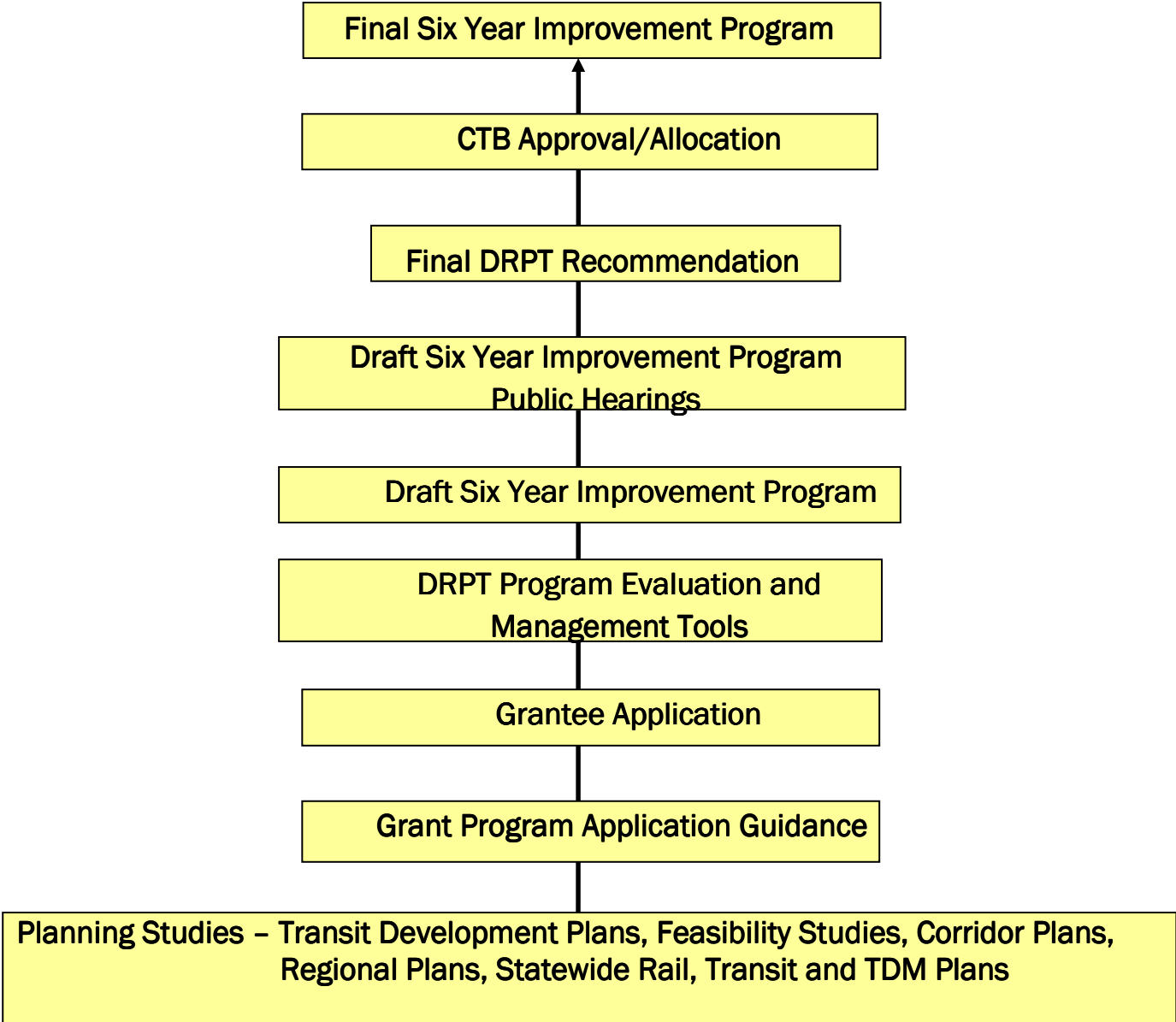


DRPT Draft Six-Year Improvement Program FY 2012 - 2017

**Steve Pittard, Chief Financial Officer
April 20, 2011**

Six Year Improvement Program



Four Year Comparison of Six Year Program

\$ in millions

	Revised FY 09 - 14	Revised FY 10 - 15	FY 11 - 16	FY 12 - 17
Public Transit	\$1,833	\$1,790	\$1,889	\$2,002
Rail	260	243	226	277
Dulles Metrorail	822	46	28	7
Total	\$2,915	\$2,079	\$2,143	\$2,286

Variance Explanation

- Mass Transit Trust Fund and Rail Enhancement Fund revenues
 - Up 17% year over year & 11% for the six year period
- Recordation Tax revenues up 3.5%
- Other sources flat (federal, bonds)

Overall Program

- ❑ Permanent solution needed for rail operating subsidy
 - \$110 million funding gap for rail operations from FY 13 to FY 17
 - § 33.1-221.1:1.3. Established the Intercity Passenger Rail Operating and Capital Fund
 - No revenue source identified

- ❑ Revenue uptick pushed transit operating share to 17%
 - No recovery to the programmatic impact of the dedication of recordation tax revenue for transit operating
 - Rising gas prices – full impact next year.

- ❑ Transit capital projects state match
 - Priority on replacement rolling stock
 - Category for grantees who do not accept federal funds
 - All other capital projects blended rate

Transit Programming Goals

- ❑ Focus investments on key priorities documented through comprehensive planning efforts:
 - State of Good Repair
 - Capacity Expansion
 - New Capacity
 - Security Enhancements
 - Technology Improvements
 - Coordinating Services

- ❑ Fund projects that are ready to incur expenses in the year for which funds are programmed

- ❑ Maximize federal funds

DRPT Draft SYIP FY 2012 – FY 2017

Transit Allocation Assumptions

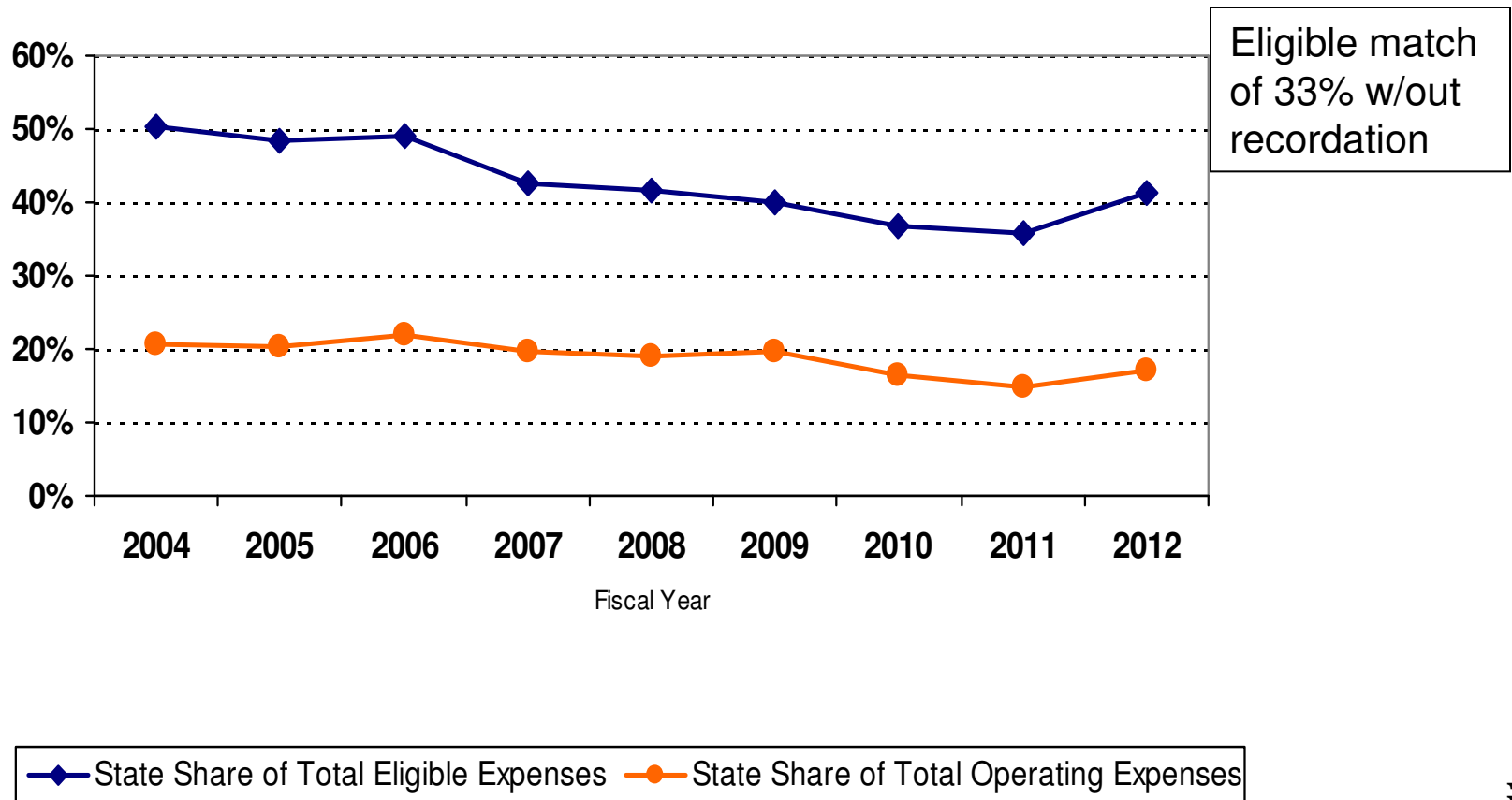
- ❑ Operating funding increased by \$17.5 M from FY 2010 amount
 - 17.2% of total cost
 - Deobligated state transit funds (\$3.94 M)
 - Increase in TTF revenues

- ❑ Capital program focused on maintenance as the first priority
 - Replacement rolling stock - 80% state share of non-federal costs
 - Recipients that do not accept federal dollars received a 50% match on capital projects
 - All other recommended capital projects received blended rate of 54%

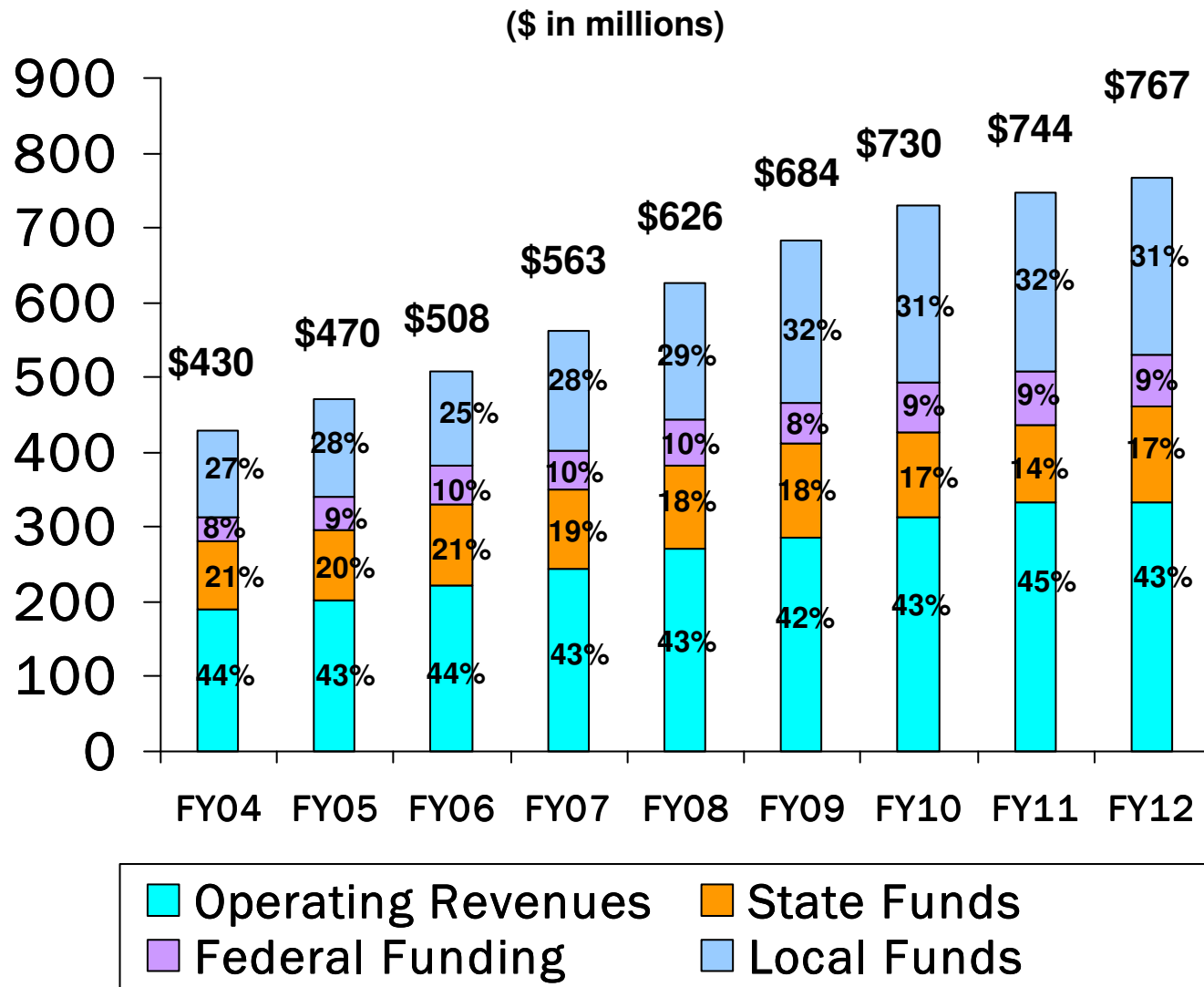
- ❑ Estimated 2.5% allocation for project development, administration and compliance activities from the Mass Transit Trust fund

Public Transportation Operations Funding

41% of Eligible Costs; 17% of FY 2010 Total Costs



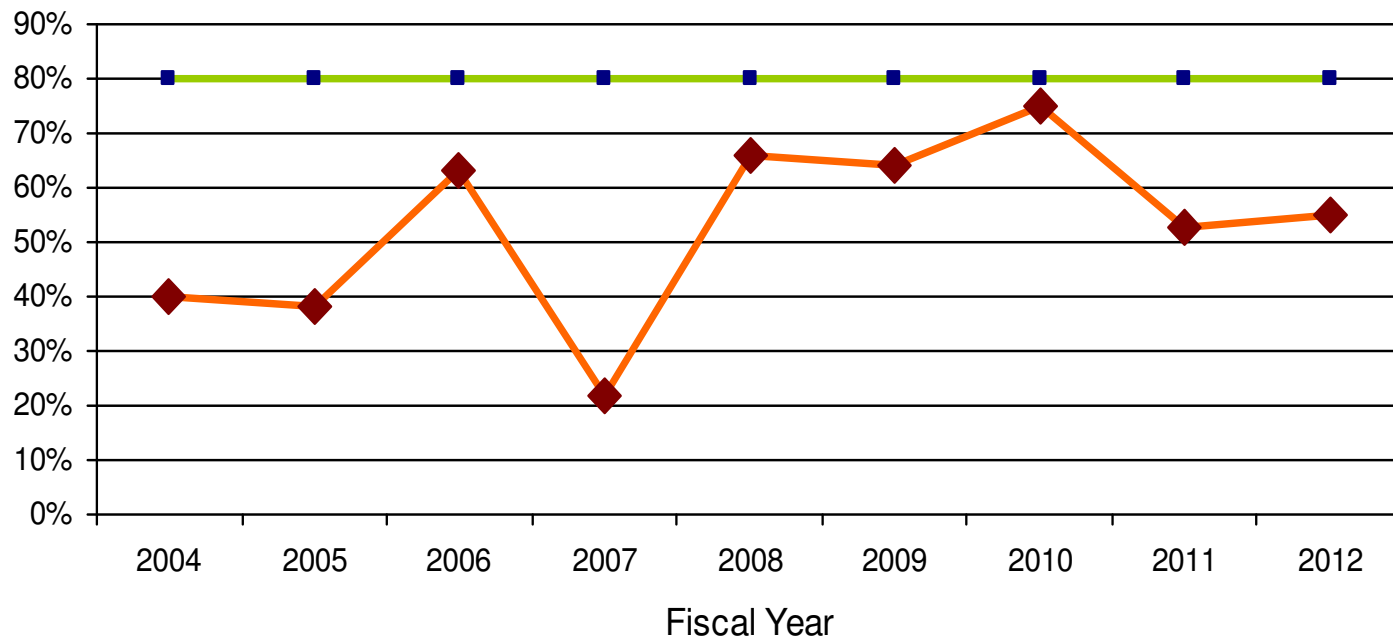
Public Transportation Operations Funding Funding Sources – 9 Yr. History



Public Transportation Capital Funding

55% State Share

State Share of Non-Federal Capital Expenses



Need stability
in state
matching
share



Transit Capital Programming Highlights

❑ State of Good Repair

- 143 Replacement Service Buses and Vans
- 15 Replacement railcars (VRE)
- WMATA PRIAA matching funds

❑ Capacity Expansion (areas with transit)

- 40 Service Expansion Buses
- Dulles Corridor Metrorail Extension
- Norfolk Light Rail Transit Project (The Tide) final funding
- Columbia Pike Streetcar PE (Arlington)

❑ Facility Construction

- Blacksburg, Danville, Fairfax, Farmville, Hampton Roads Transit, Loudoun, Lynchburg, Purcellville (Va. regional Transit), VRE

Senate Joint Resolution No. 297

- ❑ DRPT has been directed to study transit-related issues as follows:
 - Performance – reward operator performance based on specific criteria
 - Prioritization - capital requests by categories
 - Stability – provide stable funding sources and shares
 - Allocation - evaluate the allocation of the 14.7% of TTF Revenues for Transit and the code language that allows transit funding up to 95% for capital and operating

Rail Enhancement Fund Program Goals

- ❑ Project proposal evaluation
 - Must follow into 9 policy goals as adopted the CTB
 - Must be aligned with regional or state plans
 - Must have a Benefit-Cost Ratio > 1.0

- ❑ Benefit-Cost Analysis:
 - Diversion from truck or automobile to rail
 - Reduction in road maintenance
 - Reduced pollution costs
 - Reduced accident costs

- ❑ Priority given to projects that are part of larger initiatives to benefit the Commonwealth

DRPT Draft SYIP FY 2012 – FY 2017

Rail Allocation Assumptions/Highlights

- Operating Cost for Passenger Rail
 - Unfunded balance of \$110 million over the six year period
 - Includes Lynchburg, Richmond, Norfolk, and Newport News
 - Six regional trains under PRIIA
 - New fund established – Intercity Passenger Rail Operating and Capital Fund
 - Allows for expenditure on non-capital rail costs without General Assembly earmarks
 - No dedicated source of funding
 - § 33.1-23.1.B states that the CTB “may allocate each year up to 10% of the funds remaining for highway purposes for the undertaking and financing of rail projects that, in the Board's determination, will result in mitigation of highway congestion.”

Virginia Regional Amtrak Passenger Service



April 2011

DRPT Draft SYIP FY 2012 – FY 2017

Rail Allocation Assumptions/Highlights

- ❑ Utilized accelerated bond funding on new projects
 - VRE Extension to Spotsylvania -3rd Track
 - One of 19 projects for High Speed Rail from Richmond to Washington
 - Requirement for extension to Spotsylvania
 - Kilby Support Yard – Suffolk
 - Key rail yard serving the Port of Virginia
- ❑ Matched SYIP allocations to expected cash flows
- ❑ Rail Preservation program converted to a six year plan
 - Finalized process begun last year for all grantees
- ❑ Estimated 2.5% allocation for project development, administration and compliance activities from the Rail Enhancement and Rail Preservation funds

Next Steps

- ❑ Draft Six Year Improvement Program Presented to CTB April 20th

- ❑ Public Hearings
 - Hampton Roads April 27th
 - NOVA May 4th
 - Salem May 12th
 - Richmond May 18th

- ❑ CTB Action June 15th



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