

NVTA Financial Working Group

Fairfax Department of Transportation

4050 Legato Road, Suite 400

Fairfax, Virginia 22033

Wednesday, July 16, 2014

10:00 a.m.

- I. Introductions
- II. Approval of Summary of May 7, 2014, and June 25, 2014, Meetings
- III. Update on Line of Credit and Sale of Bonds
- IV. Status of 30% Funding Distribution for FY 2014
- V. Other Topics for Discussion
 - A. Projects Agreements between NVTA and Jurisdictions/Implementing Agencies
 - i. Status of Specific Project Agreements between NVTA and Implementing Agencies
 1. Preparation for July 24 NVTA Meeting
 - ii. Status of Discussions of MOA between VDOT/DRPT and NVTA
 - B. Update on Meetings to Discuss “Long-Term Benefit” Measurement
 - C. Update on WMATA and VRE Subcommittee Meeting
 - D. Discussion of Annual Reporting
 - i. Compliance Certification
 - ii. Year-end Accruals
 - E. Additional Items for Discussion
- VI. Update on Revenues Collected
- VII. Items to Refer to Other Working Groups
- VIII. Summarize Recommendations Made by Working Group for the July 24, 2014, NVTA Meetings; Additional Information Requirements; Persons Responsible for Securing Information; and Direction to Staff Coordinators
- IX. Next Meeting
- X. Adjourn

NVTA Financial Working Group

Meeting Notes from May 7, 2014

Prepared by Marvin Johnson, Sr., City of Alexandria

Meeting started at 1:05 pm

Status of Preparation for Sale of Bonds

- Mike Longhi, NVTA CFO, told the group that the Authority is looking to close on the initial line of credit around June 19, 2014
- It will likely be a taxable transaction with a match reserve
- Asked three jurisdictions to temporary defer their PayGo projects to ensure that reserves are funded. They are:
 - Arlington: \$ 6.5 million
 - Loudoun: \$13.5 million
 - Fairfax: \$13.5 million
- This will allow the Authority to continue to move forward with financial activities, even if the General Assembly approval of the FY 2015 budget is delayed beyond June 30, 2014.
- The actual bond sale should happen late summer

Other Topics for Discussion

- *Projects Agreements between NVTA and Jurisdictions/Implementing Agencies*
 - Status of Approvals of MOA between Counties and Towns
 - All have been signed
 - Specific Project Agreements (SPA) between NVTA and Implementing Agencies
 - SPA moving smoothly through system
 - NVTC approved standard format at the April Meeting
 - Several moving forward tomorrow night
 - Loudoun will be ready for June meeting
 - Operating procedures are on website now
 - Please provide feedback on the process is requested
 - *Status of Discussions of MOA between VDOT/DRPT and NVTA*
 - Conference call with VDOT & DRPT
 - Discussion about flow of money through VDOT
 - Questions about whether the funds should be a straight pass through
 - Extent to which VDOT becomes a party in project agreement
 - Concerns if VDOT can meet the terms of NVTA project agreement
 - NVTA funds cannot be used for maintenance
 - TOT and Grantors will pass through VDOT
 - Questions and discussion about Sales Tax

- *Discussions on Revenue Estimates for FY14, FY15, and FY16*
 - Discussed Memo prepared (**Item XI**)
 - These are estimates; jurisdictions will receive actual revenues collected.
 - Estimates will be considered by the Authority on May 8
 - Once approved, can be used for planning for FY15

- *Discussion of FY15 Budget*
 - Discussed Memo – NVRTA Operating Budget & 70% Budget (**Items XII & XVII**)
 - Will be sending out amount due to support NVRTA’s operating budget by June 1, 2014, to the nine jurisdictions
 - FY16 is just a projection
 - Each jurisdiction will need to make a decision by July 1, 2014, if operating fee should be taken from funds or billed. No action is required, if no change is being requested.
 - Only 2 Jurisdictions want to be billed – Payment due July 15, 2014
 - Questions about line item – Transaction Update Outreach
 - This is for the management of public involvement

- *Planned Use and Commitment of FY14 Regional Revenue Balance (Item X)*
 - Discussed handout
 - Establish the purpose and use of any June 30, 2014 balances of 70% Regional Revenue as recommended by the Finance Committee Memo

- *Update on Meeting to Discuss “Long-Term Benefit” Definition (Item XIII)*
 - Discussed Memo from Tom Biesiadny (January 4, 2008) – Approval of Procedures for Allocation NVRTA Revenues (**Item 6.B.**)
 - Discussion of what time frame should be used for measurement
 - Quantitative and Qualitative measurement is focus of group and not developing a definition
 - Tech Advisory Committee also met on April 16, 2014
 - Discussed Memo from Randy Boice (**Item XIV**)
 - Discussed minimum time period for the estimation of benefit accruing to each jurisdiction should be six (6) years

- *Update on WMATA and VRE Subcommittee Meeting*
 The subcommittee discussed:
 - How to go forward with project agreements
 - Call for projects and instructions
 - Whether local funding could be used for operating shortfalls
 - Not a good idea/not what it is intended for

- *Identification of Additional Items for Discussion*
 - Post year verification process approaching
 - Group thoughts on how to make efficient as possible
 - End of year report from localities are due August 1

Update on Revenues Collected

- Memo of Revenues collected to date (**Item XVI**)

Items to Refer to Other Working Groups

- Project Implementation
 - Update – will postpone meetings until the State Budget is passed

Summarize Recommendations made by Working Group for the May 8, 2014, NVTA Meetings; Additional Information Requirements; Persons Responsible for Securing Information; and Direction to Staff Coordinators

- No recommendations for the May meeting.

Next Meeting

- June 5, 2014 at 2 pm (tentative) – **Meeting later rescheduled for June 25, 2014 at 1 pm**

Adjourn

NVTA Financial Working Group

Meeting Notes from June 25, 2014

Prepared by Marvin Johnson, Sr., City of Alexandria

Meeting started at 1:10 pm

Approval of Summary of April 13, 2014, Meeting

- The meeting summary from the April 13, 2014, meeting were approved.

Update on Sale of Bonds (Mike Longhi)

- Summary of On-going Activities
 - Anticipated closing on the line of credit on June 26, 2014
 - Bank of America/Merrill Lynch
 - Expecting Bond Sale this Fall
- Status of Items Required from jurisdictions/Implementing Agencies
 - NVTA staff has everything needed from jurisdictions

Other Topics for Discussions

- *Projects Agreements between NVTA and Jurisdictions/Implementing Agencies*
 - Status of Approvals of MOA for Transferring Funding to Local Governments and/or Implementing Agencies
 - All jurisdictions are receiving 30% funds
 - Interest is one month in arrears
 - Information is received via Wire Notice
 - Status of Specific Project Agreements between NVTA and Implementing Agencies
 - One pending from VRE
 - Due date will be 07/15/14 for the 07/24/14 meeting
 - If meeting is 07/10/14, then due date will be 07/01/14
 - Next NVTA meeting is September – if SPAs are not submitted for the July meeting, they will have to wait until September
 - Status of Discussions of MOA between VDOT/DRPT and NVT
 - Meeting upcoming about Standard Project Agreement
 - Discussions about conflicts in statues from VDOT & NVTA
- *Planned Use and Commitment of FY14 Regional Revenue Balance*
 - Committed remaining balance to be used for remaining FY14
- *Status of Project Cash Flow Information*
 - Building new cash flow as information comes in
- *Update on Meeting to Discuss “Long-Term Benefit” Definition*
 - Discussed meeting notes (Handout)
 - Most critical discussion dealt with how you measure benefits

- Some examples include: Dollars allocated, Congestion reduction, Geographical allocation, Regional benefits, Use of traffic demand model
 - Possible retreat for NVTA members to discuss
 - Next meeting 07/09/14 at 9 am, Fairfax DOT
- *Update on WMATA and VRE Subcommittee Meeting*
 - No new information
- *Discussion of Annual Reporting (Mike Longhi)(Draft Handout)*
 - Compliance Certification
 - Discussed Annual Jurisdiction Certification handout
 - C&I equivalency transfer must be submitted to NVTA by 03/01/15
 - Need to have Annual Certification by 08/01/14 in order to be able to transfer FY15 NVTA 30% funds
 - Request made to add forms to webpage
 - More work is planned to update Attachment A
 - Year-end Accruals (Handouts)
 - Discussed two handouts
 - Each Jurisdiction management is responsible for own Accruals
- *Identification of Additional Items for Discussion*
 - No items

Update on Revenues Collected (Handout)

- FY 2014 Revenues approximately \$10 million less than projected

Items to Refer to Other Working Groups

- Referring certification form to Council of Councils

Summarize recommendations made by Working Group for the July 25, 2014, NVTA Meetings; Additional information requirements; Persons responsible for securing information; and Direction to staff coordinators

- The agreement between NVTA and VDOT/DRPT should be included on the agenda.

Next Meeting

- July 16, 2014 at 10 am

Adjourn

DRAFT –FOR DISCUSSION PURPOSES ONLY

4-24-14 4-29-14 5-14-14

**MEMORANDUM OF AGREEMENT BETWEEN
THE VIRGINIA DEPARTMENT OF TRANSPORTATION, THE VIRGINIA DEPARTMENT OF
RAIL AND PUBLIC TRANSPORTATION AND
THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
RELATING TO
IMPLEMENTATION OF CHAPTER 766 OF THE 2013 ACTS OF ASSEMBLY**

WHEREAS, the 2013 Virginia General Assembly adopted and enacted into law House Bill 2313, 2013 Va. Acts of Assembly, Chapter 766 (“Chapter 766”); and

WHEREAS, Chapter 766 provides for imposition of certain state taxes and fees in localities comprising planning districts that meet certain criteria as specified in the Act,

WHEREAS, Planning District 8 meets the criteria specified in §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, 58.1-614, 58.1-802.2, and 58.1-1742 of the Code of Virginia of 1950 (as amended) and the taxes and fees specified in those sections shall be imposed in the localities comprising Planning District 8; and

WHEREAS, Chapter 766, in § 15.2-4838.01, establishes the Northern Virginia Transportation Authority Fund (“NVTAF”) and specifies that all revenues dedicated to the NVTAF pursuant to § 58.1-638 (which includes revenues attributable to the taxes and fees imposed pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and § 58.1-614), and §§ 58.1-802.2 and 58.1-1742 (collectively, the “NVTA Revenue”), shall be paid into the state treasury, credited to the fund and the amounts so dedicated deposited monthly by the Comptroller; and

WHEREAS, Chapter 766, in § 15.2-4838.01, provides further that the amounts dedicated to the NVTAF shall be distributed to the Northern Virginia Transportation Authority (“NVTA”) for use in accordance with § 15.2-4838.1; and

WHEREAS, Chapter 766, in § 15.2-4838.1 provides, among other things, that all moneys received by the NVTA shall be used by NVTA solely for transportation purposes benefiting those counties and cities that are embraced by NVTA; and

WHEREAS, Chapter 766, in § 15.2-4838.1, also provides that 30 percent of the revenues received by NVTA shall be distributed on a pro rata basis to localities embraced by NVTA, with each locality’s share being the total of such ~~fee and taxes~~ NVTA Revenues received by NVTA that are generated or attributable to the locality divided by the total of such ~~fee and taxes~~ NVTA Revenue received by NVTA (“Locality Share”), to be used by the locality in funding certain transportation or congestion related projects or improvements or for public transportation purposes; and

WHEREAS, Chapter 766, in § 15.2-4838.1 provides further that the remaining 70 percent of the revenues received by NVTA Revenues (“Regional Funds”) shall be used by NVTA solely to fund mass transit capital projects that increase capacity; or transportation projects selected by NVTA that are contained in the regional transportation plan in accordance with § 15.2-4830 and, with the exception of those Regional Funds received in fiscal year 2014, that have been rated in accordance with § 33.1-13.03:1; and

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~~4-24-14 4-29-14 5-14-14~~

WHEREAS, § 15.2-4839 authorizes NVTA to issue bonds and other evidences of debt for any of its purposes, and on July 24, 2013, NVTA adopted a resolution approving the issuance of its initial series of bonds to be secured by a pledge of the Regional Funds; and

WHEREAS, NVTA, the Virginia Department of Transportation (“VDOT”), and the Virginia Department of Rail and Public Transportation (“DRPT”) have determined that it is necessary for the three entities to enhance coordination of transportation planning and programming functions in order to ensure the most effective and efficient use of revenues deposited into the NVTAF and received by the NVTA pursuant to Chapter 766, in conjunction with other state and federal transportation revenues; and

WHEREAS, the Virginia Department of Taxation bears responsibility for collecting and depositing into the NVTAF all revenues associated with the additional taxes and fees imposed in Planning District 8 by Chapter 766 in §§ 58.1-638, 58.1-802.2 and 58.1-1742 of the NVTA Revenues; and neither VDOT nor DRPT bears any responsibility for the collection, deposit or expenditure of the aforementioned tax revenues; and

WHEREAS, the NVTAF Revenues collected and deposited by the Virginia Department of Taxation are subsequently transferred to and treated as pass-through funds by VDOT, but neither VDOT nor DRPT bears any responsibility for the collection, deposit or expenditure of the aforementioned tax NVTA Revenues; and

WHEREAS, NVTA is responsible for determining whether moneys distributed to it pursuant to §15.2-4838.01 exceed the amount required to meet the current needs and demands to fund transportation projects pursuant to §15.2-4838.1, and upon making such a determination, NVTA may invest such excess moneys to the same extent as provided in §33.1-23.03:5 for excess funds in the Transportation Trust Fund.

NOW THEREFORE, in order to most effectively administer the expenditure of funds once deposited into the NVTAF, the Parties have deemed it necessary and prudent to identify their respective roles and responsibilities with regard to implementation of Chapter 766 by means of this Memorandum of Agreement (“Agreement”) and, accordingly, do hereby agree as follows:

1. USE AND AVAILABILITY OF FUNDS:

- a. Use of funds in the NVTAF shall be consistent with state and federal law. Further, availability of NVTAF funds is subject to appropriation by the General Assembly and NVTA for authorized purposes.
- b. Other than as expressly provided below, nothing in this Agreement shall be construed as charging or granting VDOT, DRPT, or any other state entity with authority over or responsibility for the NVATF not otherwise prescribed by state law.

2. VDOT’S AND DRPT’S ROLE AND RESPONSIBILITIES:

- a. VDOT will provide NVTA with the Department of Taxation’s estimates of the NVTA Revenues that will result from the state taxes and fees imposed in Planning District 8 pursuant to Chapter 766, as they are made available for public distribution.

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b. VDOT will provide NVTA with monthly financial reports relating to the NVTAF in a form similar to the exemplar attached hereto as Exhibit A, and which will include the following information:

- i. Income by revenue source as detailed by the collecting agency;
- ii. Interest earnings; and
- iii. Administrative costs charged to the NVTAF by the Department of Taxation and other departments and agencies of the Commonwealth, if any. [VDOT CHECKING]

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c. VDOT, as the department to which the NVTA Revenues are appropriated for Commonwealth budgeting purposes, and no other, shall make direct payment in monthly transfers to NVTA of all NVTA Revenues in VDOT's possession. In so doing, VDOT shall not withhold any sums for administrative costs or other purposes, nor shall VDOT condition the transfer of NVTA revenues in any way.

~~e.d.~~ For all projects funded in whole or part with NVTAF funds Regional Funds or bond or other debt secured by Regional Funds ("NVTA Bond Proceeds") that are requested to be administered by VDOT, said projects shall be administered using NVTA's standard project agreement. NVTA's standard project agreement is attached hereto as Exhibits B. [PENDING FURTHER DISCUSSION]

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~~d.e.~~ VDOT and DRPT agree that moneys from the NVTAF NVTA Revenues and NVTA Bond Proceeds are eligible and may be used to satisfy the local match requirement for a project that otherwise qualifies under the Revenue Sharing Program, established and administered by the Commonwealth Transportation Board ("CTB") pursuant to §33.1-23.05, or any other project that is funded by a program administered by VDOT or DRPT requiring matching funds from local sources, provided such use is not otherwise prohibited by state or federal law.

~~e.f.~~ VDOT and DRPT agree to actively engage NVTA in the development of their recommendations to the CTB concerning Northern Virginia projects in the Six Year Improvement Program, and in NVTA's development of its own Six Year Plan and in other planning efforts undertaken by NVTA. This engagement will include discussions of ways to jointly fund projects to maximize resources and ensure that projects are implemented as efficiently as possible.

~~f.g.~~ VDOT agrees to work collaboratively with NVTA in the project rating process provided for in §33.1-13.03:1 by, among other things, developing a mutually agreed schedule for the process that allows sufficient time for meaningful review of and comment by NVTA concerning of the process and the projects to be rated.

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~~g.h.~~ VDOT and DRPT acknowledge that NVTA is empowered to issue bonds and other evidences of debt to carry ~~out~~ its purposes and that the continued appropriation of the ~~{Chapter 766 revenues to the NVTAF}~~ will be necessary to pay NVTA Revenues is expected to be the source and security for the payment of the debt service on such bonds and other debt.

~~h.i.~~ Each year and in accordance with the schedule of the Virginia Department of Planning and Budget, VDOT and DRPT shall request that the Governor include in the budget to be delivered to the General

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Assembly during their next session a provision that there be appropriated all of the ~~Chapter 766~~ ~~NVTA Revenues~~ to the NVTAF during the next succeeding Fiscal Year or biennial period, as applicable.

~~i.i.~~ VDOT and DRPT shall use their best efforts to have (a) the Governor include, in each biennial or any supplemental budget that is presented to the General Assembly, the amounts described in (i) above ~~appropriation of the NVTA Revenues to the NVTAF~~ and (b) the General Assembly deposit, appropriate and reappropriate, as applicable, ~~such amounts~~ ~~the NVTA Revenues to the NVTAF~~.

~~j.k.~~ VDOT and DRPT shall notify NVTA ~~[and the Treasury Board?] [NVTA TO RESOLVE]~~ promptly upon becoming aware of any failure by the General Assembly to appropriate for the next succeeding Fiscal Year or biennial period, as applicable, all of the ~~{Chapter 766~~ ~~NVTA Revenues to the NVTAF}~~.

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3. NVTA'S ROLES AND RESPONSIBILITIES:

- a. NVTA will obtain from VDOT, ~~or~~ and may request from the Department of Taxation, estimates of the ~~NVTA Revenues~~ that will be deposited in the NVTAF pursuant to Chapter 766 at or before the time they are made available for public distribution.
- b. NVTA will obtain from VDOT, ~~or~~ and may request from the Department of Taxation, monthly financial reports relating to the NVTAF in a form similar to the exemplar attached hereto as Exhibit A, and which will include, but not necessarily be limited to, the following information:
 - i. Income by revenue source as detailed by the collecting agency
 - ii. Interest earnings
 - iii. Administrative costs charged to the NVTAF by the Department of Taxation and other departments and agencies of the Commonwealth, if any. ~~[VDOT CHECKING]~~
- c. NVTA will ensure that the NVTAF is administered in accord with the requirements set forth in §§ 15.2-4838.01 and 15.2-4838.1.
- d. NVTA will cooperate with VDOT, DRPT and other state entities in the review and reporting requirement set forth in the 17th enactment clause of Chapter 766.
- e. NVTA will actively engage VDOT and DRPT in the development of their recommendations to the CTB concerning the Six Year Improvement Program, and in NVTA's development of its own Six Year Plan and in other planning efforts undertaken by NVTA. This engagement will include discussions of ways to jointly fund projects to maximize resources and ensure that projects are implemented as efficiently as possible.
- f. NVTA will work collaboratively with VDOT in the project rating process provided for in §33.1-13.03:1.

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4. TERMINATION OF AGREEMENT

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This Agreement may be terminated by either Party upon ninety (90) days written notice of the Party's intent to terminate.

5. SETTLEMENT OF DISPUTES

Any disputes in connection with this Agreement not disposed of by mutual agreement between VDOT, DRPT and NVTA shall be transmitted in writing to the Executive Director of NVTA, the Commissioner of Highways, and the Director of the DRPT and a 60 day period provided for their review and attempted resolution. Exhaustion of the administrative procedure outlined herein above is a prerequisite to and not a substitute for the right of either party to seek judicial relief with respect to the dispute.

6. LIABILITY FOR PLANNING PROCESS AND ADMINISTRATION OF FUNDS

Nothing within this Agreement shall be deemed to waive NVTA's, VDOT's and DRPT's defense of sovereign immunity applicable to any claims which might arise directly or indirectly from this Agreement.

7. MODIFICATION OF AGREEMENT

This Agreement may be modified only by written agreement duly executed by the Parties.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Agreement to be executed by their duly authorized representatives on the _____ day of _____, 2014, which shall be the effective date of this Agreement.

Northern Virginia Transportation Authority

Virginia Department of Transportation

By: _____
Martin E. Nohe
Chairman

By: _____
Charles A. Kilpatrick
Commissioner

Department of Rail and Public Transportation

By: _____
Jennifer Mitchell
Director

Summary Points – April 16, 2014, Benefits Meeting

- Reviewed “Benefits” Provisions in HB 2313
 - “...each locality’s long-term benefit shall be approximately equal to the proportion of the total taxes and fees received by the Authority that are generated by or attributable to the locality divided by the total of such fees and taxes received by the Authority.”
 - Discussed the fact that the statute is largest a tax statute and as a result the concept of benefit is very important. The statute has been declared constitutional
- Discussed revenue allocation document from 2008 (related to HB 3202)
 - Allocation was to be done based on dollars spent on projects in each jurisdiction
- Discussed ways to measure benefit
 - Dollars allocated
 - Congestion reduction
 - Geographical allocation
 - Regional benefits
 - Use of traffic demand model
- There was general consensus that the process should not be too complicated
- Discussed planning horizon
 - Six Year
 - 10 Year
 - Through 2040
 - Prospective vs. Retrospective
 - True Up
- Discussed ways to allocate benefits for projects by regional transit agencies (Council of Counsels needs to be able to defend)
 - Subsidy
 - Ridership
 - Should be similar to roadway benefit
 - Beneficiaries beyond NVTa

Summary Points – June 24, 2014, Benefits Meeting

- The NVTa TAC would like to discuss the definition of a regional project. The TAC is also interested in having a joint meeting with the Benefits Subcommittee. This could possible happen in September
- NVTa staff is preparing for a benefits workshop with the NVTa members on October 24. This meeting with include discussion of long term benefits and the definition of regional projects. Monica Backmon would like the Benefits Subcommittee to come up with some concepts that can be vetted with the Council of Counsels in advance.

- There are several existing sources that have performance measures that could be used to measure benefits: TransAction 2040, the FY 2014 Project Selection Process, the HB 599 analysis and potentially the HB 2 analysis in the future.
- It was noted the “geographic balance” is going to be important.
- There was consensus that trying to keep the analysis simple is important, but measuring benefit is inherently complicated. It was noted that the General Assembly used the word “approximately” which provides some flexibility.
- There are several levels of benefits that can be measured.
- Question: should benefits be measured over the life of a project or only at the end point or some other fixed point?
- There was concern that measuring benefits to residents versus dollars spent could negatively impact outer jurisdictions that have a significant percentage of trips leaving their jurisdictions and heading for the regional core.

Areas of Consensus

- Initially the benefits will need to be calculated prospectively, but at some point there needs to be a review of benefits actually received.
- Initially, a six year time frame should be used.
- It is important to link benefits with the update of TransAction 2040.
- If factors, rather than dollars, are going to be used, the following factors should be included:
 - Congestion Relief
 - Multimodal Choices
 - Transit Benefits (in addition to relief of roadway congestion)
- The following factors still need further discussion as to whether they should be included or not:
 - Activity Center Connections
 - ITS
-

Key Decision Points for Discussion on July 9

- **Use of Performance Measures versus Dollars Spent**
- **Ways to Measure Factors with consensus**
 - **Congestion Relief**
 - **Multimodal Choices**
 - **Transit Benefits**
- **Continue Discussion of Whether to Include:**
 - **Activity Center Connections**
 - **ITS**
- **Identification of Additional Factors, if any**
- **Definition of Regional Projects**
- **Handling of Regional Transit Projects**
- **Ways to Calculate a Retrospective True Up**

XIV

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY TECHNICAL ADVISORY COMMITTEE

MEMORANDUM

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

FROM: Randy Boice, Chair, Technical Advisory Committee

DATE: April 30, 2014

SUBJECT: Benefits

1. **Purpose.** To share with the Authority our initial perspective on the "benefits" definitional challenge.
2. **Discussion.** At our April 16 meeting we had a focused discussion on the challenge of defining what is meant by "benefits" in the context of statutory mandate for jurisdictions to share benefits proportional to their revenue contribution over time. Key comments included:
 - Terms such as "benefit" and "long-term" are not defined in legislation.
 - TransAction 2040 does not provide a regional perspective; it's an unconstrained list of jurisdictional "needs," without an overall regional sense of complementary benefits.
 - Demographic forecasting consistently reflects population growth, especially in the outer suburbs.
 - Regional activity centers provide a good focus for transportation improvements.
 - Critical to demonstrate that projects selected for long range plan will benefit the region (not just particular jurisdictions). This suggests the need for an objective and robust methodology that estimates impacts and benefits, leveraging existing data sources and models. Methodology must embrace highway, rail and transit improvements.
 - Project development schedules and the slow rate of making changes in land use mean estimation of benefits should be made over a period of not less than six years; could be longer.
 - It is difficult to communicate the concept of transportation investments making traffic conditions better than they would have been, while not actually making conditions better than they are today.
3. **Principles.** As a preliminary perspective on addressing the "benefits" challenge, the Committee agreed these general principles:

- Benefits may have a positive impact on multiple jurisdictions.
- Benefits to jurisdictions cannot be equated to revenues generated by, or attributable to, each jurisdiction.
- The minimum time period for the estimation of benefit accruing to each jurisdiction should be at least six (6) years.
- The estimation of benefits should take advantage of ongoing analyses and existing models.

4. **Next steps.** As we look forward to next meeting, I anticipate that our focus will be to continue the discussion on benefits. Specifically we will consider which measures are most appropriate for estimating congestion reduction and other project impacts, and the methodology/data sources associated with determining the scale and distribution of each of these measures.

In the longer term, we anticipate:

- Reviewing the findings of VDOT's HB599 study.
- Reviewing current practices for monitoring traffic congestion and other trends in Northern Virginia, and to suggest options for enhancing the state of the practice in support of NVTA's annual reporting obligations.
- Supporting the development of the scope of work for the update to the TransAction 2040 long range plan, with a specific focus on identifying projects with the greatest regional significance.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Annual Jurisdiction Certification

(Name of Jurisdiction)

Section 1 Annual C&I Tax Certification for FY2015 (per MOA Section 4. A/B)

Certification of C&I Tax:

| | | |
|--|-------|--------|
| Confirmation NVTa receipts will continue to be maintained in a separate Special Fund in FY2015 | _____ | YES/NO |
| Approved C&I Tax Rate for FY2015 | _____ | % |
| Projected C&I Revenues (at approved rate) for FY2015 | _____ | (A) |

If C&I Tax Rate below Maximum Rate or Not Imposed:

| | | |
|---|-------|----------|
| Land Book Assessed Value eligible for C&I based on January 1, 2014 SITUS | _____ | |
| Calculation of C&I Equivalency at maximum rate (12.5 per \$100 assessed value) | _____ | (B) |
| Difference between C&I at maximum rate and imposed rate (Required C&I Equivalency Transfer) | _____ | =(A)-(B) |

Documentation of C&I Equivalency Transfer (If Applicable):

| | | |
|---|-------|--------|
| Attach Copy of C&I Equivalency Transfer Journal Entry for FY2015 | _____ | YES/NO |
| Attach Copy of Fund Statement showing C&I Equivalency transfer for FY2015 | _____ | YES/NO |

NOTE: Supporting documentation for the C&I equivalency transfer must be submitted to NVTa by 3/1/2015. FY2015 30% Distributions can not be made until C&I Transfer documentation has been received.

Section 2 Annual Maintenance of Effort Certification for FY2014 (per MOA Section 5. A/B)

Confirmation of Audited FY2014 Transportation Funding

| <u>Source</u> | <u>Audited Expenditures FY2013</u> |
|--|--|
| Local General Fund | |
| Commercial and Industrial Property Tax | |
| Proffers or Developer Contributions | |
| Transit Fares | |
| Advertising Revenue | |
| Special Tax District Revenues | |
| Regional Gas Tax | |
| Other (please Specify) | |
| Total | _____ _____ |

Note: The totals above exclude Bond Proceeds, Debt Service, Federal & State Grants

Certification of FY2014 Maintenance of Effort

Please provide the amount expended or disbursed in FY2014 by the City/County for transportation purposes that is at least equal to the average annual amount expended or disbursed for transportation purposes by the City/County, excluding bond proceeds or debt service payments and federal or state grants, between July 1, 2010, and June 30, 2013.

Note: Audited FY2014 Transportation Expenditures must be provided to NVTa as soon as practical

Section 3 Certification of FY2014 Use of 30% NVTA Funds (per MOA Section 6. A/B)

Certification Summary of FY2014 Use of 30% NVTA Funds

| <u>Use of Funds Description</u> | <u>Actual Expenditures FY2014</u> |
|--|--|
| Amount of FY2014 30% Funds expended for additional urban and secondary road construction | _____ |
| Amount of FY2014 30% Funds expended for other capital improvements that reduce congestion | _____ |
| Amount of FY2014 30% Funds expended for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by NVTA | _____ |
| Amount of FY2014 30% Funds expended for public transportation purposes | _____ |
| Total Use of FY2014 30% Funds expended by Jurisdiction | ===== |
| Amount of FY2014 unexpended NVTA 30% Funds | ===== |

Section 4 Certification of Distribution to Qualifying Towns of Proportionate Share (if applicable)

Please complete for each town (per MOA Section 7. A/B)

(Name of Town)

| | |
|--|--------------|
| Confirmation Town share is documented separately in County's financial records for each town | _____ YES/NO |
| Amount of each Town's share of the 30% proceeds received in FY2014 | ===== |

Use of Funds Description

| | |
|--|-------|
| Amount of Town's 30% share expended for additional urban or secondary road construction | _____ |
| Amount of Town's 30% share expended for other capital improvements that reduce congestion | _____ |
| Amount of Town's 30% Funds expended for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by NVTA | _____ |
| Amount of each Town's share expended for public transportation purposes | _____ |
| Total Towns Share Use of FY2014 30% Funds expended by Jurisdiction | ===== |

Balance of each Town's share of FY2014 unexpended NVTA 30% Funds.

(Name of Town)

| | |
|--|--------------|
| Confirmation Town share is documented separately in County's financial records for each town | _____ YES/NO |
| Amount of each Town's share of the 30% proceeds received in FY2014 | ===== |

Use of Funds Description

| | |
|--|------------------|
| Amount of Town's 30% share expended for additional urban or secondary road construction | _____ |
| Amount of Town's 30% share expended for other capital improvements that reduce congestion | _____ |
| Amount of Town's 30% Funds expended for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by NVTA | _____ |
| Amount of each Town's share expended for public transportation purposes | _____ |
| Total Towns Share Use of FY2014 30% Funds expended by Jurisdiction | ===== \$ - ===== |

Balance of each Town's share of FY2014 unexpended NVTA 30% Funds.

Certificate of Compliance (Added as placeholder, until written by C of C)

The undersigned Chief Administrative Officer and qualified and acting incumbent of his or her respective office, for_(*Name of Jurisdiction*)_, certifies as of _(*Date*)_, the City/County is in compliance with the stated requirements of the "Memorandum of Agreement Between NVTA and County/City _(Name)_ Regarding Distribution of 30% Funds" authorized on _(Date)_. I certify the above information is correct and accurate to the best of my ability.

In WITNESS WHEREFORE, the undersigned has signed this Certificate of Compliance as of the date and year aforesaid.

County/City of _____

Attest: _____

By: _____

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
FY 2014 Revenue Accruals
 Based on: Revenue Data Through June 2014
 As of: June 17, 2014

| Grantors Tax | | Received | FY 2014 | FY 2014 Revenue | FY 2014 | FY 2014 |
|-----------------------------------|----|---------------------|--------------------|------------------------|--------------------|--------------------|
| Transaction Months | | To Date | Accrual | w/ Accruals** | 30% Accrual | 70% Accrual |
| City of Alexandria | 11 | \$2,611,104 | | \$2,883,433 | | |
| Arlington County | | \$3,980,323 | | \$4,395,457 | | |
| City of Fairfax | | \$309,591 | | \$341,880 | | |
| Fairfax County | | \$13,854,902 | | \$15,299,922 | | |
| City of Falls Church | | \$244,133 | | \$269,595 | | |
| Loudoun County | | \$7,682,041 | | \$8,483,252 | | |
| City of Manassas | | \$433,200 | | \$478,381 | | |
| City of Manassas Park | | \$213,995 | | \$236,314 | | |
| Prince William County | | \$4,444,566 | | \$4,908,119 | | |
| Total Grantors Tax Revenue | | \$33,773,855 | \$3,522,500 | \$37,296,355 | \$1,056,750 | \$2,465,750 |

| Sales Tax | | Received | FY 2014 | FY 2014 Revenue | FY 2014 | FY 2014 |
|--------------------------------|----|----------------------|---------------------|------------------------|---------------------|---------------------|
| Transaction Months | | To Date | Accrual | w/ Accruals** | 30% Accrual | 70% Accrual |
| City of Alexandria | 10 | \$12,272,109 | | \$14,862,957 | | |
| Arlington County | | \$19,074,535 | | \$23,101,489 | | |
| City of Fairfax | | \$5,947,080 | | \$7,202,608 | | |
| Fairfax County | | \$81,765,889 | | \$99,028,038 | | |
| City of Falls Church | | \$1,750,436 | | \$2,119,982 | | |
| Loudoun County | | \$31,368,371 | | \$37,990,760 | | |
| City of Manassas | | \$3,792,218 | | \$4,592,819 | | |
| City of Manassas Park | | \$879,328 | | \$1,064,969 | | |
| Prince William County | | \$26,460,923 | | \$32,047,267 | | |
| Total Sales Tax Revenue | | \$183,310,889 | \$38,700,000 | \$222,010,889 | \$11,610,000 | \$27,090,000 |

| Transient Occupancy Tax (TOT) | | Received | | Calculated Accrual | FY 2014 | FY 2014 |
|--------------------------------------|-------|---------------------|--------------------|---------------------------|--------------------|--------------------|
| Transaction Months | | To Date | | By Jurisdiction** | 30% Accrual | 70% Accrual |
| City of Alexandria | 10.00 | \$2,203,605 | \$440,721 | \$2,644,326 | | |
| Arlington County | 10.00 | \$6,582,135 | \$1,316,427 | \$7,898,562 | | |
| City of Fairfax | 9.00 | \$205,521 | \$68,506 | \$274,027 | | |
| Fairfax County | 9.33 | \$6,630,049 | \$1,897,345 | \$8,527,394 | | |
| City of Falls Church | 9.00 | \$49,579 | \$16,527 | \$66,106 | | |
| Loudoun County | 9.33 | \$1,511,948 | \$432,680 | \$1,944,628 | | |
| City of Manassas | 10.00 | \$43,254 | \$8,650 | \$51,904 | | |
| City of Manassas Park | | | | | | |
| Prince William County | 9.33 | \$859,994 | \$246,108 | \$1,106,102 | | |
| Total TOT Revenue | | \$18,086,085 | \$4,426,965 | \$22,513,050 | \$1,328,090 | \$3,098,876 |

| | | | |
|--------------------------------|---------------------|---------------------|---------------------|
| Total FY 2014 Accruals* | \$46,649,465 | \$13,994,840 | \$32,654,626 |
|--------------------------------|---------------------|---------------------|---------------------|

| | |
|----------------------------------|---------------|
| Projected FY 2014 Ending Revenue | \$281,820,294 |
| Budgeted FY 2014 Revenue | \$291,481,654 |
| Budgeted FY 2015 Revenue | \$290,234,874 |
| Projected FY 2016 Revenue | \$295,591,696 |

* Accrual transactions to be recorded on NVTA's books

** Accrual amounts provided as a courtesy. Each jurisdiction should make its own specific determination.