



Legislation Details (With Text)

File #:	14-2290	Name:	
Type:	Written Report	Status:	Agenda Ready
File created:	1/6/2014	In control:	City Council Legislative Meeting
On agenda:	1/14/2014	Final action:	
Title:	Approval of the City's Proposed FY 2015 and FY 2016 Transportation Project List Request for Northern Virginia Transportation Authority (NVTa) 70 Percent Funds.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 14-2290_Attachment 1 FY14-FY 2016 Proposed Program of Projects for NVTa 70 Percent Funds, 2. 14-2290_powerpoint.pdf		

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 8, 2014

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

Approval of the City's Proposed FY 2015 and FY 2016 Transportation Project List Request for Northern Virginia Transportation Authority (NVTa) 70 Percent Funds.

ISSUE: Consideration of the City of Alexandria's proposed program of projects for submission to NVTa for 70 percent funding in FY 2015 and FY 2016.

RECOMMENDATION: That City Council: (1) Approve the FY 2015 and FY 2016 proposed transportation project request as listed in Table 2, and authorize the City Manager to submit the projects to the Northern Virginia Transportation Authority (NVTa) for consideration, and (2) Endorse in concept the proposed transportation project funding plan for FY 2017 through FY2024 NVTa funds as listed in Attachment 1.

BACKGROUND: In April 2013, House Bill 2313 was signed into law, levying additional taxes and a fee in Planning Districts that meet population, motor vehicle registration, and transit ridership criteria. As of July 1,

2013, only the Northern Virginia and Hampton Roads Planning Districts currently meet these criteria. The additional revenues generated in Northern Virginia through these new taxes and fees are deposited into a fund managed by NVTa. Thirty percent of the funds will be distributed directly to member localities for use on transportation projects; the remaining 70 percent of the funds will be distributed by NVTa and used for regional transportation projects.

NVTa under the authorizing legislation may distribute the regional funds to (1) mass transit capital projects that increase capacity or (2) projects that are included in TransAction 2040 or the Constrained Long Range Plan and have been evaluated for congestion relief and emergency evacuation by VDOT. VDOT's HB599 study will compile and rate projects to help inform NVTa's competitive project funding decision making process.

Based on current projections, the region anticipates generating \$290 million annually in new tax and fee revenue, with approximately \$16.5 million annually in the City of Alexandria. NVTa will eventually develop a Six-Year Plan that allocates funding to member jurisdictions. House Bill 2313 states that each jurisdiction's long term benefit shall be approximately equal to the annual revenues generated by the jurisdiction. Therefore, for planning purposes in developing the City's 10-Year Capital Improvement Program, staff is projecting, based on the revenue generation estimate of \$16.5 million per year, that \$165 million in new NVTa transportation revenue for regional public transportation projects in the City's upcoming 10-year Capital Improvement Program. It should be noted that the NVTa revenue for any jurisdiction will not likely match its NVTa tax and fee revenue generation in any year, but that over time each jurisdiction's NVTa granted funds for that jurisdiction's transportation projects will equal its revenue generation.

In the spring of 2013, NVTa approved a program of projects for FY 2014 paid for by the 70 percent funds only. The following City projects were approved and will be reflected in the FY 2015-FY 2024 Capital Improvements Program:

Table 1. Approved FY 2014 Project Submission for NVTa 70 Percent Funds

▪ DASH Bus Expansion	\$3,250,000
▪ Traffic Signal Upgrades/Transit Signal Priority	\$660,000
○ <i>Route 1 implementation</i>	<i>\$600,000</i>
○ <i>Transit Corridor "B" - Duke Street design</i>	<i>\$60,000</i>
▪ Shelters and Real-Time Information for DASH/WMATA	\$450,000
▪ Potomac Yard Metrorail Environmental Impact Statement	<u>\$2,000,000</u>
TOTAL	<u>\$6,360,000</u>

DISCUSSION: In December 2013, NVTa issued a call for projects for the first three years of the eventually contemplated Six-Year Plan to be submitted by January 31, 2014. NVTa, however, is only accepting projects for the remainder of FY 2014 funds (of which the City has no projects which need funding for this time period beyond the already NVTa approved projects listed above), as well as FY 2015 and FY 2016. NVTa will issue a call for projects at a later date for the remaining three years of NVTa's contemplated Six Year Plan. City staff's FY2015 and FY 2016 recommendation (see Table 2 on page 3 of this memorandum) was developed as part of the City's annual Capital Improvement Program planning process. This funding proposal reflects the funding strategy presented to Transportation Commission in September 2013 and to the City Council at a work session on November 26, 2013 particularly:

- Reserve NVTa 70 percent funds for major capital investments with regional impacts;
- Rely on CMAQ, RSTP, and NVTa 30 percent funds for non-motorized, project development, ADA improvements, and transit capital maintenance;
- Focus NVTa 30 percent funds and Transportation Improvement Program funds on operating expenses in out years; and

- Continue to pursue discretionary grant funding for non-motorized and dedicated transitways.

While NVTa is only seeking projects for FY2014 - FY2016, staff maintained a long-term perspective while developing the proposed submission in line with City's ten-year Capital Improvement Program. For informational purposes, Attachment 1 illustrates the planned use of NVTa 70 percent funds over a 10-year horizon. The plan assumes that the City will see up to \$165 million in benefits over that 10-year period. The FY2014 -FY2016 submission is included in Table 2 below.

Table 2. FY 2015 and FY 2016 Project Submission for NVTa 70 Percent Funds

	FY 15	FY 2016
▪ Potomac Yard Metrorail Station	\$500,000	\$1,000,000
▪ Transit Corridor 'B'- Duke Street	\$190,000	\$0
▪ Transit Corridor 'C'- Beauregard	\$0	\$2,400,000
▪ Real Time Traffic Adaptive Control	\$500,000	\$0
TOTAL	\$1,190,000	\$3,400,000

In addition to the FY2014 projects that have already been approved for NVTa 70 percent funds; staff proposes seeking funding for the following projects:

A. It is proposed that the following project funding request to NVTa be approved by Council for FY 2015 and FY 2016:

Potomac Yard Metrorail Station: The Potomac Yard Metrorail Station is a proposed infill station along the Metrorail Yellow and Blue lines that will improve accessibility of the Potomac Yard area and provide more transportation choices for current and future residents, employees, and business by establishing a new access point to the regional Metrorail system. Currently, the City is conducting a multi-year Environmental Impact Statement study that evaluates three primary alternatives and a no-build alternative. If a build alternative is selected, the project will be designed and built by the Washington Metropolitan Area Transit Authority with support from and in coordination with the City. The requested NVTa 70 percent funding of **\$1,500,000** for this project in FY 2015 and FY 2016 is for the development of a design-build package, as well as professional services to support the City in reviewing design options.

Transit Corridor "B" - Duke Street: Transit Corridor "B" is a 4-mile segment of high-capacity transitway in dedicated lanes along the Duke Street and Eisenhower Avenue corridor between the western City limit and Old Town. The City has identified grant funding in FY 2019 to begin preliminary design and feasibility work. In advance of the transitway implementation, the City intends to make much needed improvements to traffic signalization. The additional **\$190,000** in NVTa 70% funds proposed to be requested will support the design of Transit Signal Priority, which will improve the efficiency of traffic flow in the Duke Street corridor.

Transit Corridor "C" - Beauregard: Transit Corridor "C" is a 4-mile segment of high-capacity transitway in dedicated lanes between the Van Dorn Metrorail station and the border with Arlington to the north. This investment will support the development proposed in the Landmark/Van Dorn Small Area Plan and the Beauregard Corridor Small Area Plan. The City recently kicked off an Alternatives Analysis and Environmental Assessment (AA/EA) to further refine the High Capacity Transit Corridor Work Group's recommendation for Bus Rapid Transit in dedicated lanes between Van Dorn Metrorail and the Pentagon. The City is seeking **\$2.4 million** in NVTa 70 percent funds to support preliminary engineering following completion of the AA/EA.

Real-Time Adaptive Traffic Control and Data Management System: This is a new project that the T&ES is pursuing as part of the FY2015 - FY2024 Capital Improvement Program. When fully implemented, this

initiative will allow the City to analyze real-time traffic data and determine how best to optimize the performance of all the traffic signals in a given network together. T&ES is currently investigating a system that allows for real-time response to changes in traffic changes caused by emergencies, construction, special events, weather, crashes, citywide emergency responses and other unpredictable events. In addition, T&ES is seeking a data management system that anonymously locates and tracks the movement of cellular devices and uses that data to create real-time and predictive traffic information. The City is seeking **\$500,000** in NVTa 70 percent funds in FY 2015 to conduct feasibility study and develop a concept strategy.

B. It is proposed that the following project funding plan be conceptually endorsed for FY 2017 to FY

2024: It should be noted that this transportation project list is only presented for City Council concept endorsement only, as it will be subject to future annual review, approval and amendment by City Council as part of the annual City's 10-year Capital Improvement Program planning and budgeting process:

Landmark Transit Station: A total of **\$6.0 million** is projected to be needed in FY 2023 and FY2024 to fund the planned transit station on the Landmark Mall site. Landmark Mall is currently a major transit hub, and which will continue to grow given continued mass transit growth in the region including serving as the intersect of high capacity transit corridor "C" and high capacity transit corridor "B". The eventual redevelopment of the 50 acre Landmark Mall site will also contribute to an increased transit demand. In areas where there are many bus and other transit lines, localities have seen that a transit station can make a difference in overall transit ridership.

Potomac Yard Metrorail Station: A total of **\$58.0 million** in NVTa regional funding is proposed as a funding source in FY 2017 to assist with the construction of the Potomac Yard Metrorail Station. Previous cost estimates were \$195 million for Alternative A, \$250 million for Alternative B and \$462 million for alternative D. If one of these three "build alternatives" is selected by the end of calendar year 2014, construction of this station could begin as early as FY 2017. These proposed significant NVTa monies will reduce the amount of debt the City would have to issue, as well as significantly reduce the resultant debt service over the 30- year bond repayment period. This mitigates the financial risk to the City, and would help ensure that sufficient Potomac Yard revenues (mostly Potomac Yard development generated new tax revenues) were available to meet future debt service obligations. The City's debt ratios would also not be needed to be increased as much above the City's current guidelines as previously contemplated. From the earliest financial planning analyses for the Potomac Yard Metrorail station, it has been stated that outside state, federal or regional funding sources would be sought. With the availability of regional NVTa 70% funds, this is now possible.

Corridor "A" Streetcar Study: While the establishment of a rubber tire rapid transit service in Corridor "A" (Braddock Metrorail station through Potomac Yard to the Crystal City Metrorail Station in Arlington) is the first planned rapid transit mode in that corridor, studying whether, where and when to possibly convert it to streetcar service has been on the City's agenda as part of its collaborative transit efforts with Arlington. Arlington has decided to forgo federal funding to proceed directly with a locally funded streetcar service in Crystal City - Pentagon City area of Arlington. This service will end near the City -County border near Four Mile Run. A total of **\$3.0 million** is contemplated to be requested in FY 2021 to undertake the necessary environmental studies as a precursor to determine if converting to streetcar is warranted as well as such a study is a mandatory step to be eligible for federal capital grant funding.

Transit Corridor "B" - Duke Street: To design and construct Corridor "B" in dedicated lanes along the Duke Street and Eisenhower Avenue corridors. It is estimated that over \$100million total investment by the private sector, the City and the federal government will be needed. The City has identified grant funding in FY 2019 to begin preliminary design and feasibility work. In advance of the transitway implementation, the City intends to make much needed improvements to traffic signalization. The additional **\$190,000** in NVTa 70% funds

proposed to be requested will support the design of Transit Signal Priority, which will improve the efficiency of traffic flow in the Duke Street corridor. This NVTa funding request is for **\$19.56 million** in FY 2020- FY 2023

Corridor “C” Beauregard-Van Dorn: To build out and equip Corridor C’s dedicated lanes and rapid transit service it is estimated that over \$129 million total investment by the private sector, the City and the federal government will be needed. To date some \$22.5 million in developer cash contributions and a significant amount of donated right of way have been pledged as part of the Beauregard Small Area Plan. This NVTa funding request of **\$54.1 million** in FY 2016 to FY 2019 will significantly accelerate the creation of the dedicated lanes in the corridor and serve as needed match to federal transit capital grant funds. This will also help the City maintain its debt ratios by not having to issue a significant amount of bonds to fund a portion of the Corridor C project.

Real-Time Adaptive Control and Data Management System: As described in the FY 2015 to FY 2016 capital request previous section A of this docket item, it is proposed that the City’s traffic control systems be upgraded to optimize the performance of the City’s traffic signal system and therefor improve traffic flow in the City. This is key, as the City as built-out urban jurisdiction is not in a position to build many more roads as a way to improve traffic flow. The study monies requested in FY 2015 will help define costs, and the **\$16.0 million** in NVTa funds contemplated for FY 2016 is an early estimate of the costs to build out the system. Since this would be a largely fiber-optic network based system, there is a possible synergy with other City broadband fiber needs that are under concept study.

FISCAL IMPACT: By seeking NVTa 70 percent funds, the City substantially improves its ability to deliver other needed transportation improvement projects using City funds. When the City secures NVTa 70 percent funds as detailed in this memorandum, other funding sources previously programmed in the City’s FY 2014-FY 2023 Capital Improvement Program (including, but not limited to Transportation Improvement Program (TIP) funding) will be available for other transportation projects. Furthermore, potential City debt issuances in the current CIP associated with large scale regional transportation projects, including the Potomac Yard Metrorail Station and the Beauregard Transit Corridor “C”, can be reduced in total by \$75 million or more. This reduction of General Obligation bond funding and its impact on City debt ratios are being considered as City staff develops the forthcoming FY 2015- FY 2024 Capital Improvement Program.

ATTACHMENTS:

Attachment 1 - NVTa 70 Percent Funds: Proposed 10-Year Plan

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