Transportation and Virginia’s Localities

Michael A. Estes, P.E.
Director, Local Assistance Division
March 24, 2008
To Cover Today

• The Commonwealth
• Transportation finance and localities
• Special local programs
• Locally administered projects and devolution
• Current initiatives
• Questions
Construction Districts
Virginia’s System

Virginia’s Transportation System Roads

(Lane Miles for 2005)

Frontage Roads: 666 miles
Interstate: 5,375 miles
Primary System: 21,955 miles
Urban System: 23,350 miles
Secondary System: 97,579 miles
System Total: 148,924 miles

Source of Data: VDOT Mileage Summary Tables
and VDOT Urban Municipal Mileage and Payments
## Major State Transportation Revenue Sources

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Source</th>
<th>FY 2008 Original Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Motor Fuels Taxes (17.50 cents per gallon)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- HMOF</td>
<td>14.85 cents</td>
<td>$757.6 mil.</td>
</tr>
<tr>
<td>- TTF</td>
<td>2.50 cents</td>
<td>$108.1 mil.</td>
</tr>
<tr>
<td>- DMV</td>
<td>0.15 cents</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$973.8 mil.</strong></td>
</tr>
<tr>
<td><em>Every 1 cent generates $52.2 million in revenue</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Motor Vehicle Sales and Use Tax (3 percent)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- HMOF</td>
<td>2 percent</td>
<td>$393.9 mil.</td>
</tr>
<tr>
<td>- TTF</td>
<td>1 percent</td>
<td>$212.1 mil.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$606.0 mil.</strong></td>
</tr>
<tr>
<td><em>Every 1 percent generates $217.6 million in revenue</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Motor Vehicle License Fee ($39.50)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- HMOF</td>
<td>$26.00</td>
<td><strong>$241.3 mil.</strong></td>
</tr>
<tr>
<td>- TTF</td>
<td>$ 3.00</td>
<td><strong>$ 21.6 mil.</strong></td>
</tr>
<tr>
<td>- DMV</td>
<td>$ 4.00</td>
<td></td>
</tr>
<tr>
<td>- State Police/General Fund/EMS/Rescue Squad</td>
<td>$ 5.50</td>
<td></td>
</tr>
<tr>
<td>- Jamestown 2007</td>
<td>$ 1.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$271.8 mil.</strong></td>
</tr>
<tr>
<td><strong>State General Sales and Use Tax (5 percent)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- TTF</td>
<td>0.5 percent</td>
<td><strong>$536.0 mil.</strong></td>
</tr>
</tbody>
</table>
Highway Systems Construction Funding

Commonwealth Transportation Board (CTB) allocates funding to interstate and primary projects

County Board of Supervisors to local secondary roads

City Councils to local urban streets

Federal law drives earmarks
Counties and VDOT Residencies

- 45 Residency Offices Statewide
- Oversees maintenance, operations and development of secondary construction plan for 1-4 Counties
- Primary contact for County Administrators and Board of Supervisors
Secondary Road Program

- Includes ~ $200 Million (FY07-08)
- Distributed for use within each County based on (except unpaved road funds):
  - 80% population
  - 20% land area

* This funding includes federal and state dollars – federal funds can only be used on qualifying roads
Secondary Road Program
(Unpaved Road Allocations)

- For use within each county on unpaved roads carrying more than 50 vehicles per day
- Distribution based on ratio of miles of eligible unpaved roads
- FY (2007-08) allocation ~ $18 million
Maintenance of the Secondary System

- Area Headquarters (~ 250 statewide)
  - Drainage
  - Roadside
  - Pavement
  - Bridges
  - Emergency Response
- Needs based budgets distributed to Districts
- Only 2 of Virginia’s 95 counties currently operate and maintain their local network
Urban System

- Construction funding allocated to each city and town with more than 3,500 residents strictly on latest population estimate from the Weldon Cooper Center.
  - Includes federal and state dollars – federal funds can only be used on qualifying roads

- Maintenance funding provided on a quarterly basis
  - 2 payment rates (based on roadway classification)
  - Accompanied by reporting requirements (pavement and bridges)
Other Programs

• Local Assistance Division:
  – Coordinates with District and Residency offices and localities on special funding and policy issues
  – Serves as liaison with Virginia Association of Counties (VACO) and Virginia Municipal League (VML)
  – General Assembly Committees
Special Local Programs

- Revenue Sharing (F)
- Access Programs (F)
- Enhancement (F)
- Rural Rustic Roads
- National Scenic Byways (F)
- Local Partnership Team
- Devolution
- Local Bond Programs (F)

- Forest Highways (F)
- Public Lands Highways Discretionary (F)
- Coal Severance (F)
- Locally Administered Projects
- Safe Routes to School (F)
- Highway Safety (F)

F – funding program
Enhancement Program

- Federal program – provides funding for qualifying non-highway projects
- Allocations made by CTB on an individual project basis through application process
- Project sponsors provide 20% match to federal funds (and for all costs in excess of allocation)
- Required match can be met through in-kind services, donated property, etc.
- Locality administers project under agreement
Rural Rustic Road Program

- Candidate projects:
  - low density development area
  - < 1000 vehicles per day traffic volume
  - roads with minimal safety issues

- Program goal is to leave trees, vegetation, side slopes and drainage undisturbed to maximum extent possible without compromising public safety

- Over 390 projects completed since program began in 2003
Access Roads Programs
Economic Development, Airport, and Recreational

- Provides funds for upgrading existing roads or constructing new roads serving new or expanding economic development sites, public use airports, and recreational/historical sites

- Locality applies for and Commonwealth Transportation Board approves project specific allocations

$7 M annually
$300,000 per project unmatched with an additional $150,000 matched
Revenue Sharing Program

- Incentive program that can be used for improvement, construction, reconstruction
- Applied for by localities on a project specific basis annually
- Locality provides 50/50 match to state allocation
- Maximum allocation available annually is $1,000,000 per locality ($50 M in state funds)

2008 General Assembly revised program so locally administered projects receive funding priority.
Local Partnership Fund

• 2005 General Assembly local administration incentive program
• $40 M in state funds (one-time)
• Provided CN dollars for a qualifying federally funded, VDOT administered project, going to construction that fiscal year
• Replaced federal funds with state funds
• Allowed locality to move “freed-up” federal funding to another project
Local Bond Programs

• Local governments may issue bonds to pay for transportation projects
• Typically locally administered, but localities may request VDOT to administer
• Treated much like developer projects
Status on Devolution Activities

Virginia Code allows local governments to manage maintenance, construction and operations under various mechanisms.

**Locally Administered Projects** –
- a locality assuming responsibility for the management of individual projects on a case-by-case basis

**Devolution** –
- a locality assuming responsibility for program-wide functions within its jurisdiction traditionally performed by the state government.
Urban Construction Initiative
(First Cities)

Status
• 2004 – Hampton, Richmond, Virginia Beach
• 2005 – Charlottesville
• 2006 – Bridgewater, Harrisonburg
• 2007 – Lynchburg
• 2008 Intent – Blacksburg, Dumfries

Current Focus
• Performance Measurement
• Process Evaluation & Streamlining
• Incorporation of other funding sources
Secondary Feasibility Study

VDOT study with 2 partner counties
- James City County
- Stafford County

Key elements
- Devolution guidebook (project report)
- Interactive analysis model and user’s manual
- County-specific analyses

Status
James City County – Intent to assume maintenance and construction – July 1, 2009
Local Public Agency Baseline – Status of Local Administration (Federal Aid)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>LPA Administered</th>
<th>% of Program</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CN Estimate</strong></td>
<td>$1,222,984,194</td>
<td>$147,638,712</td>
<td>12%</td>
</tr>
<tr>
<td><strong># Projects</strong></td>
<td>296</td>
<td>88</td>
<td>30%</td>
</tr>
</tbody>
</table>

*Data: March 2008*
Local Partnership Team

- Established by the 2005 General Assembly as a pilot
- Local Assistance lead w/ representation from various specialties
- Locality and VDOT project coordinator training
- Responsible for policy guidance
Policy on Local Administered Programs and Projects

Signed February 13th

Commits VDOT to:

• Provide local governments tools to successfully administer transportation programs
• Provide a consistent approach to VDOT stewardship and oversight across districts and divisions
• Promote efficient and effective local project and program delivery

Local CEO Forum
Guide for Local Administration
Update Plan

Guide Development Team
District Advisory Committee
Surveys
– VDOT project coordinators
– Local project managers
– Consultant industry
Local Assistance Division

The Virginia Department of Transportation’s (VDOT) Local Assistance Division develops policy and provides guidance for special funding programs and other programs that impact work performed by localities, and serves as a liaison to local government organizations.

The division also:

- Manages several special funding programs
- Manages urban system changes
- Manages the local assistance payments program
- Provides oversight for locally administered projects
- Coordinates the urban construction program

Locally Administered Projects Surveys

VDOT continues to focus on strengthening its partnerships with local governments and is looking to improve its local assistance programs.

To this end, we are asking local governments and their design consultants to complete a survey to gauge the current state of the locally administered program and how it can be improved.

- Consultant survey
- Local government survey
The Administration of Federal-aid Projects by Local Public Agencies

FINA L REPORT
FHWA – Virginia Process Review

• Focus on 3 Districts
  – Richmond
  – NOVA
  – Hampton Roads

• Will include interviews with VDOT and local government staff

• Visits in April

• Findings to be utilized as part of Guide update
Land Use and Transportation

- Focus of Governor Kaine
- Traffic Impact Analysis
- Impact fee authority
- Secondary Street Acceptance
- Access Management

See Secretary of Transportation’s Presentation
Transportation and Virginia’s Localities

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March 24, 2008
### Commonwealth Transportation Board (CTB) Budget Allocations (in millions) – June 2007

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$377.9</td>
<td>$263.5</td>
<td>$263.4</td>
<td>$272.3</td>
<td>$298.9</td>
<td>$292.1</td>
<td>$309.7</td>
<td>$334.3</td>
</tr>
<tr>
<td>Other Agencies &amp; Transfers</td>
<td>51.4</td>
<td>45.3</td>
<td>45.4</td>
<td>45.5</td>
<td>45.7</td>
<td>45.8</td>
<td>45.9</td>
<td>46.1</td>
</tr>
<tr>
<td>Highway Maintenance</td>
<td>1,374.4</td>
<td>1,498.3</td>
<td>1,583.3</td>
<td>1,643.4</td>
<td>1,707.4</td>
<td>1,774.0</td>
<td>1,843.2</td>
<td>1,915.1</td>
</tr>
<tr>
<td>Operations, Tolls &amp; Admin</td>
<td>413.1</td>
<td>485.7</td>
<td>470.6</td>
<td>466.1</td>
<td>478.3</td>
<td>486.2</td>
<td>501.7</td>
<td>511.2</td>
</tr>
<tr>
<td>Public Transportation &amp; Rail</td>
<td>319.8</td>
<td>442.2</td>
<td>694.2</td>
<td>713.5</td>
<td>577.1</td>
<td>521.0</td>
<td>503.0</td>
<td>502.8</td>
</tr>
<tr>
<td>Ports and Aviation</td>
<td>60.8</td>
<td>59.2</td>
<td>109.8</td>
<td>62.4</td>
<td>65.1</td>
<td>67.4</td>
<td>69.5</td>
<td>70.9</td>
</tr>
<tr>
<td>Earmarks &amp; Special Financing</td>
<td>414.2</td>
<td>340.7</td>
<td>583.0</td>
<td>373.5</td>
<td>382.8</td>
<td>352.5</td>
<td>450.3</td>
<td>473.5</td>
</tr>
<tr>
<td>Highway Systems Construction</td>
<td>1,124.8</td>
<td>1,131.8</td>
<td>1,047.7</td>
<td>1,116.5</td>
<td>1,032.6</td>
<td>999.5</td>
<td>975.5</td>
<td>911.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,136.5</td>
<td>$4,266.7</td>
<td>$4,797.3</td>
<td>$4,693.1</td>
<td>$4,587.9</td>
<td>$4,538.5</td>
<td>$4,698.9</td>
<td>$4,765.7</td>
</tr>
</tbody>
</table>