

Status of HB 3202 Implementation



Alexandria City Council
June 12, 2007

Status of Implementation



Background:

- General Assembly approved the Governor's Amendments to HB 3202 on April 4, 2007.
- The bill contains three major portions affecting Northern Virginia, Hampton Roads and the entire state. This presentation is primarily focused on Northern Virginia portion of the bill.
- The bill is effective on July 1, 2007.

Authorized Taxes and Fees



Background (continued):

<u>Tax/Fee Authorized</u>	<u>Rate</u>
• Grantor's Tax	40¢/\$100 valuation
• Motor Vehicle Rental Tax	2% of total
• Transient Occupancy Tax	2% of total
• Safety Inspection Fee	\$10/year
• Sales Tax on Auto Repairs	5% of total
• Regional Registration Fee	\$10/year
• Initial Vehicle Registration Fee	1% of value

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Background (continued):

- The Hampton Roads area was permitted to establish its own transportation authority which may enact the same seven taxes and fees.
- In addition, HB 3202 allows Northern Virginia localities to enact a commercial real estate assessment and a local vehicle registration fee.

Localities were also given impact fee authorities in certain circumstances.

- If NVTA adopts all of the taxes and fees, it could raise more than \$300 million annually for transportation projects.

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Allocation for NVTA Funds



Background (continued):

- 60% to NVTA.
 - Priorities:
 - debt service on any bonds issued;
 - \$50 M per year for Metro capital expenses;
 - \$25 M per year for VRE capital and operating expenses.
- 40% to localities in which funds are raised.
 - Priorities:
 - 50% on urban and secondary roads, except Alexandria, Arlington and Falls Church.
 - Remainder for projects in long range plan (TransAction 2030) or transit.
- Alexandria, Arlington and Falls Church can use all of their revenues for projects in the long range plan or transit.
- Overall, funds must generally be distributed to projects and services benefiting the localities proportionally, based on where the funds were raised.

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NVTA Actions:

- On May 10, 2007, NVTA established five working groups to review various aspects of the bill and NVTA's authorizing legislation, and to make recommendations to NVTA.
- The five working groups are: Legal, Financial, Project Implementation, Public Outreach and Organizational.
- Working groups were directed to prepare recommendations by June 1, 2007.
- On June 6, 2007, each working group formally presented their recommendations to NVTA.

Key Recommendations



Legal Working Group (LWG)

- Prepare the following documents for NVTA consideration July 12, 2007:
 - proposed resolutions for adopting each of the taxes and fees;
 - a proposed resolution of intent to issue debt for specifically identified projects; and
 - a proposed resolution authorizing the filing of a bond validation suit on July 13, 2007.
- Develop a scope of services and interview, select, and retain bond counsel subject to extension and amendment by NVTA on July 12, 2007.
- Establish a small "Council of Counsels," consisting of attorneys from the City of Alexandria, and Arlington, Fairfax, and Prince William Counties to provide legal advice, legal support, and legal services to NVTA.

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Key Recommendations



Financial Working Group (FWG)

- Direct the FWG to work with jurisdictions and its regional organizations to begin the financial implementation of HB 3202 until NVTA directs and/or hires appropriate staff or consultants to do so.
- Begin the *process* of developing a scenario for providing the Chief Financial Officer (CFO) and staff accountant functions.
- Direct the FWG, to develop an estimate of start-up costs assuming initial, short-term, assistance from jurisdictions and contract assistance from a financial consulting firm.
- Contract with the appropriate bond counsel and financial advisor to put together the financing package to include in the bond sale and to develop a bond resolution for an initial small issuance for the NVTA's consideration at the July meeting. The issuance will be used to support a bond validation suit.

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Key Recommendations

Financial Working Group (FWG)

- Authorize the FWG and LWG to prepare a plan to procure banking services and establish separate bank accounts to deposit initial tax and fee revenues, until such time as a CFO is hired/procured and appropriate accounting software obtained by NVTA. The banking and investment plan should be presented to the NVTA for consideration and approval at the July meeting.
- Authorize the FWG and LWG to develop an interim MOU with a local government or existing transportation agency to utilize its existing computer system to account for NVTA's revenue.
- Authorize the FWG and LWG to draft model MOUs and explore implementation strategies that can be used with member localities and the state for the administration of NVTA's fees and taxes.

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Key Recommendations

Project Implementation Working Group (PIWG)

- Task the Interim Technical Committee (ITC) to develop a list of projects ready for construction, by July 12, 2007.
- Task the ITC to recommend a general project development process tailorable to specific projects by November 1, 2007.
- Task the ITC to recommend a project prioritization process for projects in the adopted CLRP using previously adopted criteria.
- Task the ITC to recommend a six-year project implementation program with funding streams by November 1, 2007.
- Task the LWG, with the ITC, to develop a tailorable general project management agreement.
- Recognizing their benefits and staff resources needed to manage them, adopt a policy that no unsolicited PPTA proposals will be accepted until NVTA has sufficient management resources to review, analyze and negotiate them.

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Key Recommendations

Public Outreach Working Group (POWG)

- Accept the draft outline of the Strategic Communications Plan and Public Outreach Sub-Groups report. This outline is a road map to promote NVTA's critical role as an advocate for the transportation needs of Northern Virginia.
- Appoint an acting Public Information Officer (PIO) for NVTA.
- Approve a series of town hall meetings to be held prior to the July 12, 2007 Public Hearing, if the NVTA intends to move forward with adoption of the taxes and fees authorized by the General Assembly -- and if desired by the local jurisdictions.
- Direct staff to establish and build relationships with Northern Virginia residents, stakeholder groups, businesses, media, transportation agencies, special interest groups.
- Direct staff to further develop short-term, mid-term and long term communications objectives for NVTA's consideration.

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Key Recommendations

Organizational Working Group (OWG)

- Approve a job description and advertisement for an executive director to be hired under contract to the NVTA for an initial period of two years. Establish a small group of individuals to manage the hiring process and conduct initial interviews with the intent of having an executive director hired by September 2007.
- Establish the Technical Advisory Committee and the Planning Coordination Advisory Committee.
- Direct the OWG to seek, on a temporary basis, a business address and phone number, and a location suitable for up to five employees/contractors, and for NVTA and its committees to meet.
- Continue to rely on existing administrative arrangements, local staff support, and working group support, combined with the three committees, until an executive director arrives and leads the further transformation of the NVTA.

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Next Steps:

- NVTA and its working groups are preparing for an NVTA public hearing on July 12, 2007.
- The hearing will be held at Mary Ellen Henderson Middle School, 7130 Leesburg Pike, in Falls Church. A press release is forthcoming, and information will be made available on the website.
- NVTA is working with jurisdictions to hold public information meetings to explain the bill and the working group recommendations prior to the public hearing, as requested.
- If NVTA adopts any of the taxes and fees, it will need to establish a 60 day implementation period before they are effective.

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Next Steps:

- Comments on the recommendations are now being accepted by mail:
3060 Williams Drive, Suite 510; Fairfax, Virginia 22031
- The NVTA website will be active by June 18, 2007.
E-mail comments will also be accepted when the site is up and running.

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