

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Michael Longhi, Chief Financial Officer

DATE: April 5, 2019

SUBJECT: FY2020 Six Year Program Appropriations

- I. Purpose:** To seek Northern Virginia Transportation Authority (NVRTA) budget appropriation action for those projects from the FY2018 to FY2023 Six Year Program (SYP) requiring FY2020 Regional Revenue Funds as recommended by the Finance Committee.
- II. Suggested Motion:** *I move the Authority budget and appropriate \$570,189,322 of FY2020 Regional Revenue Funds to the 20 projects in the FY2018-FY2023 Six Year Program as detailed in Table 1 below:*

NVRTA FY2018 to FY2023 Six Year Program (FY2020 Appropriations)

Table 1

SPA Number	Jurisdiction/Agency	Project	Proposed FY2020 Appropriation
2018-004-1	Arlington County	Pentagon City Multimodal Connections and Transitway Extension	\$ 28,850,000
2018-003-1	Arlington County	Crystal City Metrorail Station East Entrance & Intermodal connections	\$ 5,000,000
2018-041-1	City of Alexandria	Alexandria ITS Projects	\$ 1,195,491
2018-043-1	City of Alexandria	DASH Transit Service Enhancements and Expansion	\$ 11,933,161
2018-045-1	City of Alexandria	Alexandria Duke St Transitway	\$ 12,000,000
2018-048-1	City of Fairfax	Old Lee Highway Multimodal Improvements Phase 1	\$ 5,000,000
2018-051-1	City of Falls Church	West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project	\$ 15,700,000
2018-017-1	Fairfax County	Rock Hill Road Bridge	\$ 20,604,670
2018-014-2	Fairfax County	Rolling Road Widening: Hunter Village Drive to Old Keene Mill Road	\$ 11,111,000
2018-016-3	Fairfax County	Fairfax County Pkwy Widen from Ox Rd to Lee Hwy w/ separated interchange at Popes Head Rd	\$ 67,000,000
2018-006-2	Fairfax County	Route 1 Widening (Mount Vernon Memorial Highway to Napper Road)	\$ 127,000,000
2018-009-2	Fairfax County	Frontier Drive Extension and Intersection Improvements#	\$ 25,000,000
2018-023-1	Loudoun County	Extend Shellhorn Road: Loudoun County Parkway (Route 607) to Randolph Drive (Route 1072)	\$ 16,000,000
2018-022-1	Loudoun County	Northstar Boulevard - Shreveport Drive to Tall Cedars Parkway	\$ 64,805,000
2018-026-1	Loudoun County	Prentice Drive Extension: Lockridge Road (Route 789) to Shellhorn Road (Route 643)	\$ 76,230,000
2018-032-2	Prince William County	Route 28 Corridor Feasibility Study - EIS (City of Manassas to Fairfax County)	\$ 3,500,000
2018-053-2	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	Town of Leesburg	Construct Interchange at Route 7 and Battlefield Parkway	\$ 25,000,000
2018-055-3	Town of Leesburg	Interchange Improvements at Route 15 Leesburg Bypass and Edwards Ferry Road	\$ 5,400,000
2018-058-2	VRE	VRE Crystal City Station Improvements	\$ 4,000,000
Total By Fiscal Year			\$ 570,189,322

III. Background:

- a. The NVTa Finance Committee initiated development of a funding strategy for the Authority's inaugural FY2018 - FY2023 Six Year Program (SYP) in May of 2017.
- b. 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.
- c. In September of 2018, the Finance Committee recommended a SYP funding strategy to the Authority. This strategy included recommendations for actual FY2019 appropriations and an appropriation schedule for the remaining years in the SYP.
- d. In October 2018, the Authority approved the Finance Committee recommended FY2019 appropriations and appropriation schedule.
- e. In February 2019, the Authority removed the appropriation for the Town of Vienna Mill Street Parking Garage Project ID 2018-057-0 (at the Town's request) to provide additional project planning time. For appropriation planning purposes, this project has been moved to FY2023.

IV. Discussion:

- a. The 20 projects in the proposed FY2020 appropriation recommendation total \$570 million.
- b. Three SYP projects representing \$32.6 million in funding scheduled for FY2021 appropriation have requested to advance the appropriation to FY2020.
- c. After a review of the requests and discussions with the jurisdictions, NVTa staff recommend the changes as follow:
 - i. City of Falls Church - West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project (2018-051-1) for \$15,700,000.

City staff reports that the project can move forward at a faster than anticipated pace with utility undergrounding. Advancing utility undergrounding improves project certainty and coordination options with the City's Public Schools.
 - ii. City of Alexandria - Dash Transit Service Enhancements & Expansion (2018-043-1) for \$11,933,161.

City staff reports DASH has been able to acquire six electric buses outside of the adopted project (through another funding source) and therefore needs to accelerate the project's facility improvements to support earlier deployment of those buses.

- iii. Arlington County – Crystal City Metrorail East Entrance (2018-003-1) for \$5,000,000.

County staff report the project schedule is being accelerated in support of a corporate headquarters initiative in Crystal City.

V. Fiscal/Funding Strategy Impact:

The Appropriation Based Balances (Budget Basis) table presented below, on first look appears to set the stage for an over expenditure of \$383.3 million in FY2020. However, this reflects the appropriation of 100% of approved project funding in the first year the project requires funding. This strategy allows projects to move forward faster and with more certainty; rather than having to wait for annual appropriations of project phases. Actual project spenddown often will occur over several years.

	Appropriation Based Balances (Budget Basis)					
	FY2019*	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Appropriations*	\$524.9 M	\$570.2 M	\$163.2 M	\$22.8 M	\$4.2 M	\$0 M
PayGo Revenue Projections**	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$207.2 M
Balance	\$1.7 M	(\$383.3 M)	\$27.3 M	\$168.0 M	\$186.3 M	\$207.2 M

*No Expenditures Appropriated for FY2024, Pending SYP 2 Year Update

**FY2019 Includes Carry Forward From FY2018, FY2024 includes projected revenues

- Outside financings (bonds, short term loans etc.) are often used to address negative appropriation balances, such as those shown in FY2020, in the above table.
- Since the Authority funds projects on a reimbursement versus grant basis, cash related to unspent project appropriations remains with the Authority resulting in a significant level of restricted liquidity.
- The liquidity noted above is reflected in the Authority's Balance Sheet. The Regional Revenue Fund, as of February 2019, has cash and investment assets in excess of \$1 billion.
- Other than required reserves (Working Capital and Debt Service) these funds have all been appropriated to transportation projects.
- As shown in the Expenditure Based Balances (Cash Flow Basis) table below, the Authority can advance appropriations in FY2020 and schedule appropriations for FY2021 through FY2023 while maintaining a very positive liquidity position.

	Expenditure Based Balances (Cash Flow Basis)					
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Expenditures	\$58.7 M	\$256.8 M	\$237.9 M	\$269.8 M	\$240.2 M	\$221.9 M
PayGo Revenue Projections*	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$207.2 M
Year to Year Balance	\$467.9 M	(\$69.9 M)	(\$47.4 M)	(\$79.1 M)	(\$49.7 M)	(\$14.6 M)
Year to Year Cash Balances						
FY2014/17 Project Balances Available**	\$308.1 M	\$132.9 M	\$64.1 M	\$56.4 M	\$8 M	\$8 M
Combined Cash Flow	\$776.1 M	\$63.0 M	\$16.8 M	(\$22.7 M)	(\$48.9 M)	(\$13.9 M)
Cash Flow Balances	\$776.1 M	\$839.0 M	\$855.8 M	\$833.1 M	\$784.2 M	\$770.3 M

*FY2019 Includes Carry Forward From FY2018, FY2024 Projected

**18 Projects Worth \$55.7 Million Have Expired Cash Flow Projections

- f. The expenditure based cash flow data presented above is developed from actual and preliminary project Appendix B's submitted by project sponsors.
- g. As backstops to a surge in liquidity demands the Authority has:
 - i. The \$120 million Working Capital Reserve (WCR) which is not included in these numbers.
 - ii. Debt Service Capacity of approximately \$1.4 billion over 20 years.
 - iii. The ability to manage liquidity demands through the approval of Appendix B changes.

Advancing SYP projects using NVTAs liquidity, rather than financing is saving the Authority approximately \$194.3 million over 20 years (or \$9.7 million a year for 20 years).

- VI. Appropriation Schedule:** The updated NVTAs FY2018 to FY2023 Six Year Program Appropriation Schedule is included in Attachment 1. This schedule provides projects in the SYP, adopted by the Authority, a plan for when their projects will receive an appropriation. It will be updated in conjunction with any future appropriation action taken by the Authority.

Attachment: NVTAs FY2018 to FY2023 Six Year Program Appropriation Schedule

NVTA FY2018 to FY2023 Six Year Program - Appropriation Schedule

Attachment 1

SPA Number	Project ID#	Jurisdiction / Agency	Project	FY2019 Appropriation	Proposed FY2020 Appropriation	Projected Future Appropriations		
						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				\$ 524,933,959	\$ 570,189,322	\$ 163,200,000	\$ 22,750,000	\$ 4,200,000
Cumulative Total by Fiscal Year				\$ 524,933,959	\$ 1,095,123,281	\$ 1,258,323,281	\$ 1,281,073,281	\$ 1,285,273,281