route 28 Northbound Widening –between the Dulles Toll Road and Sterling Boulevard	20,000,000
2018-028-0	Loudoun County	Dulles West Boulevard Widening: Loudoun County Parkway to Northstar Boulevard	47,800,000
2018-027-0	Loudoun County	Route 9 Traffic Calming	12,112,000
2018-029-0	Loudoun County	Evergreen Mills Road Intersection Realignments – Watson Road and Reservoir Road	14,000,000
2018-062-0	Falls Church/NVRPA	Falls Church Enhanced Regional Bike Routes (W&OD)	3,244,959
2018-030-3	Prince William County	RT28 corridor improvements (Fitzwater Dr to Pennsylvania Ave)	15,000,000
2018-035-0	Prince William County	Construct Interchange at Prince William Parkway and University Boulevard	24,200,000
2018-034-0	Prince William County	Construct Interchange at Route 234 and Brentsville Road	54,900,000
2018-036-0	Prince William County	Summit School Rd Extension and Telegraph Rd Widening	11,000,000
2018-057-0	Town of Vienna	Mill St NE Parking Garage	2,300,000
Total FY2019 Regional Revenue Fund Appropriation			\$ 527,233,959

III. Background:

- The NVTa Finance Committee initiated development of a funding strategy for the Authority's inaugural FY2018 through FY2023 Six Year Program (SYP) in May of 2017.
- Over the next 13 months, the Finance Committee received reports and analyses and provided feedback on numerous matters critical to

determining the level of PayGo funding available for the SYP. These include:

- i. Regional Revenue Projections
 - ii. Investment Portfolio Interest Earnings
 - iii. Debt Service Commitments
 - iv. Future Technical Support Expenses for TransAction Updates, Long Term Benefits and Congestion Reduction Relative to Cost Analyses
 - v. Out Year Taper
 - vi. Cash Flow (Liquidity) Analysis
 - vii. Appropriation Schedule Options
 - viii. Fiscal Impact Analysis of the 2018 General Assembly action
- c. Throughout this process the base projections for PayGo availability have been transparently presented and discussed. The projections remained largely consistent, with the most significant change being the 2018 General Assembly action, which repealed two revenue sources thereby reducing available revenue for the SYP.
 - d. Since FY2018 ended on June 30, 2018, the FY2018 fiscal year balances are carried forward in total to FY2019.
 - e. On June 6, 2018 the Finance Committee made a \$1.285 billion PayGo funding recommendation to the NVTa Planning and Programming Committee (PPC) for the SYP.
 - f. On June 14, 2018 the NVTa adopted its inaugural SYP of 44 projects totaling \$1.285 billion.
 - g. Since the adoption of the SYP, NVTa staff has worked with individual jurisdictions and agencies in the development of the schedule of appropriations presented in Attachment 1, including the presented recommendation for the FY2019 appropriation.
 - h. Scheduled appropriations projected for FY2020 through FY2023 of the SYP are preliminary and subject to changes in timing prior to actual appropriation action.
 - i. The suggested motion will budget and appropriate FY2019 Regional Revenue Funds for the 16 of 44 projects adopted in the SYP which require funds in FY2019.
 - j. The remaining 28 of the 44 SYP projects for FY2020 through FY2023 will require action as part of future annual budget and appropriation cycles, (typically winter or spring of the preceding fiscal year).
 - k. A listing of the FY2019 proposed appropriations and projected FY2020 to FY2023 appropriations is presented in Attachment 1.

IV. Discussion:

- a. A significant feature of the SYP funding strategy is to appropriate the full project cost in the first fiscal year the project is projected to expend NVTa

- funds, even though most projects will require more than one year to complete.
- b. The full appropriation in the first fiscal year strategy is consistent with NVTAs Strategic Plan Goal IV; ‘Cementing NVTAs reputation as a predictable long-term funding partner’.
 - c. Other beneficial features of this strategy are:
 - i. An accepted best financial practice, noted for being:
 1. Conservative
 2. Transparent
 3. Accountable
 4. Reliable
 - ii. Supports jurisdiction and agency efforts when applying for matching/additional funds.
 - iii. Protects jurisdictions and agencies from outside appropriation risks.
 - iv. Helps ensure started projects finish.
 - v. Consistent with many jurisdiction practices.
 - vi. Understood by project sponsors, transportation industry and the financial community.

V. Fiscal Impact

- a. The appropriation plan presented in Attachment 1 on first look appears to set the stage for an over appropriation of \$356.6 million from FY2019 through FY2021 in the Regional Revenue Fund as noted in the Appropriation Based Balances (Budget Basis) table below:

	Appropriation Based Balances (Budget Basis)					
	FY2019*	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Appropriations	\$527.2 M	\$537.6 M	\$195.8 M	\$22.8 M	\$1.9 M	\$0.0 M
PayGo Revenue Projections	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$0.0 M
Balance	(\$0.6 M)	(\$350.7 M)	(\$55.3 M)	\$168.0 M	\$188.6 M	\$0.0 M

*FY2019 Includes Carry Forward From FY2018

- b. Outside financings (bonds, loans etc.) are often used to address negative appropriation balances, such as those shown in FY2020 and FY2021 in the above table.
- c. Since NVTAs operates project funding on a reimbursement versus grant basis, cash related to unspent project appropriations remain with the NVTAs resulting in a significant level of liquidity.
- d. As shown in the Expenditure Based Balances (Cash Flow Basis) table below, the Authority can advance appropriations in FY2019, FY2020 and FY2021 and maintain a very positive liquidity position.

	Expenditure Based Balances (Cash Flow Basis)					
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Expenditures	\$59.6 M	\$252.5 M	\$249.7 M	\$265.9 M	\$238.0 M	\$219.6 M
PayGo Revenue Projections*	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$0.0 M
Year to Year Balance	\$467.0 M	(\$65.6 M)	(\$59.2 M)	(\$75.2 M)	(\$47.5 M)	(\$219.6 M)
	Year to Year Cash Balances					
FY2014/17 Project Balances Available**	\$315.9 M	\$145.5 M	\$83.9 M	\$76.2 M	\$0.0 M	\$0.0 M
Combined Cash Flow	\$782.9 M	\$79.9 M	\$24.7 M	\$1.1 M	(\$47.5 M)	(\$219.6 M)
Cash Flow Balances	\$782.9 M	\$862.8 M	\$887.6 M	\$888.6 M	\$841.1 M	\$621.5 M

*FY2019 Includes Carry Forward From FY2018, No Adopted Estimates for 2024

**18 Projects Worth \$98.9 Million Have Expired Cash Flow Projections

- e. In addition to the projected liquidity position, the Authority has a \$120 million Working Capital Reserve (WCR) which is not included in these numbers.
- f. The Authority's current projected debt capacity is approximately \$1.4 billion over 20 years.
- g. Advancing projects using NVTA's liquidity, rather than financing will save the Authority approximately \$194.3 million over 20 years (or \$9.7 million a year for 20 years).

NVTA FY2018 to FY2023 Six Year Program

Attachment 1

SPA Number	Project ID#	Jurisdiction / Agency	Project	Proposed	Projected Future Appropriations			
				FY2019 Appropriation	FY2020	FY2021	FY2022	FY2023
2018-005-1	2018-005-0	Arlington County	Intelligent Transportation System Improvements	10,000,000				
2018-004-1	2018-004-0	Arlington County	Pentagon City Multimodal Connections and Transitway Extension		28,850,000			
2018-001-1	2018-001-0	Arlington County	ART Operations and Maintenance Facilities	39,027,000				
2018-003-1	2018-003-0	Arlington County	Crystal City Metrorail Station East Entrance & Intermodal connections			5,000,000		
2018-041-1	2018-041-0	City of Alexandria	Alexandria ITS Projects		1,195,491			
2018-042-1	2018-042-1	City of Alexandria	Alexandria Bus Network ITS	150,000				
2018-043-1	2018-043-0	City of Alexandria	DASH Transit Service Enhancements and Expansion			11,933,161		
2018-040-2	2018-040-1	City of Alexandria	West End Transitway: Northern Segment (Phase 1)			2,200,000		
2018-045-1	2018-045-2	City of Alexandria	Alexandria Duke St Transitway		12,000,000			
2018-046-1	2018-046-0	City of Fairfax	Jermantown Road Corridor Improvements Project	21,000,000				
2018-049-1	2018-049-0	City of Fairfax	Roadway Network Northfax West	2,500,000				
2018-047-1	2018-047-0	City of Fairfax	Intersection Improvements at Eaton Place/Chain Bridge Road				10,750,000	
2018-048-1	2018-47-0	City of Fairfax	Old Lee Highway Multimodal Improvements Phase 1		5,000,000			
2018-051-1	2018-051-0	City of Falls Church	West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project			15,700,000		
2018-017-1	2018-017-0	Fairfax County	Rock Hill Road Bridge		20,604,670			
2018-014-2	2018-014-1	Fairfax County	Rolling Road Widening: Hunter Village Drive to Old Keene Mill Road		11,111,000			
2018-010-3	2018-010-2	Fairfax County	Route 28 Widening: Route 29 to Prince William County Line			16,000,000		
2018-016-3	2018-016-2	Fairfax County	Fairfax County Pkwy Widen from Ox Rd to Lee Hwy w/ separated interchange at Popes Head Rd		67,000,000			
2018-007-1	2018-007-0	Fairfax County	Richmond Highway Bus Rapid Transit - Phases I & II	250,000,000				
2018-006-2	2018-006-1	Fairfax County	Route 1 Widening (Mount Vernon Memorial Highway to Napper Road)		127,000,000			
2018-012-1	2018-012-0	Fairfax County	Richmond Highway (Route 1)/CSX Underpass Widening				12,000,000	
2018-009-2	2018-009-1	Fairfax County	Frontier Drive Extension and Intersection Improvements#		25,000,000			
2018-024-1	2018-024-0	Loudoun County	Route 28 Northbound Widening –between the Dulles Toll Road and Sterling Boulevard	20,000,000				
2018-021-1	2018-021-0	Loudoun County	Route 15 Bypass Widening: Battlefield Parkway to Montresor Road			54,000,000		
2018-023-1	2018-023-0	Loudoun County	Extend Shellhorn Road: Loudoun County Parkway (Route 607) to Randolph Drive (Route 1072)		16,000,000			
2018-022-1	2018-022-0	Loudoun County	Northstar Boulevard - Shreveport Drive to Tall Cedars Parkway		64,805,000			
2018-026-1	2018-026-0	Loudoun County	Prentice Drive Extension: Lockridge Road (Route 789) to Shellhorn Road (Route 643)		76,230,000			
2018-028-1	2018-028-0	Loudoun County	Dulles West Boulevard Widening: Loudoun County Parkway to Northstar Boulevard	47,800,000				
2018-027-1	2018-027-0	Loudoun County	Route 9 Traffic Calming	12,112,000				
2018-029-1	2018-029-0	Loudoun County	Evergreen Mills Road Intersection Realignment – Watson Road and Reservoir Road	14,000,000				
2018-062-1	2018-062-0	City of Falls Church/NVRPA	Falls Church Enhanced Regional Bike Routes (W&OD)	3,244,959				
2018-030-4	2018-030-3	Prince William County	RT28 corridor improvements (Fitzwater Dr to Pennsylvania Ave)	15,000,000				
2018-039-1	2018-039-0	Prince William County	Construct Interchange at Prince William Parkway and Clover Hill Road					1,900,000
2018-035-1	2018-035-0	Prince William County	Construct Interchange at Prince William Parkway and University Boulevard	24,200,000				
2018-032-2	2018-031-1	Prince William County	Route 28 Corridor Feasibility Study - EIS (City of Manassas to Fairfax County)		3,500,000			
2018-032-3	2018-032-1	Prince William County	Construct Route 28 Corridor Roadway Improvements			89,000,000		
2018-034-1	2018-034-0	Prince William County	Construct Interchange at Route 234 and Brentsville Road	54,900,000				
2018-036-1	2018-036-0	Prince William County	Summit School Rd Extension and Telegraph Rd Widening	11,000,000				
2018-053-2	2018-053-1	Town of Dumfries	Widen Route 1 (Fraleigh Blvd) to six lanes between Brady's Hill Rd and Dumfries Rd (RT234)		44,860,000			
2018-054-3	2018-054-2	Town of Leesburg	Construct Interchange at Route 7 and Battlefield Parkway		25,000,000			
2018-056-1	2018-056-0	Town of Leesburg	Construct Interchange at Route 15 Bypass and Battlefield Parkway			2,000,000		
2018-055-3	2018-055-2	Town of Leesburg	Interchange Improvements at Route 15 Leesburg Bypass and Edwards Ferry Road		5,400,000			
2018-057-1	2018-057-0	Town of Vienna	Mill St NE Parking Garage	2,300,000				
2018-058-2	2018-058-1	VRE	VRE Crystal City Station Improvements		4,000,000			
Total By Fiscal Year				\$ 527,233,959	\$ 537,556,161	\$ 195,833,161	\$ 22,750,000	\$ 1,900,000
Cumulative Total by Fiscal Year				\$ 527,233,959	\$ 1,064,790,120	\$ 1,260,623,281	\$ 1,283,373,281	\$ 1,285,273,281