



Virginia Department of Rail and Public Transportation

HB 1359 – Transit Capital Project Revenue Advisory Board

Status Update to the Commonwealth Transportation Board

December 6, 2016

Jennifer DeBruhl
Chief of Public
Transportation

Revenue Advisory Board

- Created by HB 1359 to:
 - Develop a proposal for new revenues to replace expiring CPR bonds
 - Develop a project-based prioritization strategy for transit capital projects
 - State of Good Repair
 - Expansion projects (using same factor areas as Smart Scale)



Revenue Advisory Board

- 7 members – 2 recommended by DRPT, 1 by VACO, 1 by VML, 2 by VTA, 1 by CTAV
- Marty Williams, Chair
- Meetings held on June 16, Sept 19, and Nov 18
- Interim report due – January 1, 2017
- Final recommendation – August 1, 2017



Transit Service Delivery Advisory Committee



- Established by legislation to advise DRPT in the development of a distribution process for transit capital and operating funds
- Working closely with Revenue Advisory Board
- Guiding Principles:
 - Maintain integrity of statewide program
 - Promote efficiency, accountability, and transparency
 - Support implementation
 - Make the business case for transit

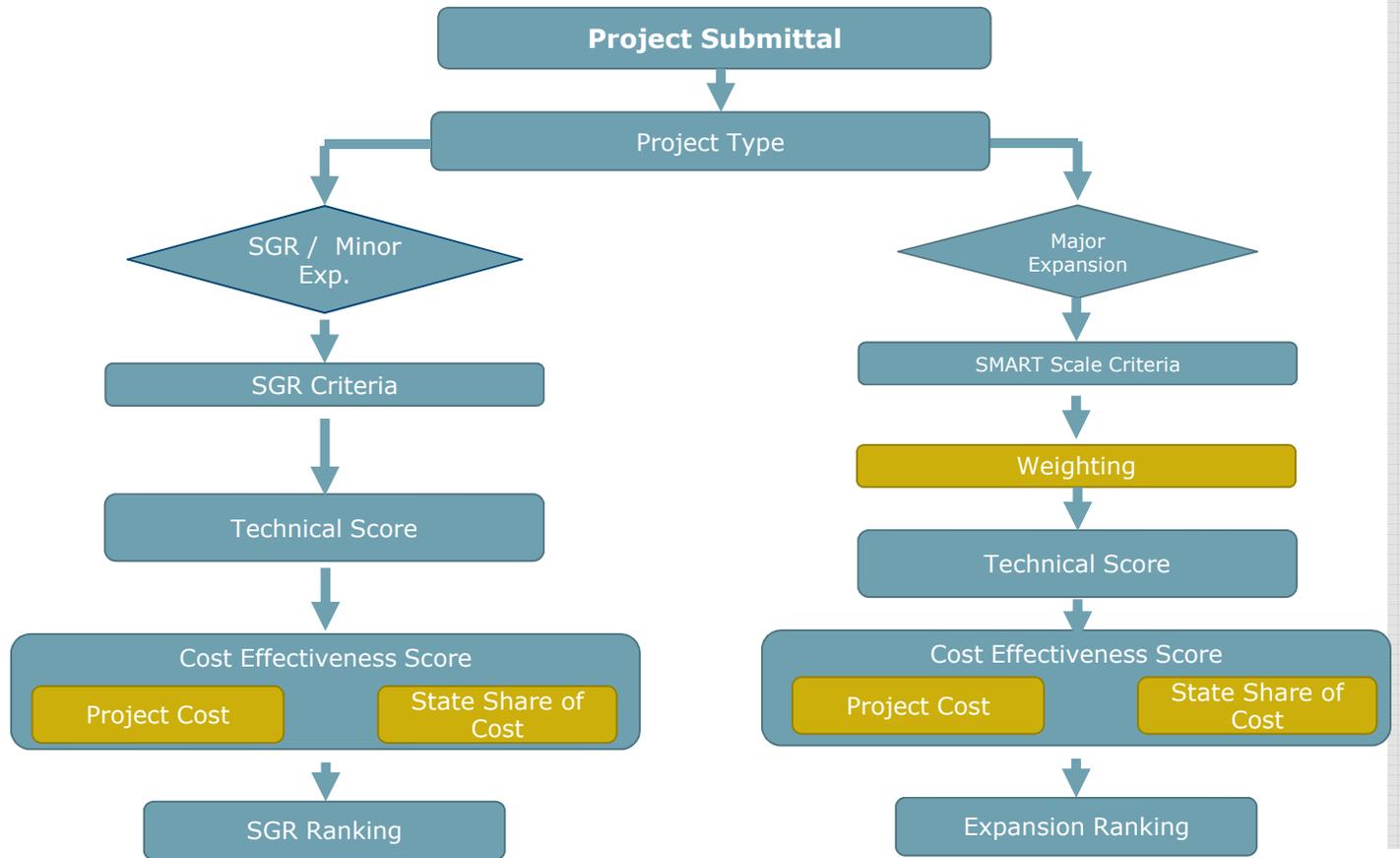
Proposed Prioritization Approach

- Separate prioritized processes for project types:
 - State-of-Good Repair (SGR) and Minor Expansion
 - Major Capital Expansion projects
- Different prioritization criteria and measures for SGR and Expansion
- Project scores are compared against other transit projects and ranked relative to cost (i.e. cost-effectiveness) within the two categories
- Weighting will be considered for expansion projects only

Note: majority of SYIP funding is for State-of-Good Repair (SGR)



Process Framework



Transit Resource Allocation Projection



- Objective
 - Analyze transit investment needs
 - Project capital costs and revenues over 10-year period
 - Estimate state transit capital funding contribution and projected shortfalls
 - Estimate funding needed to offset shortfalls
- Scenarios
 - **1 - Base Case:** Investments consistent with Six Year Improvement Program (SYIP)
 - **2 - SGR Only:** State Transit Capital Funding applied only to SGR projects
 - **3 - Additional Spending:** Additional investment in Expansion projects and 5% contingency on project costs

Projected Spending, Funding Needs, and Deficit

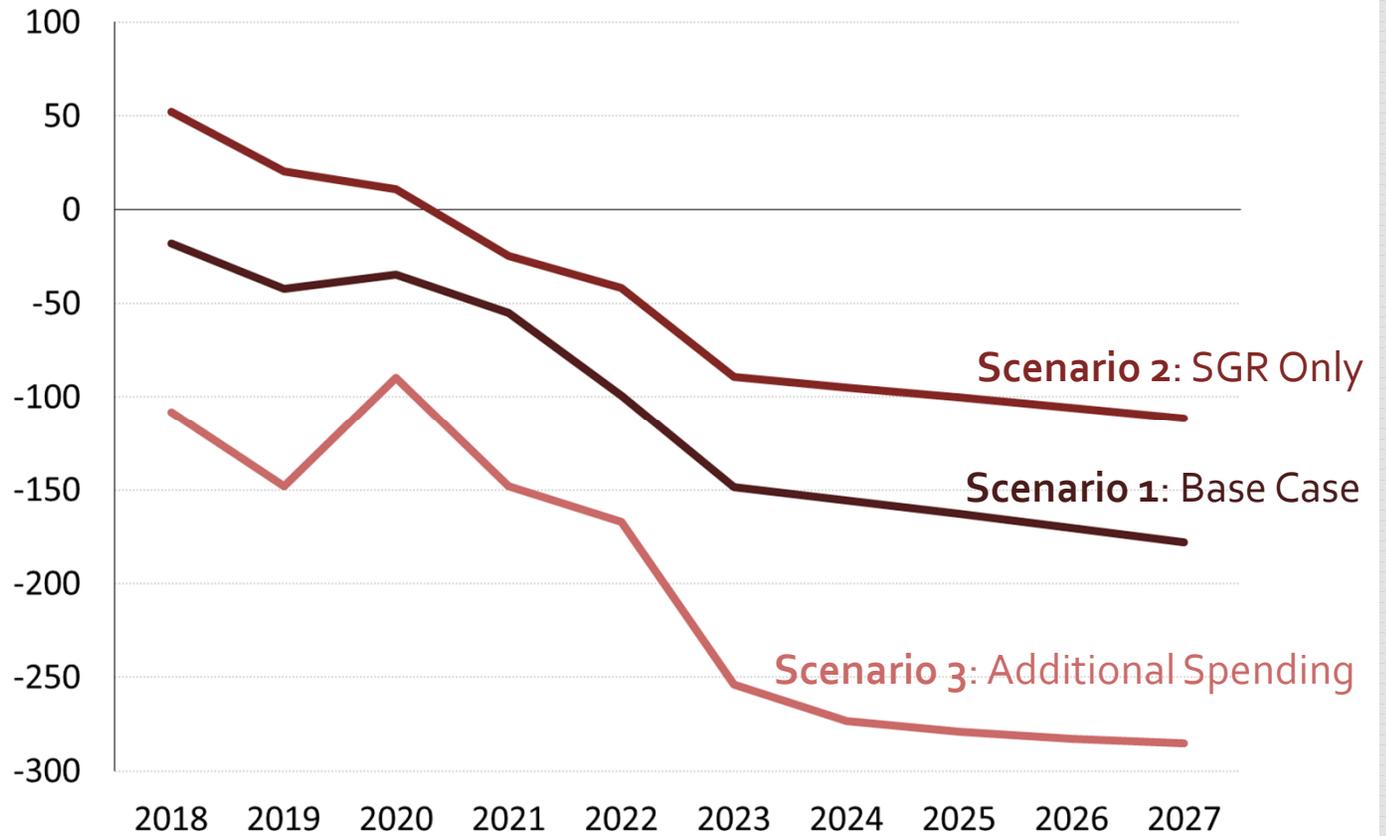
\$ billions year-of-expenditure	Statewide Transit Capital Spending	*Projected State Contribution	State Funding Available	Total Deficit
Scenario 1: Base Case	\$6.3	\$2.4	\$1.3	\$1.1
Scenario 2: SGR Only	\$6.3	\$1.8	\$1.3	\$0.5
Scenario 3: Additional Spending	\$8.5	\$3.3	\$1.3	\$2.0

Variable from Base Case
Same as Base Case

**Excludes share of transit capital costs funded by federal revenues and by State Other Sources*



Annual Projected State Transit Capital Deficit by Scenario (FY18 – FY27)



Transit Resource Allocation Projection



• Key Findings

- Deficit results under all scenarios, including a base case with conservative projected spending
- Insufficient funding even if only SGR projects eligible for state transit capital funds
- Existing state matching rates cannot be maintained without new funding streams
- Lower state participation would require reduction in transit investment or additional revenues from local, regional, or federal funding sources
- Additional capital needs will be unmet without additional funding

Next Steps

- Interim Report to be submitted by January 1
- TSDAC will meet in January
 - Review of scenarios
 - Endorse proposal for Revenue Advisory Board
- Revenue Advisory Board will meet in March
- CTB will be briefed in June/July
- Final Report to be submitted by August 1





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