

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 25, 2008
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO #7: NVTA REVENUES IN THE PROPOSED FY 2009 BUDGET AND FY 2009-2014 CIP

You received an e-mail inquiry/comment from Mr. Brian J. Hunt the day after the introduction of the budget. Mr. Hunt pointed out that Alexandria residents are being taxed as part of the taxes levied by the Northern Virginia Transportation Authority (NVTA) and he asked that we "add the new NVTA taxes in, or as an addendum to, the budget report, and to hold on-budget revenue growth to less than 2.9 percent in recognition of the off-budget revenue growth from the new NVTA taxes." These revenues were not excluded from the City's FY 2009 proposed budget, but rather they are included in the normally accepted way we include funding received from other levels of government which is either the CIP or the Special Revenue Fund.

The one tax, the vehicle registration or "decal" fee, levied by the City itself under the authority of the same legislation establishing the ability of the NVTA to levy other taxes is shown as general revenue of \$700,000 in the general fund budget (see p. 7-30 of the Proposed FY 2009 Operating Budget), and shown as a transfer out of the General Fund to the CIP.

The budget includes \$1.7 million in revenues from the NVTA in the "All Funds" budget. Because these taxes are not levied by the City itself, but by NVTA, these revenues are budgeted like grants from another level of government restricted for specific purposes as special revenues. Alexandria residents also pay taxes to the Federal and State governments that in turn are sometimes returned to Alexandria in the form of grants for specific projects, and these funds, as well as NVTA funds are treated in a similar fashion. These NVTA funds are to be used for opening expenses such as the King Street Trolley (\$1.0 million), two new positions in the Department of Transportation and Environmental Services (a parking planner and a transportation planner) and additional transportation consultant services (\$0.3million), and DASH operating costs (\$0.4 million).

In addition to the \$1.7 million in operating costs to be funded by NVTA revenues, the capital budget also shows \$5.8 million in NVTA revenue being used a sources of funding for the Capital Improvement Program (CIP) in FY 2009 (see p. 5-3 of the FY 2009 Proposed CIP). These funds are also treated as grant funds in the presentation of the CIP budget, similar to funding to

be received from the Federal and State governments for specific capital projects. They are being proposed for use for DASH bus fleet expansion (\$1.0 million), a contingent for Potomac Yard Metro Station Feasibility Planning (\$2.5 million), King Street paving (\$0.8 million), Washington Street paving (\$0.8 million), and the new DASH bus facility (\$0.7 million).

The \$8.5 million in total NVTA funds estimated to be available to the City in FY 2009 are not equal to the total amount of revenue that will be collected from Alexandria taxpayers by the NVTA. That amount is approximately \$16.2 million as estimated by the NVTA. The NVTA (depending on federal legislation) plans to pay a portion (\$7.8 million) of its revenues directly on behalf of the City to the Washington Metropolitan Area Transit Authority (WMATA), which operates the Metrorail and Metrobus systems for the costs of WMATA capital projects in Northern Virginia. It also is going to hold 60% of the funds for transportation projects of regional significance that will benefit Alexandrians who travel both within and without City boundaries. Over time, 60% of such projects should be within Alexandria's borders.

The attached table shows the planned use of NVTA 40% funds under local control not only in FY 2009 but through FY 2014.

Attachment: Proposed Uses of NVTA 40% Funding Under Local Control

PROPOSED USES OF NVRTA 40% FUNDING UNDER LOCAL CONTROL

SOURCES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	TOTAL (08/14)
NVRTA 40% Revenues	\$2,166,667	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$41,166,667
Carryover Balance from Prior Fiscal Year		\$1,966,667	\$926,440	\$56,375				\$2,949,482
Total Sources	\$2,166,667	\$8,466,667	\$7,426,440	\$6,556,375	\$6,500,000	\$6,500,000	\$6,500,000	\$44,116,149

USES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	TOTAL (08/14)
King Street Trolley*	\$200,000	\$1,000,000	\$1,050,000	\$1,102,500	\$1,157,625	\$1,215,506	\$1,276,282	\$7,001,913
DASH Bus Fleet Expansion		\$1,020,000	\$1,071,000	\$1,124,550	\$1,180,778	\$1,239,816	\$1,301,807	\$6,937,951
Contingent for Potomac Yard Metro Station Feasibility Planning		\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$15,000,000
Parking Planner		\$120,000	\$126,000	\$132,300	\$138,915	\$145,861	\$153,154	\$816,230
Transportation Planner + Prof Services		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,200,000
King Street Paving		\$822,000						\$822,000
Washington Street Paving*		\$800,000						\$800,000
Madison/Montgomery Paving**			\$2,010,000					\$2,010,000
Edsall Road Paving***				\$615,250				\$615,250
DASH Facility City Match		\$671,662						\$671,662
DASH New Operating Costs (service expansion)		\$130,000	\$136,500	\$143,325	\$150,491	\$158,016	\$165,917	\$884,249
DASH Adjustments to Base Budget Increase		\$276,565	\$276,565	\$276,565	\$276,565	\$276,565	\$276,565	\$1,659,390
Uses TBD				\$461,885	\$895,626	\$764,236	\$626,276	\$2,748,023
Carryover Balance to Next Fiscal Year	\$1,966,667	\$926,440	\$56,375	\$0	\$0	\$0	\$0	\$2,949,482
Total Uses	\$2,166,667	\$8,466,667	\$7,426,440	\$6,556,375	\$6,500,000	\$6,500,000	\$6,500,000	\$44,116,149

*Total project cost of \$1.8M (Balance from VDOT revenue sharing)

**Total project cost of \$4.4M (Balance from City CIP funds)

***Total project cost of \$2,315,250 (Balance from City CIP funds)