Transportation in Virginia

Shannon Valentine
Secretary of Transportation
January 14, 2019
Commonwealth Transportation Fund (CTF) Revenues Finished Fiscal Year 2018 $12.3 Million Below the Official Forecast

### Actual Collections Compared to the Official Forecast for Fiscal Year 2018
(Millions of Dollars)

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>FY2017 Actual</th>
<th>FY2018 Actual</th>
<th>FY2018 Forecast</th>
<th>Percent Change 2017-2018</th>
<th>Forecast Variance Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Fuels Tax</td>
<td>857.9</td>
<td>843.5</td>
<td>886.3</td>
<td>-1.7%</td>
<td>(42.8)</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Road Use Tax</td>
<td>12.3</td>
<td>11.7</td>
<td>10.5</td>
<td>(4.9)</td>
<td>1.2</td>
<td>11.4</td>
</tr>
<tr>
<td>Vehicle Sales Tax</td>
<td>957.7</td>
<td>943.6</td>
<td>922.4</td>
<td>(1.5)</td>
<td>21.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Vehicle Licenses</td>
<td>260.2</td>
<td>258.8</td>
<td>259.2</td>
<td>(0.5)</td>
<td>(0.4)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>1,020.4</td>
<td>1,043.8</td>
<td>1,047.0</td>
<td>2.3</td>
<td>(3.2)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Recordation Tax</td>
<td>48.1</td>
<td>47.8</td>
<td>48.3</td>
<td>(0.6)</td>
<td>(0.5)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Insurance Premiums Tax</td>
<td>163.1</td>
<td>168.0</td>
<td>168.0</td>
<td>3.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Int'l Registration Plan</td>
<td>66.2</td>
<td>69.2</td>
<td>64.4</td>
<td>4.5</td>
<td>4.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>6.4</td>
<td>8.9</td>
<td>3.3</td>
<td>39.1</td>
<td>5.6</td>
<td>169.7</td>
</tr>
<tr>
<td>Rental Tax</td>
<td>39.5</td>
<td>40.2</td>
<td>40.9</td>
<td>1.8</td>
<td>(0.7)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Aviation Fuels Tax</td>
<td>2.0</td>
<td>2.0</td>
<td>1.9</td>
<td>0.0</td>
<td>0.1</td>
<td>5.3</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>18.4</td>
<td>19.6</td>
<td>17.2</td>
<td>6.5</td>
<td>2.4</td>
<td>14.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,452.2</strong></td>
<td><strong>$3,457.1</strong></td>
<td><strong>$3,469.4</strong></td>
<td><strong>0.1%</strong></td>
<td><strong>($12.3)</strong></td>
<td><strong>-0.4%</strong></td>
</tr>
</tbody>
</table>
Motor Fuel Tax Revenue and Vehicle Miles Traveled (VMT)

Source: CTF Revenue Reporting by DOA; VDOT VMT Report 2200 - DVMT by Maintenance Jurisdiction All Roads, annualized total (VMT reflects calendar year reporting)
Commonwealth Transportation Fund
Revenue Updates

December 2018 Revenue Forecast
- $47.2 million net reduction statewide
- Regional Revenues positive

<table>
<thead>
<tr>
<th>STATEWIDE Impact by Fund</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMOF</td>
<td>$ (17.4)</td>
<td>$ (15.5)</td>
<td>$ (24.6)</td>
<td>$ (10.3)</td>
<td>$ 1.7</td>
<td>$ 2.5</td>
<td>$ (63.6)</td>
</tr>
<tr>
<td>TTF</td>
<td>(26.0)</td>
<td>(0.9)</td>
<td>7.5</td>
<td>6.0</td>
<td>13.3</td>
<td>16.5</td>
<td>16.4</td>
</tr>
<tr>
<td>Total</td>
<td>$ (43.4)</td>
<td>$ (16.4)</td>
<td>$ (17.1)</td>
<td>$ (4.3)</td>
<td>$ 15.0</td>
<td>$ 19.0</td>
<td>$ (47.2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TTF Breakdown Modal Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Construction</td>
</tr>
<tr>
<td>Transit</td>
</tr>
<tr>
<td>Ports</td>
</tr>
<tr>
<td>Airports</td>
</tr>
<tr>
<td>Mass Transit</td>
</tr>
<tr>
<td>IPROC</td>
</tr>
<tr>
<td>WMATA Capital Fund</td>
</tr>
<tr>
<td>Recordation Tax</td>
</tr>
<tr>
<td>3.7% to Mass Transit Fund (Fuel Tax)</td>
</tr>
<tr>
<td>PTF</td>
</tr>
<tr>
<td>$ (26.0) $ (0.9) $ 7.5 $ 6.0 $ 13.3 $ 16.5 $ 16.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Virginia</td>
</tr>
<tr>
<td>Hampton Roads</td>
</tr>
</tbody>
</table>
Revenue Estimate Updates

- Federal revenue is based on Federal FY 2019 apportionments and assume Obligation Authority levels for the year provided under the FAST Act
  - Current federal budget extension through December 21, 2018, obligation authority provided to Virginia based on portion of the year
- After FY 2020, assumed federal revenue growth of 1.7 percent
  - “Absent a revenue fix by 2020, the Federal Highway Trust Fund is expected to experience a significant cash shortfall leading to an estimated 51 percent drop in highway obligations from the year before, or from $46.9 billion to $23 billion, and a zeroing out of obligations from the Mass Transit Account in 2021 and 2022.” - Carlos Braceras P.E., President of American Association of State Highway and Transportation Officials; Testimony on November 28, 2018 to U.S. Senate Committee on Environment and Public Works
- Without congressional action, federal revenues will be reduced in the future
Transportation in Virginia

- SMART SCALE
- State of Good Repair
- VITAL Infrastructure
- WMATA and Transit
## SMART SCALE

### Round 1
- **Total # Submitted**: 321
- **Requested Funding**: 7.2B
- **Available Funding**: 1.4B
- **Max # Apps from Locality**: 12
- **Avg # Apps per Locality**: 2.2

### Round 2
- **Total # Submitted**: 436
- **Requested Funding**: 9.7B
- **Available Funding**: 1B
- **Max # Apps from Locality**: 33
- **Avg # Apps per Locality**: 2.8

### % Change
- **Total # Submitted**: 36%
- **Requested Funding**: 38%
- **Available Funding**: -29%
- **Max # Apps from Locality**: 175%
- **Avg # Apps per Locality**: 27%

*Office of the SECRETARY of TRANSPORTATION*
SMART SCALE

• Round 3
  o Anticipate ~$750-800M in available funding
    ▪ Down 45% from Round 1
    ▪ 1/3 is GARVEE bond proceeds
  o $6.956B in requested funding for 468 projects

• Scores and draft funding scenario will be released next week at the CTB meeting
State of Good Repair

- Reconstruction of deficient primary pavements and rehabilitation and reconstruction of structurally deficient bridges
- Less than $300M/year in available funds
- Each district receives funding based on their proportional share of needs
- State and city assets are both eligible under this program
Assumptions for Highway Construction Programs

## State of Good Repair

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State of Good Repair Allocation</strong></td>
<td>$40.1</td>
<td>$290.4</td>
<td>$290.9</td>
<td>$293.4</td>
<td>$283.7</td>
<td>$282.9</td>
<td>$1,481.4</td>
</tr>
<tr>
<td><strong>Difference from Previous Assumptions</strong></td>
<td>1.3</td>
<td>(16.5)</td>
<td>(4.0)</td>
<td>0.5</td>
<td>8.3</td>
<td></td>
<td>(10.3)</td>
</tr>
</tbody>
</table>
VITAL Infrastructure

- VDOT identified 25 large and unique structures approaching the end of design life
- VITAL (Very large, Indispensable Transportation Asset List)
- 3 categories:
  - Moveable bridges
  - Tunnels
  - Larger Bridges
- Funding
- Next steps
Washington Metropolitan Area Transit Authority

- Historic regional effort
  - Secure dedicated source of revenue for critical capital needs (combined $500M)
  - Implement oversight reforms
    - Governance
    - Reporting Requirements
    - 3% Operating Cap
- Challenges: shutdowns for capital repairs
- Metrorail Safety Commission certification
Transit Reforms

• CTB adopted transit capital prioritization process at its October 2018 meeting
  o Developed in coordination with Transit Service Delivery Advisory Committee and subject to public comment period

• Focuses capital funding on state of good repair – at least 80% available resources

• Two key components of score
  o Asset condition rating: 60% of potential score
  o Service Impact Score: 40% of potential score
Transit Reforms: Strategic Plans

• Phased implementation
  o 2 pilots underway: Lynchburg and Hampton Roads

• Major components include:
  o Assessment of state of good repair needs
  o Review of performance of fixed route bus service
  o Evaluation of opportunities to improve operating efficiency of transit network
Transit Reforms

• CTB will adopt changes to allocation of operating funds based on performance factors
  o Since 2013 a portion of funds have been allocated using performance factors
• FY20 funds will be allocated using performance factors
• CTB is scheduled to vote on policy at its February 2019 meeting
I-81 Corridor Improvement Plan
I-81 Corridor Overview – Critical to Movement of Goods in Eastern U.S.

- 11.7 MILLION TRUCKS PER YEAR
- $312 BILLION IN GOODS PER YEAR
- 42% OF STATEWIDE INTERSTATE TRUCK VMT
- 45+ CRASHES PER YEAR (WITH CLEARANCE TIMES GREATER THAN 4 HOURS)
- ~11,000 CRASHES OVER 5 YEARS

Includes TRANSEARCH INSIGHT and VDOT data 2012-2016
I-81 Corridor Operations Plan
Delay Makes I-81 Unique

16% INCIDENTS
6% WORKZONE
6% OTHER
72% RECURRING

51% INCIDENTS
15% WORKZONE
13% OTHER
21% RECURRING
## Major Interstate Corridor Funding
### SMART SCALE vs. Other Resources

<table>
<thead>
<tr>
<th>Interstate</th>
<th>SMART SCALE</th>
<th>Regional/Tolls/Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-64</td>
<td>$397</td>
<td>$1,179</td>
</tr>
<tr>
<td>I-66</td>
<td>0</td>
<td>$2,680</td>
</tr>
<tr>
<td>I-77</td>
<td>$5</td>
<td>0</td>
</tr>
<tr>
<td>I-81</td>
<td>$168</td>
<td>0</td>
</tr>
<tr>
<td>I-85</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I-95/I-395</td>
<td>$220</td>
<td>$940</td>
</tr>
</tbody>
</table>

Figures in millions
SB971: I-81 Corridor Improvement Plan

• Review of top problem areas
• Identification of potential solutions and operations plan
• Prioritization of potential solutions and recommended improvement plan
• Development of potential financing options
• Economic impact analysis of tolling
Prioritization of Potential Capital Improvements

• Focused on capital improvements package of $2.2 billion based on industry capacity feedback – approximately ½ of cost of all improvements

• Evaluated all potential capital improvements using SMART SCALE-like process

• Board evaluated regional taxes and tolls as potential funding sources
81 Corridor Improvement Plan: Next Steps

• Bipartisan draft legislation
• Creates a framework for establishing dedicated funding source
  o Authorizes CTB to impose tolls
  o Caps on tolls
  o Offers annual pass for autos and small trucks
• Revenues may only be used for improvements in 81 Corridor
• Advisory board will be established
81 Corridor Improvement Plan: Ongoing Work

- Operations/technology
- Truck parking
- Multimodal improvements
- Law enforcement
Major Projects

• I-95/395
• FredX
• Rappahannock River Crossings
• I-66 Inside the Beltway
• I-66 Outside the Beltway
• High Rise Bridge
• I-64 Widening
• HRBT Expansion
• Route 58
• Corridor Q

• I-81
• Project Next
Transform66: Inside the Beltway

• Result of a multi-year planning that started during the McDonnell Administration

• 2016 compromise reached with General Assembly
  o Convert I-66 to express lanes from 5:30 a.m. - 9:30 a.m. EB and 3 p.m. - 7 p.m. WB
  o Widening I-66 EB from the Dulles Connector Road to Ballston – groundbreaking took place in June 2018
  o Re-invest toll revenues in the corridor for improvements recommended by NVTC – $24M allocated to-date
  o HOV-2 to HOV-3 when 66 Outside the Beltway opens in 2022
Transform66: Inside the Beltway
First Year Performance Review

• **Average daily use**
  - 27,893 HOV users
  - 18,279 toll paying users
  - 6,638 bus riders*

• **Travel speeds eastbound in the morning**
  - 11.1% average increase on I-66
  - -0.3% to 10% average change on parallel arterials

• **Travel speeds westbound in the afternoon**
  - 21.3% average increase on I-66
  - 3% to 7.5% average increase on parallel arterials

*Average for February and June
Transform66: Inside the Beltway
Toll Rates and Usage

- **52,810 average daily users**
  - 52.8% carpoolers
  - 34.6% toll payers
  - 12.6% bus riders
- **$12.59 average price for round trips**
  - $8.02 average price for eastbound trips
  - $4.57 average price for westbound trips
- **48.6% of eastbound trips on average are HOV**
- **38.1% of westbound trips on average are HOV**
Transform66: Inside the Beltway
HOV Usage of I-66

• Average daily HOV users in first three months of 2018 was 12,964
• Average daily HOV users from Sept. – Nov. was 14,938
• Represents an increase of 15%
• Almost 2,000 daily car trips during “rush hour” eliminated
Transform66: Inside the Beltway
Toll Rates

• Tests started this summer/fall and are on-going
• Tests to-date have lowered tolls for SOV vehicles choosing to use I-66 by varying degrees
• Largest benefits realized between 6:45 a.m. and 7:45 a.m.
• Smallest benefits realized at the height of rush hour between 8:00 a.m. and 9:00 a.m.
Interstate 64 Widening | Background

- Interstate improvement project broken into eight segments from Richmond to Newport News

- Aimed to:
  - Ease congestion
  - Increase emergency evacuation capacity
  - Improve safety of transportation infrastructure

- Four segments are funded and under construction or complete
  - 21 miles in Hampton Roads from Jefferson Avenue to Route 199
  - 5 miles in Richmond District from I-295 to Bottoms Bridge
I-64 Improvements Corridor Map

Richmond to Newport News

Segment VII: In development
Segment VI: Planned
Segment V: Planned
Segment IV: Planned
Segment III: Under Construction
Segment II: Under Construction
Segment I: Construction Complete
I-64 Improvements: HRBT Expansion

- Settlers Landing in Hampton to I-564 Norfolk (10 Miles)
- I-64 improvements include 6 lanes of highway and construction of 4 lane bridge/tunnel
- New 4 lane HRBT tunnel will carry EB traffic
- 2 existing tunnels will carry WB traffic
- Replace existing marine approach bridges
- I-564 Direct Ramps (included as Option)
- Project Estimate: $3.66B
I-64 Improvements: High Rise Bridge
Rail
Rail

- 4 routes and 6 trains
- 2 expansions to Norfolk
- 839,466 rides on Virginia-supported Amtrak routes in FFY2018
- Drives 6% of Virginia’s total economy
Virginia-sponsored Route Ridership
Amtrak Commitments

• All 4 routes have seen increased ridership in the first 2 months of FFY2019:

<table>
<thead>
<tr>
<th></th>
<th>Roanoke</th>
<th>Norfolk</th>
<th>Newport News</th>
<th>Richmond</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+12.6%</td>
<td>+8%</td>
<td>+2.6%</td>
<td>+2.6%</td>
</tr>
</tbody>
</table>

• Amtrak Commitments
Long Bridge

- Impacts I-95 / I-66 / I-64 / Rt. 29 / I-81 / Rt. 460 / Port of Virginia

- Every commuter, passenger, and freight train that crosses the Potomac to the NE
• **Office of Intermodal Planning and Investment** leading a study examining sustainability of transportation revenues
  
  - Parameters around declining tax fuels
  - Evaluation of transportation revenues in other states
  - Identification of potential replacements for the fuels tax
• Update to the Commonwealth’s long-range transportation plan

• Evaluates impacts of trends and reviews performance of transportation system based on:
  o Sustainability
  o Resiliency
  o Innovation
  o Economic Opportunity/Competitiveness

• Establishes policy for near- and long-term
Thank you.