

Evolution of Statewide Transportation Spending in Virginia

Traditional Funding Mechanisms: Historically, major transportation projects have been funded through partnerships between the federal government, state departments of transportation, and local governments. It has long been the practice, through federal legislation, for the deliberation of regional transportation needs through the establishment of Metropolitan Planning Organizations, and in Virginia, Planning District Commissions. The Richmond Regional Transportation Planning Organization manages the evaluation of projects and distribution of regional funding to our member organizations and this practice helps advance needed infrastructure across the region. The amount of funding available has always been well short of the demand for improvements.

Smart Scale: The foundation of the Smart Scale program was built through the 2014 General Assembly. It established comprehensive requirements for an objective and quantifiable process for project evaluation and allocation of construction funds. The process was adopted by the Commonwealth Transportation Board in 2015 and includes evaluation of projects' merits in congestion mitigation, economic development, accessibility, safety, environmental quality, and land use.

Virginia Regional Authorities: Following the success of Smart Scale, Virginia regions realized the utility in providing local funds to both overcome continued transportation funding shortages and to leverage Smart Scale and other funding opportunities with local dollars. In 2014, the General Assembly created regional transportation authorities in Northern Virginia and Hampton Roads – each started to adopt similar processes to evaluate regionally significant projects, prioritize funding needs, and generate dedicated revenues for transportation projects. In addition, the 2019 General Assembly created the I-81 Authority, which provides a dedicated source of funding for projects that benefit a specific area delineated along the I-81 corridor in western Virginia.

Central Virginia Transportation Authority: At the 2020 General Assembly, legislation was adopted that created the Central Virginia Transportation Authority (CVTA), allowing the Richmond region to begin collection of tax revenues for the sole purpose of meeting transportation needs of the region. PlanRVA, recently rebranded from the Richmond Regional Planning District Commission, is celebrating its 50th anniversary in 2020 and it is fitting that in this anniversary year, the tools are now available to move the region from not just planning and prioritizing needs but having the tools to see those projects engineered and constructed.

Regional transportation issues

Context: Transportation needs can be unique to geographic area, and the CVTA is created specifically for the needs of central Virginia. The CVTA is responsible for the region encompassed by Planning District 15, or PlanRVA, and is comprised of the Town of Ashland, the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and the City of Richmond.

1. *Safety & Accessibility:* Residents and visitors of the Richmond region need safe and accessible transportation options, ranging from well-planned and functioning interstate interchanges to neighborhood streets and intersections that recognize the importance of all modes of travel.
2. *Maintenance & Capacity:* The regional transportation network encompasses roughly 5,700 lane miles of roadway (not including minor collectors and local roads) and the level of service of these corridors typically functions at a stable level. Some corridors do experience high traffic volumes at peak times and those flows need to be addressed to positively impact travel patterns. The region has a great need for continued maintenance and operation of the current travel network across all modes.

Central Virginia Transportation Authority Background and Introduction

Maintenance and operations needs typically come off the top of current funding mechanisms.

3. *Transit:* Transit demand is growing around the region. Access to jobs, meeting the mobility needs of the community and providing opportunities for residents are all needs to address. A long-term regional plan for transit will be developed that identifies regional transit priorities and informs the authority of the highest needs for the region.
4. *Local service:* Even before the onset of COVID-19, local government bodies in the region had massive backlogs of transportation projects that were years away from construction. As residents' travel needs evolve, more and more demands are placed on boards and councils to provide multimodal options for travel between home, work, and school.

Central Virginia Transportation Authority

Shaping Our Own Future: The creation of the CVTA allows the nine jurisdiction members of PlanRVA to plot their own course and have more ownership in transportation investments in central Virginia.

Funding Partner: The presence of the Authority will provide a resource for member governments and agencies that previously did not exist. A new partner that can leverage resources for competitive funding opportunities will help central Virginia compete on a larger scale.

Stability for Future Needs: Much like the future-forward planning work that occurs through PlanRVA, the CVTA will allow the region to look to the future, knowing that there is a stable foundation of financial resources to support investments in the region.

Funding Sources & Requirements: The Authority will administer transportation funding generated through the imposition of additional regional taxes:

1. Sales and Use tax of 0.7 percent (revenue collection begins October 2020)
2. Wholesale gas tax of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel (revenue collection begins July 2020). The gas tax rates are indexed for inflation.

Transit: Local maintenance of effort for transit funding is required to be at least 50 percent of what was provided on July 1, 2020, with such amount to be indexed beginning in 2023.

CVTA Functions & Powers

1. Transit Governance Report – The Authority is directed to review the governance structure of existing transit service in the Richmond region, and evaluate the possibility of creating a transportation district, and report its findings by December 1, 2020 to the Governor and the General Assembly
2. Development of a Regional Prioritization Process for project selection pertaining to the regional apportionment of revenues (35%)
3. Development of a Regional Public Transportation Plan that annually prioritizes regional transit projects and spending needs (15%)
4. Oversee the distribution of member locality revenues (50%)
5. Issue bonds as needed for project development and construction