



Legislation Text

File #: 22-0118, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 7, 2021

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

Consideration of a Resolution Authorizing a Competitive Grant Application to the Virginia Department of Transportation for Revenue Sharing Program Funding in FY 2028 and FY 2029. [ROLL-CALL VOTE]

ISSUE: Should the City seek State grant funding to supplement the City's local contributions to its bridge repair and street resurfacing programs in City FY 2028 and FY 2029?

RECOMMENDATION: That City Council:

1. Adopt the attached resolution (Attachment) to apply for a Revenue Sharing Program funding allocation for \$5 million over a two-year period for bridge repairs and street resurfacing; and
2. Authorize the City Manager to submit the application and enter into any agreements with the State that may be required to receive these funds should the requested allocation be approved.

BACKGROUND: The Commonwealth of Virginia's Revenue Sharing Program provides funding to construct, reconstruct, improve, or maintain roads and bridges within counties, cities or towns in the Commonwealth. Locality funds are matched, dollar for dollar, with State funds, with certain limitations on the amount of state funds authorized per locality. The applications in question are for VDOT's FY 2027 and FY 2028 program but the City's FY 2028 and FY 2029. The docket memo will subsequently refer to City fiscal years.

In 2020, the Commonwealth of Transportation Board (CTB) and the Virginia Department of Transportation (VDOT) faced significant financial impacts of the COVID-19 health pandemic. VDOT took steps to maintain fiscal sovereignty by reducing the total amount of available funding for the FY 2022 and FY 2023 revenue sharing programs. As a result of the reduction, the City's November 2019 application for \$5 million of Revenue Sharing funds was not approved. This application included three bridge rehabilitation projects, and multiple resurfacing projects citywide. Furthermore, VDOT moved the approved FY 2022 and FY 2023 projects out two

years to VDOT FY 2025 and FY 2026, and no additional project applications were accepted for those years of funding. As a result of the COVID-19 impacts to VDOT funding, the City is not eligible to receive revenue sharing funding for a period of five City fiscal years (FY 2023 through FY 2027). This change is reflected in the Fiscal Impact section below.

Because Revenue Sharing funding is not available for the City until FY 2028 and FY 2029, it is difficult to identify (at this time) specific road sections which will require resurfacing. As such, VDOT is providing flexibility for jurisdictions to apply for a network of streets which may require maintenance in that timeframe. Using future Pavement Condition Index (PCI) test scores, the City will revise and update this list in future CIP programs so that Council and the public are aware of where Revenue Sharing funds will be allocated. This application also includes a planned bridge maintenance project that is eligible and will be a strong candidate for state funding in this timeframe.

Finally, there are several administrative changes planned for the next round of Revenue Sharing. VDOT has required that applications now include contingency funding and escalation funding between the application date and the project kick-off. VDOT has also tied two fiscal years together for a maximum annual reimbursable limit of \$2.5 million.

DISCUSSION: The grant proposal is targeted at one bridge and streets Citywide that staff estimates will require capital maintenance in the city's FY 2028 and 2029 time periods:

- South Van Dorn Bridge over Backlick Run is being recommended for a portion of the revenue sharing funding in FY 2028 based on the current inspection report, in which the bridge scored a 6 out of 10 (with 10 as the best possible score)
- Citywide streets which are estimated to have a PCI of less than 60 in the City's FY 2028 and FY 2029 timeframe

In June 2021, the Alexandria Transportation Commission was presented information on the Revenue Sharing application and endorsed an application of up to \$5 million.

FISCAL IMPACT: The cumulative fiscal impact of losing Revenue Sharing funding from the City in FY 2023 through FY 2027 is \$7.5 million (\$1.5 million annually). Because this funding will not be available, additional City cash capital or bond funding would need to be identified to maintain planned levels of street resurfacing. Alternatively, if added or alternative funding is not available resurfacing levels could be decreased. An annual reduction of \$1.5 million in street resurfacing would practically mean the City would resurface approximately 15 fewer lane miles of roadway each year.

Revenue Sharing projects require a local match. The application request is for \$5 million over a period of City FY 2028 and FY 2029. As part of the application request, localities must commit to a dollar for dollar match - in this case, the City's planned CIP contributions to Street Resurfacing and Bridge Repairs would provide the sources for the annual match.

In FY 2028, the funding request is for the planned capital maintenance to the South Van Dorn Street bridge (approximately \$1 million) and Citywide street resurfacing (approximately \$1.5 million). The FY 2029 funding request is for \$2.5 million in funding for Citywide street resurfacing. If VDOT approves the grant and confirms the Revenue Sharing amount, the CIP will be updated through the annual budget process accordingly.

ATTACHMENT: Resolution

STAFF:

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