



# **Construction and Maintenance Historical Funding Review**

## **Joint Committee to Study Interstate 73**

John W. Lawson

Chief Financial Officer

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# Information Request

- I. Funding provided to the Hampton Roads and Northern Virginia Districts over the 20 years**
  - Highway System Maintenance and Operations
  - Highway System Acquisition and Construction
- II. Regional revenues provided for Hampton Roads and Northern Virginia in HB 2313**
- III. Background and status of the Route 58 Corridor Program**

# Comparability of Data

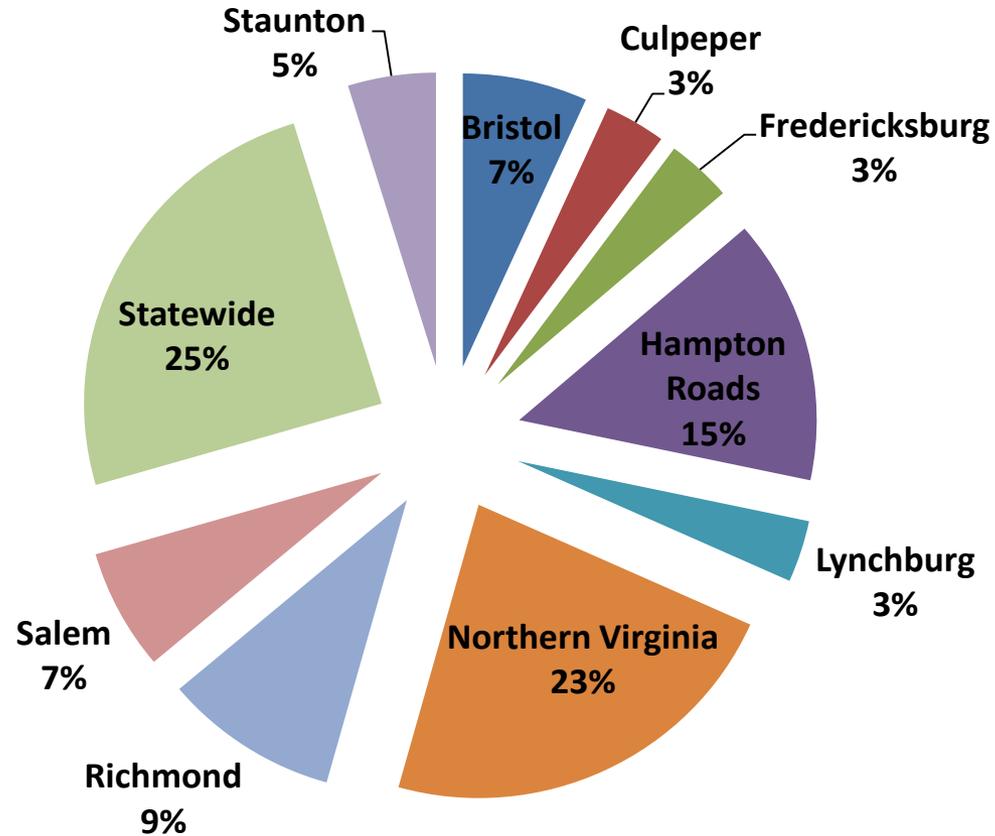
- ❑ **Over the time period, several changes occurred that impacted the distribution of funding and its source identification.**
  - Maintenance Program supplemented with federal funds beginning in 2006
  - Funding not available for distribution through the State Construction Formula after 2009
  - CPR Bonds have been used as Federal Match, State Share for Revenue Sharing, and for Statewide and Regional Projects as prescribed, beginning in FY 2008.
  - Fund type was not specifically identified prior to 2004; State and Federal funds distributed as a mix
- ❑ **Funding not committed to a district or locality that has not been allocated to a project is reported as statewide or central office**
- ❑ **Bond Programs (Route 58, Northern Virginia Transportation District, Route 28) authorized prior to the time period are not reported in the Construction Details**

# Funding Between FY 1996 and 2015 Statewide - Construction

- **\$25.5 Billion**
- **\$3.3 Billion from bond programs – 13 percent**
- **Includes \$1.1 Billion of local funding – 4.5 percent**
- **Federal funds represent approximately 48 percent of total**
- **State funds provide the remaining 34 percent**

<b>Fund Source</b>	<b>Amount (in millions)</b>	<b>Share</b>
Bonds/Bond Fund	\$ 3,315.8	13.0%
Federal	8,906.5	34.9%
Federal/State	6,658.0	26.1%
Local	1,145.3	4.5%
State	5,464.3	21.4%
<b>Grand Total</b>	<b>\$25,489.9</b>	<b>100.0%</b>

# Funding Between FY 1996 and 2015 Statewide - Construction



# Funding Between FY 1996 and 2015 Statewide - Maintenance

- **Maintenance allocation of \$22.2 Billion over the period**
- **Amounts distributed based on needs**
- **Can be influenced by snow and other disaster situations**

District	Amount (in millions)	Share
Bristol	\$1,968.6	8.9%
Culpeper	1,245.8	5.6%
Fredericksburg	1,398.7	6.3%
Hampton Roads	2,771.6	12.5%
Lynchburg	1,349.4	6.1%
Northern Virginia	3,208.8	14.5%
Richmond	2,696.3	12.2%
Salem	2,097.3	9.5%
Staunton	1,933.5	8.7%
Statewide	2,186.9	9.9%
Central Office	1,301.9	5.9%
<b>Grand Total</b>	<b>\$22,158.8</b>	<b>100.0%</b>

# District Details

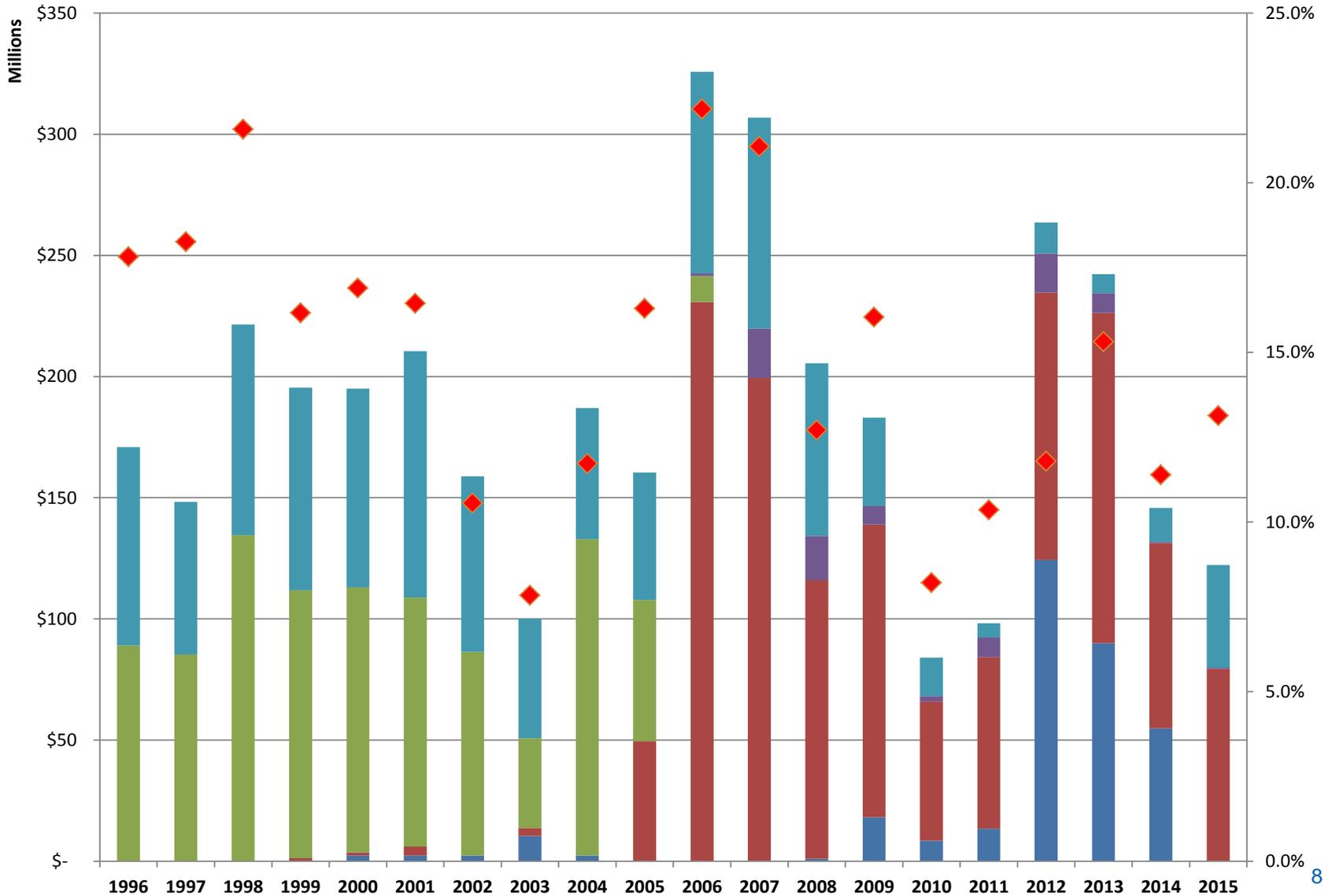
## Construction

	Amount (in millions)	Average Share	High	Low
Hampton Roads	\$3,725	15%	22% (2006)	8% (2003)
Northern Virginia	5,773	23%	36% (2011)	14% (2006)

**Major swings largely driven by investments on the interstate system.**

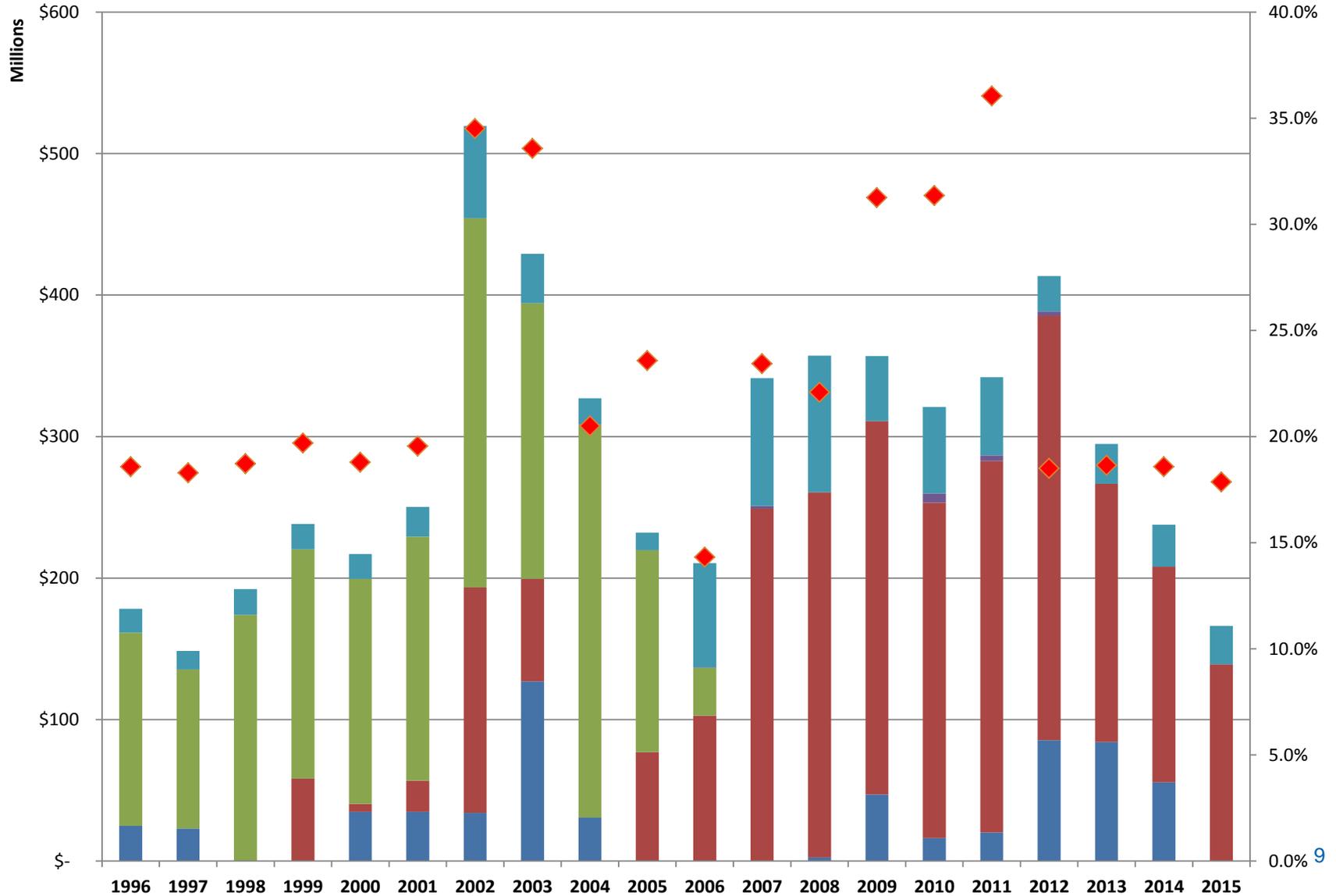
# Hampton Roads Construction

■ Bonds/Bond Fund 
 ■ Federal 
 ■ Federal/State 
 ■ Local 
 ■ State 
 ◆ Hampton Roads - Share of Total



# Northern Virginia Construction

■ Bonds/Bond Fund 
 ■ Federal 
 ■ Federal/State 
 ■ Local 
 ■ State 
 ◆ Northern Virginia - Share of Total



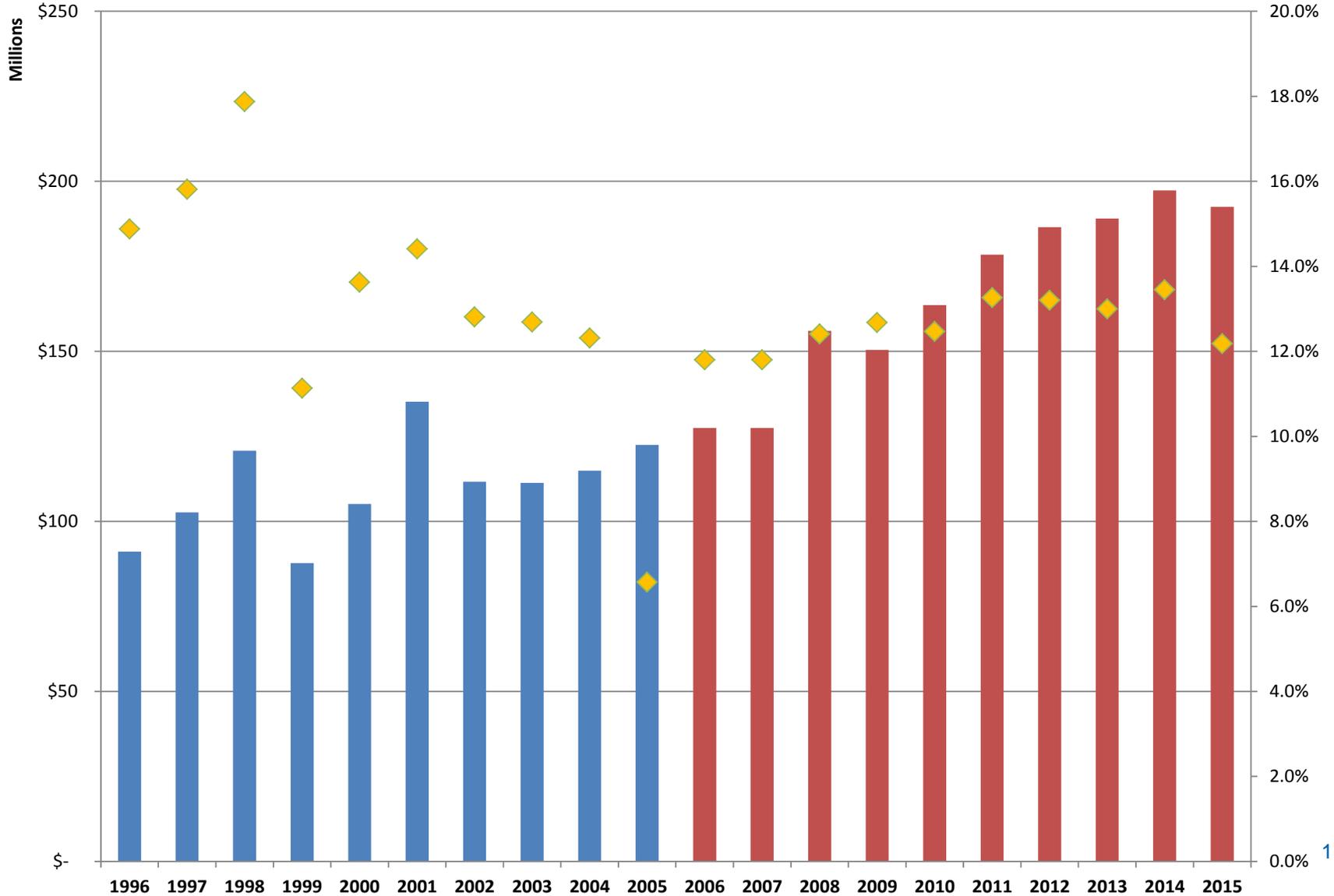
# District Details

## Maintenance

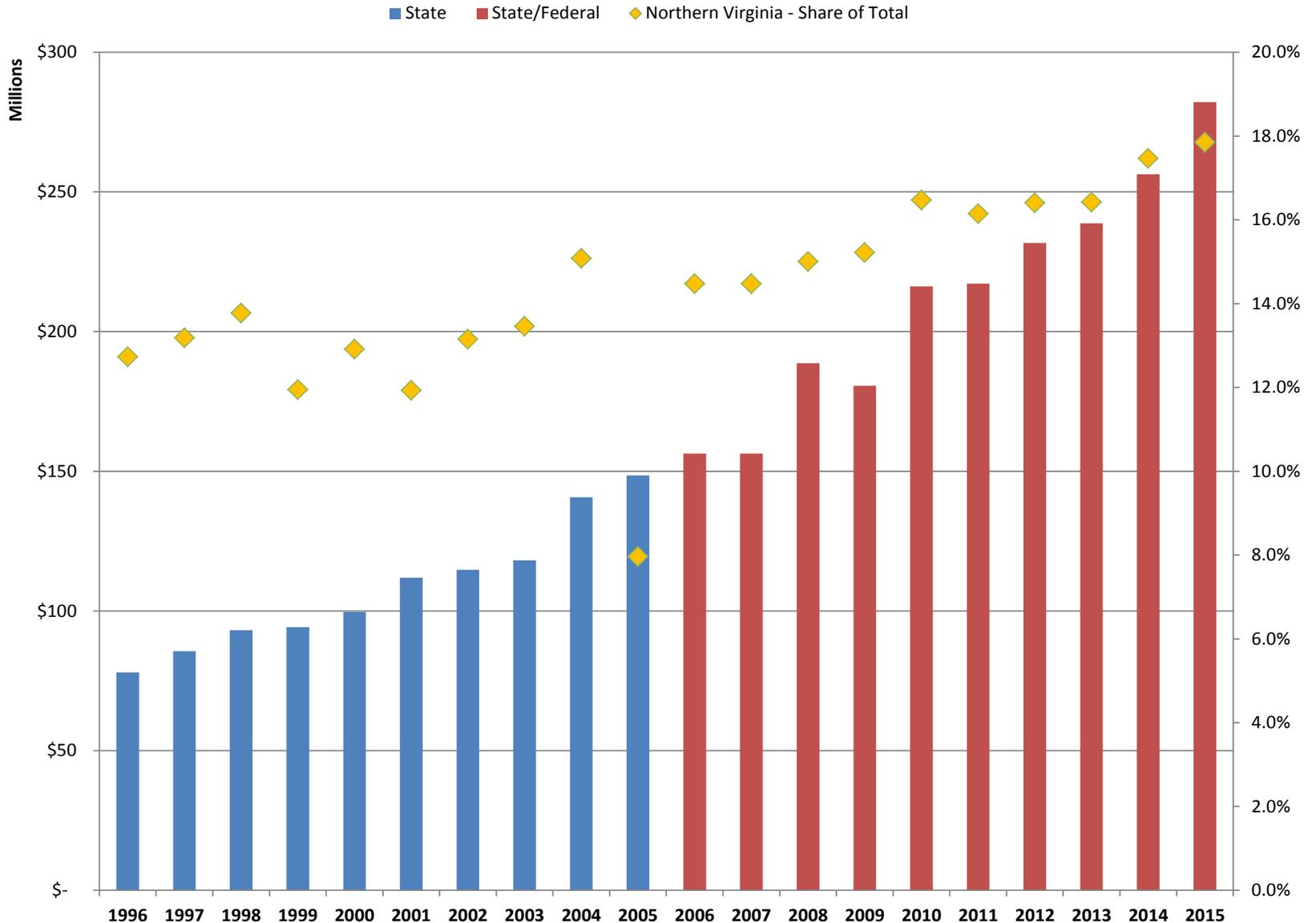
	Amount (in millions)	Average Share	High	Low
Hampton Roads	\$2,772	13%	18% (1998)	7% (2005)
Northern Virginia	\$3,209	14%	18% (2015)	8% (2005)

# Hampton Roads Maintenance

■ State ■ State/Federal ◆ Hampton Roads - Share of Total



# Northern Virginia Maintenance



# Funding by Category

## Construction

	Grand Total (in Millions)	Share of District Total		Grand Total (in Millions)	Share of District Total
<b>Hampton Roads</b>	<b>\$ 3,725.4</b>		<b>Northern Virginia</b>	<b>\$ 5,773.3</b>	
Bonds/Bond Fund	330.4	8.9%	Bonds/Bond Fund	619.8	10.7%
Federal	1,255.5	33.7%	Federal	2,542.3	44.0%
Federal/State	952.5	25.6%	Federal/State	1,826.6	31.6%
Local	83.0	2.2%	Local	15.9	0.3%
State	1,104.0	29.6%	State	768.6	13.3%

## Maintenance

	Grand Total (in Millions)	Share of Grand Total		Grand Total (in Millions)	Share of Grand Total
<b>Hampton Roads</b>	<b>\$ 2,771.6</b>	<b>12.5%</b>	<b>Northern Virginia</b>	<b>\$ 3,208.8</b>	<b>14.5%</b>

# Chapter 766 (HB 2313, 2013 Session)

## Revenues Dedicated to Regional Entities

- **The legislation generated revenues specifically for Hampton Roads and Northern Virginia and future Planning Districts that meet specific transportation related criteria**
  - Hampton Roads
    - 0.7% local sales tax
    - 2.1% Sales Tax on Fuel
  - Northern Virginia
    - 0.7% local sales tax
    - Regional congestion relief fee - \$0.15 per \$100
    - Northern Virginia transient occupancy tax – 2%
- **These dedicated revenues will support the acceleration of existing or additional road and bridge projects**
- **The regional revenues must be used to supplement any funding the two regions are otherwise entitled; cannot supplant other revenues**



# Regional Revenue Collections

(In millions)

## Northern Virginia Transportation Authority Fund

Revenue Source	FY 2014 Collections	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate
0.7% Local Sales Tax	\$203.9	\$244.5	\$239.8	\$249.9
Regional Congestion Relief Fee	38.0	39.2	40.5	40.5
Transient Occupancy Tax	19.5	26.0	26.0	26.0
Interest Earnings	0.1	-	-	-
<b>Total</b>	<b>\$261.5</b>	<b>\$309.7</b>	<b>\$306.3</b>	<b>\$316.4</b>

# Regional Revenue Collections

(In millions)

## Hampton Roads Transportation Accountability Commission

Revenue Source	FY 2014 Collections	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate
0.7% Local Sales Tax	\$107.4	\$128.9	\$126.3	\$131.7
2.1% Sales Tax on Fuel	37.2	45.5	45.5	44.5
Interest Earnings	0.4	-	-	-
Total	\$145.0	\$174.4	\$171.8	\$176.2



# Route 58 Corridor Development Program

- ❑ **1989 – General Assembly authorized the Fund and Program**
  - Program created to enhance economic development potential across the largely rural portion of the state and improve travel on the mostly two-lane winding and hilly road
  - \$600 million in revenue bonds
  - Designated first \$40 million of state recordation tax revenues for program funding
  
- ❑ **1999**
  - Increased the debt authorization for the Program by \$104.3 million
  - Specified projects within the Program that would benefit from the increased authorization
  - Appropriation Act language required the Secretary of Transportation and the Governor to provide funding to support debt service on the additional debt authorization

# Route 58 Corridor Development Program

## □ 2013 - Chapter 296

- Increased the debt authorization for the Program from \$704.3 million to \$1.3 billion
- Specified sections within the Program to benefit from the increased debt authorization as follows:
  - Crooked Oak Section
  - Vesta Section
  - Lover's Leap Section
- Required that any debt be supported by the Program's revenues

## □ 2013 – Chapter 766, HB 2313

Beginning in FY 2020, a deposit of \$20 million from the Construction Fund Share of the TTF will be made to the Fund

# Route 58 Corridor Development Program

## Commonwealth Transportation Board Actions to date:

- Issued \$200 million in revenue bonds in December 1989
- Issued \$98.7 million in revenue bonds in November 1996
- Issued \$204.9 million in revenue bonds in November 1999
- Issued \$102.1 million in revenue bonds in September 2001

# Route 58 Corridor Development Program

## Activity to date, Report as of 4/30/2014

(Annual Update in progress)

- Program expenditures totaled \$1.273 billion**
  - \$595 million from bond proceeds
  - \$263 million in corridor funds
  - \$415 million from other transportation sources
  
- Plan to begin issuing additional debt in 2020 related to the last increase**

# Current Construction and Future Improvements

- ❑ **In 2003, VDOT entered into a PPTA agreement with Branch Highways, Inc. to develop, design and construct the remaining 36 miles of Route 58 (Hillsville to Stuart). This agreement was broken into multiple phases, each contingent on funding:**
  - Phase 1: Three-mile segment crossing the Blue Ridge Parkway at Meadows of Dan (completed November 2005, on budget and ahead of schedule).
  - Phase 2: Five-mile Hillsville Bypass in Carroll County (completed August 2011, on budget and ahead of schedule).
  - Phase 3: Eight-mile Laurel Fork/Tri-County Project in Carroll, Floyd and Patrick Counties (in progress, to be completed by December 2015).
  
- ❑ **Remaining Phases: Twenty-mile improvements between Hillsville and Stuart.**

To be completed with additional bond issuance authorized in 2013