

Regional Transportation Authority (RTA) Overview

October 10, 2017



Why consider having a Regional Transportation Authority (RTA)?

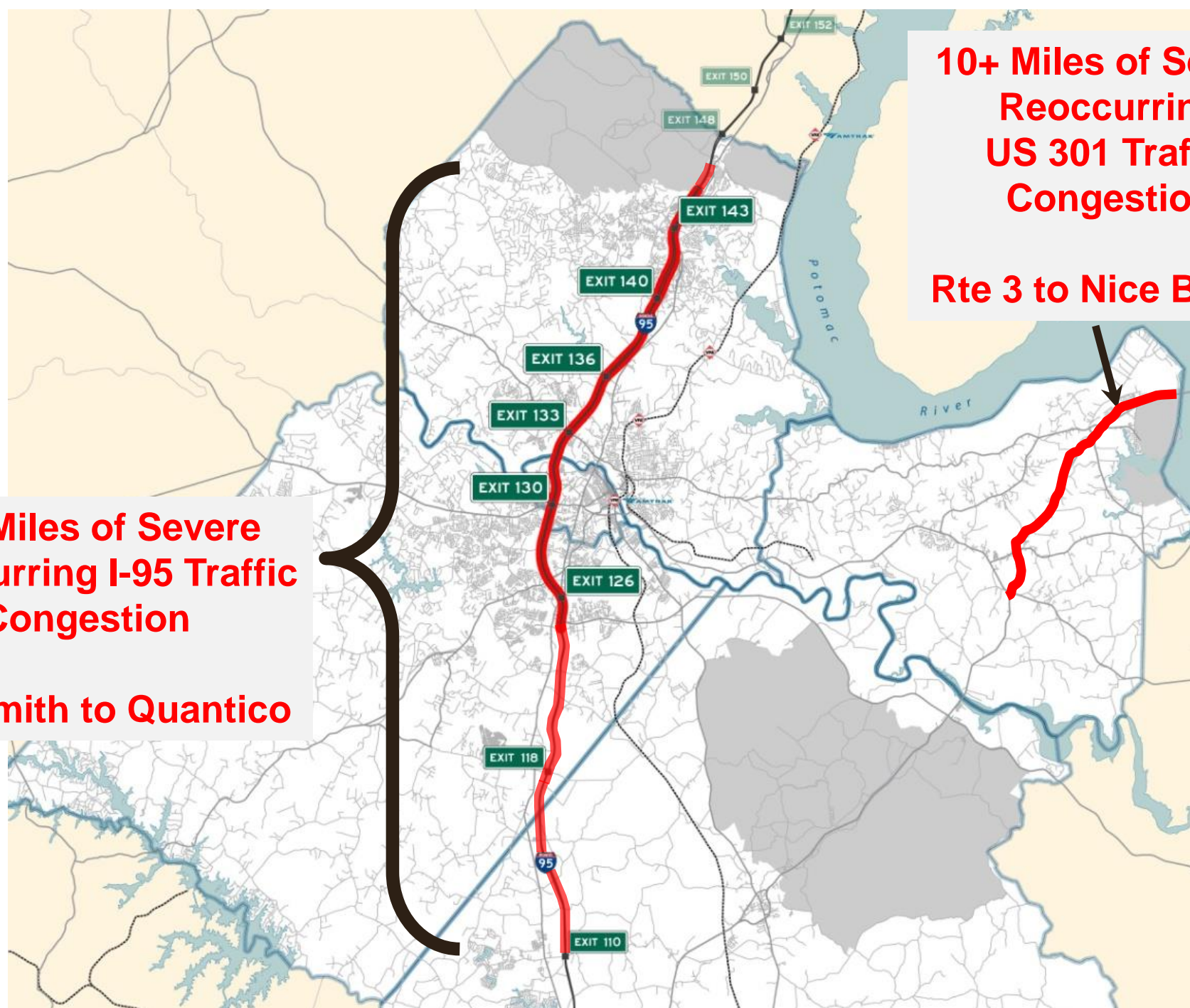
- **Severe Reoccurring Congestion along I-95 Corridor which is Hurting Existing and Potential Future Economic Development in GWRC**
 - I-95 SB = #1 worst congestion in USA (Inrix Report) 2026 Economic Cost = \$2.3 Billion
 - I-95 NB = #7 worst congestion in USA (Inrix Report) 2026 Economic Cost = \$1.1 Billion
- **Critical Transportation Needs are Costly**
 - \$1.1 Billion in regional unfunded critical needs (FAMPO I-95 Phase 1 Study & Smart Scale)
 - **Spotsylvania Examples:**
 - Widening Harrison Road from 2 to 4 lanes between Rte 1 and Salem Church Rd: \$86 Million
 - New I-95 interchange at Harrison Road: \$100+ Million
 - Exit 126 improvements: \$100+ Million
- **State/Federal Funding for Major Transportation Improvements is Limited**
- **State Smart Scale program favors projects with leveraged funding**
 - **NOVA and Hampton Roads are using their RTA funding to leverage additional Smart Scale funding for their regions**

**10+ Miles of Severe
Reoccurring
US 301 Traffic
Congestion**

Rte 3 to Nice Bridge

**35+ Miles of Severe
Reoccurring I-95 Traffic
Congestion**

Ladysmith to Quantico



Summary of State of Virginia Transportation Funding

- **Most discretionary transportation funding under Smart Scale Program**
- **Smart Scale Transportation Funding Levels: About \$1 Billion every two years**
 - About \$500 million expected to be available for Statewide High Priority Projects
 - About \$25 million expected to be available for Fredericksburg District Grant Projects
- **Statewide Needs: Over \$9 Billion in Round 2 compared to \$1 Billion in available funding**
- **Current Smart Scale Process favors projects with significant leveraged funding**
- **Difficult for large highway projects with little leveraged funding to score well**
 - Need leveraged funding for projects to score well in Statewide High Priority
 - District Grant funding amount too small for large projects
 - Several large GWRC area projects with little to no funding scored poorly in Smart Scale Round 2
 - I-95 NB Rappahannock River Crossing (FAMPO)
 - Harrison Rd Widening (Spotsylvania)
 - Rte 3/Rte 301 Intersection improvements (King George)
 - Butler Rd Widening (Stafford)

Two Models for Authorities in VA: Hampton Roads & NoVA

1. Hampton Roads: HRTAC

- **Generates about \$178 Million/year for 2018**
 - Extra regional sales tax of 0.7% (6% Sales Tax in HRTAC area)
 - 2.1% Regional Motor Fuels Tax (No Gas Tax Floor)
- **Allocate funding to Regional Projects**

2. Northern Virginia: NVRTA

- **Generates about \$327 Million/year (FY-2018)**
 - Extra regional sales tax of 0.7% (6% Sales Tax in NVRTA area)
 - Grantors Tax (\$0.15/\$100)
 - Transient Occupancy Tax (2%) – In addition to standard 5% in most of Virginia
- **Allocates funding in two categories:**
 - Regional Projects = 70% (Subject to HB 599 Prioritization Process)
 - Local Projects = 30%

Biggest Tax Generator from both Authorities is an Additional 0.7% Sales Tax

How much might an additional 0.7% Sales Tax from an RTA cost a family in Fredericksburg, VA?

1. Assumptions for Existing Sales Tax paid

- Annual Household Income: \$60,000
- Family makes \$17,540 in purchases subject to State Sales Tax
- Source: <https://smartasset.com/taxes/virginia-tax-calculator#luRWTznyYR>

2. Existing Sales Tax paid based on 5.3% rate: \$877/year and \$73/month

3. Hypothetical Sales Tax paid based on 6.0% rate: \$993/year and \$83/month

4. Additional Sales Tax cost: \$116/year and \$10/month

May Question: What is the Estimated Revenue from an RTA by GWRC Locality?

Estimated Revenue from VDOT Estimates (2015)

- All of GWRC About \$35 Million/year in 2018

Estimated George Washington Regional Commission Additional Transportation Revenues (Millions of Dollars)								
Policy based on NVT Authority	2017	2018	2019	2020	2021	2022	2023	FY 18-23 Total
0.7% Regional Sales Tax	\$25.20	\$28.70	\$29.70	\$30.80	\$31.80	\$32.66	\$33.54	\$187.20
Grantors Tax (\$0.15/\$100)	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20	\$25.20
Transient Occupancy Tax 2%	\$1.60	\$1.90	\$1.90	\$2.00	\$2.00	\$2.00	\$2.00	\$11.80
Total New Local Revenue GWRC	\$31.00	\$34.80	\$35.80	\$37.00	\$38.00	\$38.86	\$39.74	\$224.20

Assumption: Revenue shares by locality are similar to locality population

Estimates in Millions of dollars per year based on 2016 Population

1. Stafford (40.2%) = \$14.1 M
2. **Spotsylvania (36.7%) = \$12.8 M**
3. Caroline (8.4%) = \$2.9 M
4. City (7.7%) = \$2.7 M
5. King George (7.0%) = \$2.5 M

How could a RTA be organized in GWRC and how could geographic equity in funding allocations be achieved?

Northern Virginia and Hampton Roads Authorities have boards organized to promote regional cooperation and geographic equity to overcome this challenge:

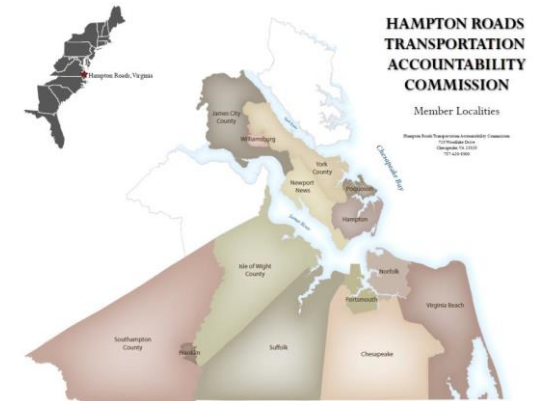
- **NVTA Voting:**
 - **22 Voting Members: 17 Localities, 3 Virginia General Assembly members, 2 Governor (CTB)**
 - Each locality receives one vote
 - For motions to carry, generally need 2/3rds of Total votes, 2/3rds of Locality votes, and votes representing 2/3rds of region's population
 - Exception where motions can carry with less than 2/3rds of region's population if the project in question is not in a jurisdiction which voted against it
- **HRTAC Voting:**
 - **19 Voting Members: 10 Cities, 4 Counties, 5 Virginia General Assembly members**
 - For motions to carry, need 2/3rds of Votes representing 2/3rds of region's population

Hypothetical GWRC Transportation Authority Structure based on Northern Virginia example and GWRC structure

- **NVTA Voting:**
 - **22 Voting Members:** 17 Localities, 3 Virginia General Assembly members, 2 Governor (CTB)
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- **Hypothetical GWRC RTA Voting (Note: Different from GWRC or FAMPO boards):**
 - **8 Voting Members:** 5 Localities, 2 Virginia General Assembly members, 1 Governor (CTB)
 - Each locality receives two votes
 - For motions to carry, need 2/3rds of Votes representing 2/3rds of region's population
 - Exception where motions can carry with less than 2/3rds of region's population if the project in question is not in a jurisdiction which voted against it

Additional Resources

1. Staff Discussion Paper on how a potential GWRC regional Transportation Authority could work
 - If FAMPO wants to pursue the RTA concept further, this paper details how it could potentially work using elements from both the HRTAC and NVTa examples.
2. HRTAC Presentation providing an overview of their authority: <http://hrtac.org/>



3. NVTa links providing an overview of their authority: <http://www.thenovaauthority.org/>



What could be done with extra Transportation Revenue?

1. Use Additional Revenue as Leverage in State Smart Scale and Federal Funding opportunities

- **Example: I-95 Rappahannock River Crossing Improvements**
 - Cost is \$132 M for NB River Crossing
 - Potential additional cost of \$64 M for additional NB and SB improvements at Rte 17 Interchange
 - Total Cost: \$196 M
 - Leverage \$100 M of Regional Revenue to request \$96 M in funding from Smart Scale

2. Help get Critical Transportation Needs funded

- I-95 NB Rappahannock River Crossing Project
- I-95 General Purpose widening from 6 to 8 lanes between Exit 130 and 126
- New I-95 Interchange at Harrison Road

3. Help get Local District Grant Projects funded in Smart Scale

- **Hypothetical Example: Local Intersection Project**
 - Cost is about \$10 M
 - Leverage \$6 M from Regional Revenue to request \$4 M in funding from Smart Scale

Questions?



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