



Legislation Text

File #: 21-1093, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 19, 2021

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of Approval of a Six-Year Washington Metropolitan Area Transit Authority (WMATA) Capital Funding Agreement. [ROLL-CALL VOTE]

ISSUE: Council consideration of a six-year Washington Metropolitan Area Transit Authority (WMATA) Capital Funding Agreement.

RECOMMENDATION: That City Council:

1. Approve the WMATA Capital Funding Agreement (CFA) for FY 2022 (July 1, 2022 to June 30, 2027) (Attachment A); and
2. Adopt the resolution authorizing the City Manager to sign and execute the WMATA CFA (Attachment 1).

BACKGROUND: The CFA is a financial agreement that provides the framework for jurisdictional investment in the WMATA Capital Improvement Program (CIP), including jurisdictional match to federal formula and discretionary grants, additional state and local contributions, and processes for WMATA to issue debt when jurisdictions choose to finance their funding obligations. The most recent CFA was originally established in calendar year 2010 for the FY 2011 to FY 2016 CIP. WMATA and the jurisdictions previously executed three one-year extensions of the CFA for FY 2017, FY 2018, and FY 2019.

Due to a delay in executing an agreement for FY 2020, the FY 2020 CFA was considered a new agreement rather than an extension, although it had the effect of extending the agreement on substantially the same terms and conditions. Staff had been working on a new agreement in FY 2020, but due to the pandemic, a final agreement was not achievable before the expiration of the FY 2020 CFA. Therefore, the FY 2020 CFA was also extended for an additional year in July 2020. The current

agreement, the first amendment to the WMATA FY 2020 CFA, will expire on June 30, 2021.

DISCUSSION: To execute a CFA, the WMATA Board must approve it in addition to each participating jurisdiction. The WMATA Board approved the CFA on April 22, 2021 and the other jurisdictions are working to sign the CFA by the end of the fiscal year. The FY 2022 through FY 2027 agreement will provide the terms and conditions for receipt of the jurisdictions' allocated contributions associated with the \$2.6 billion FY 2022 capital budget and future capital budgets through FY 2027.

The new six-year agreements establishes/confirms:

- Management of capital program on expenditure basis
- Schedule for capital program process
- Reporting, reconciliation, and audit requirements
- Allocated contribution funding from jurisdictions and 3% cap on annual regional subsidy growth
- Proposed allocated contributions of \$276.4 million in FY 2022; 3% more than FY 2021
- A separate DC Local Capital Funding Agreement that addresses District-specific statutory requirements of Federal anti-deficiency and funding limitations

FISCAL IMPACT: The City's capital contributions are included in the CFA as follows:

CFA	Local Match to State Dedicated Funding	Total
FY22: \$12,599,122	\$4,200,000	\$16,799,122
FY23: 13,005,424	4,200,000	17,205,424
FY24: 13,394,167	4,200,000	17,594,167
FY25: 13,809,767	4,200,000	18,009,767
FY26: 14,261,824	4,200,000	18,461,824
FY27: 14,671,606	4,200,000	18,871,606
Total: \$81,741,910	\$25,200,000	\$106,941,910

These funding amounts are relatively consistent with the City's recently adopted Capital Improvement Program. In addition to City bond funds, NVTA 30% monies, NVTC transit aid and City TIP fund cash would be used to finance these obligations.

ATTACHMENTS:

1. Resolution Authorizing Execution of the CFA
- A. CFA WMATA Fiscal Years 2022 to 2027

STAFF:

Emily A. Baker, Deputy City Manager
Yon Lambert, Director, T&ES
Kendel Taylor, Director, Finance
Sarah McElveen, Assistant City Attorney
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