

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Monica Backmon, Chief Executive Officer
Tracy Baynard, Senior Vice President, McGuireWoods, Consulting, LLC.

DATE: June 2, 2022

SUBJECT: 2022 General Assembly Special Session Update

1. **Purpose:** To update the Northern Virginia Transportation Authority (NVRTA) on the status of the Commonwealth 2022 General Assembly special session.

**Summary of Transportation Initiatives
in the Budget Conference Report**

2. **Relevance to Northern Virginia:**

A. Elimination of State Portion of the Sales and Use Tax on Grocery and Personnel Hygiene Products (Grocery Tax)

The Budget contains language to remove the 1.5% Grocery Tax as of January 1, 2023. The FY 2023-2024 budget reflects reductions in these revenues totaling \$190.08 million over the biennium.

[\(435 #1c\)](#)[\(436 #1c\)](#) [\(440 #1c\)](#) [\(445 #1c\)](#) [\(447 #1c\)](#) [\(448 #1c\)](#) [\(449 #1c\)](#) [\(452 #1c\)](#) [\(464 #1c\)](#)

Plans to backfill are not currently under consideration.

B. Transit Ridership Incentive Program Gets Additional Funding

\$5 million in General Fund FY 23 funds for regional connectivity programs focused on congestion reduction and mitigation through the provision of long-distance commuter routes. [\(452 #2c\(J\)\)](#)

C. Establish Funding for an Office of Multi-Use Trails at the Virginia Department of Transportation

Includes \$93 million in General Fund and Transportation Alternatives Program (TAP) revenue to create dedicated funding for multi-use trails across the Commonwealth.

- \$79.0 million in General Fund revenue across FY22 and FY23

- \$14 million in TAP funding across FY23 and FY24; to be spent according to federal guidelines ([452 #2c\(1\)](#))
- Creates State Trails Office within the Department of Transportation (VDOT) guidelines ([452 #2c\(2\)](#))
 - Given up to 3 FTE
 - To develop State Trails Information Clearinghouse consistent with the January 2022 "Report of Virginia Multi-Use Trails Initiative"
 - To develop State Trails Plan with State Trails Advisory Committee and the Department of Conservation and Recreation
 - Plan should be:
 - consistent with Virginia Outdoors Plan, and
 - give priority to new trails, connectivity to existing trails and provide geographic diversity in use of funds.
 - Funds may be awarded via competitive solicitation overseen by the Commonwealth Transportation Board.

D. Increase Support for City Road Maintenance

Transfers \$30 million of Non-General Funds (NGF) from the statewide Primary Road Maintenance account to city road maintenance as recommended by recent report of the Joint Legislative Audit and Review Commission (JLARC). ([453 #2c](#)) ([456 #1c](#)) ([456#2c](#))

- VDOT also required to conduct an evaluation of the city road maintenance program and state of city streets which is another recommendation of JLARC.

E. The Budget Still Includes Several Infrastructure Investment Jobs Act (IIJA) Related Initiatives

- Requires Commonwealth Transportation Board and Virginia Department of Transportation to develop plans for using new federal bridge rehabilitation and replacement funding from the IIJA. ([434\(11\)](#))
 - Must undertake an assessment of both state and locally maintained bridges and develop an investment strategy
 - Virginia receives about \$535 million over five years
 - VDOT identified PE activities for Year 1 of the five-year plan
- Requires Commonwealth Transportation Board to develop a plan to use the new EV charging infrastructure funding coming to Virginia from the Bipartisan Infrastructure Bill. ([434\(12\)](#))

- Allocates federal funding from IIJA and state matching funds totaling \$43.5 million to implement goals of federal Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program.
- **NEW** – Create Temporary Interagency Office on Infrastructure Funding Coordination. ([257#2c](#))
 - Allocates \$500,000 in FY 23 of General Fund revenue in the Office of the Secretary of Finance
 - Supports efforts to secure federal grants from IIJA

3. Major Infrastructure Funding Outside of Northern Virginia:

A. Design and Construction of the I-64 Gap Project

Provides a total of \$320 million FY 22 and FY 24 General Fund revenue for improvements to I-64 between Richmond and Williamsburg to help jump-start that project which represents the last unwidened segment between Hampton Roads and Richmond. The rationale - using one-time excess revenue will free up transportation funding for other projects across the state to complete this supply chain connection. ([452 #1c\(L\)](#))

- Contingent spending authorizes up to an additional \$150 if revenues continue to grow in FY 2022 (Total of \$470 million)
- Other available funding opportunities:
 - Central Virginia Transportation Fund
 - Hampton Roads Transportation Fund
 - Interstate Operations and Enhancement Program
 - I-64 Corridor Allotment
 - Interstate Discretionary Allotment
 - Infrastructure and Investment Jobs Act Discretionary Grant(s)
- Estimated total cost - \$750 million