



COMMONWEALTH *of* VIRGINIA
Office of the
SECRETARY *of* TRANSPORTATION

Legislative Update

Deputy Secretary Nick Donohue
January 13, 2015

Governor's Transportation Package

- **Address issues from past public-private partnership deals**
- **Provide local governments with transportation funds**
- **Fix aging bridges and pavements**
- **Ensure transit needs are met**
- **Increase independence of the Commonwealth Transportation Board**

Codifying PPTA Reforms

- **Proposed legislation codifies key concepts developed based on direction from the Board and are consistent with the revised PPTA guidelines**
- **Sponsored by Delegates Jones and Rust**
- **Changes will ensure there will not be another “460” situation**

Codifying PPTA Reforms

- **Establishes PPTA Steering Committee**
 - 2 CTB members
 - Staff director of House Appropriations and staff director of Senate Finance
 - Deputy Secretary of Transportation
 - CFO of VDOT/DRPT
 - Financial expert outside of VDOT/DRPT
- **Committee will review potential P3 projects and determine whether they should move forward through P3 procurement**

Codifying PPTA Reforms

- **Requires the issuance of a “Finding of Public Interest” prior to initiation of procurement**
 - **Benefits to procuring project through PPTA**
 - **Risks, liabilities and responsibilities for the private sector versus the public sector**
 - **Whether project has high, medium, or low project delivery risk**
- **Commissioner/Director may only sign comprehensive agreement if Secretary of Transportation certifies that Finding has not materially changed**

Codifying PPTA Reforms

- **Requires VDOT to develop a risk assessment model to determine the level of project delivery risk for projects in advance of procurement**
- **Process and guidelines must be developed by September 2015**

Omnibus Transportation Proposal

- **Sponsored by Delegates Jones and Rust**
- **Key Provisions include:**
 - **Provide local governments with transportation funds**
 - **Fix aging bridges and pavements**
 - **Address transit capital funding**
 - **Increase independence of the Commonwealth Transportation Board**

Omnibus Transportation Bill

- **Replaces “CTB” formula and “40-30-30” formula**
 - **Gets funds back to local governments**
 - **Ensures funding for state of good repair**
 - **Increases transparency by running more funds through formula**
- **All state and federal funds would run through formula except for crossover, debt service, and specialized federal and state funds (safety, TA, CMAQ, planning)**

Omnibus Transportation Bill

- **Funds would be allocated as follows:**
 - 40% for state of good repair purposes
 - 30% for high priority projects
 - 30% for construction district grants
- **Proposed formula would apply to funds available for allocation starting in FY21**
- **Between now and FY21, funds de-allocated from projects due to HB2 will be used as follows – 50% for high priority projects and 50% for construction district grants**

Omnibus Transportation Bill

- **State of Good Repair purposes include**
 - **Structurally deficient bridges including locally owned facilities**
 - **Deteriorated interstate and primary pavements including municipal extensions**
- **Board required to develop priority ranking system based on condition and select projects based on system**
 - **System to be developed by January 2016**

Omnibus Transportation Bill

- **High Priority Projects**
 - **Statewide selection of projects for needs on corridors of statewide significance and regional networks**
 - **Projects evaluated by HB2 process**
- **Construction District Grant Programs**
 - **Funds distributed to districts based on 40-30-30 formulas**
 - **Local governments apply for funds within their district for needs in regional networks and to promote growth areas**
 - **Projects evaluated by HB2 process**

Omnibus Transportation Bill

Program	FY21 Funding Levels
State of Good Repair	\$228.3M
High Priority Projects	\$171.3M
<i>Smart Roadway Projects</i>	<i>Up to \$25M</i>
Construction District Grants	\$171.3M
<i>Unpaved Roads</i>	<i>Up to \$25M</i>

Omnibus Transportation Bill

Each district will receive the same share they would under “40-30-30” formula

District	40-30-30 Share	Proposed Share
Bristol	7.1%	7.1%
Culpeper	6.2%	6.2%
Fredericksburg	6.9%	6.9%
Lynchburg	7.1%	7.1%
Northern Virginia	20.7%	20.7%
Richmond	14.4%	14.4%
Salem	9.6%	9.6%
Staunton	7.8%	7.8%
Hampton Roads	20.2%	20.2%

Omnibus Transportation Bill

- **Provides ~\$50M to address transit capital needs statewide starting FY17**
- **Funds transferred from all other modes**
 - **1% motor vehicle rental tax from Rail Enhancement Fund - ~\$9M**
 - **1 cent recordation tax from HMOF - ~\$12M**
 - **16% of the 1.6% gas tax increase – VDOT, Ports, Aviation, DMV - ~\$29M**

Omnibus Transportation Bill

- **Provides that members of the Commonwealth Transportation Board may only be removed with cause starting July 1, 2017 and removes VPA**
- **Provides 2/3 of interest earnings annually to the Virginia Transportation Infrastructure Bank**
- **Allows Toll Facilities Revolving Account funds to be transferred to the Bank**
- **Provides 1/3 of interest earnings annually to the Transportation Partnership Opportunity Fund to support economic development**

Omnibus Transportation Bill

- **Revises requirements for VDOT Annual Report to provide improved transparency regarding use of HMOF and state of good repair funds**
 - **List of bridge and pavement projects developed pursuant to priority ranking system**
 - **Projected future conditions of assets**
- **Provides one-time authority for DRPT to enter into an availability payment based P3 to improve rail service along the I-95 corridor**