



COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

Transportation in Virginia

Pierce R. Homer
Secretary of Transportation
June 2009



Virginia Department of Rail and Public Transportation



Table of contents

- **Economic Situation**
- **ARRA Update**
- **Six-Year Improvement Program Update**
- **VDOT Blueprint Update**
- **Ability to Meet Core Priorities**

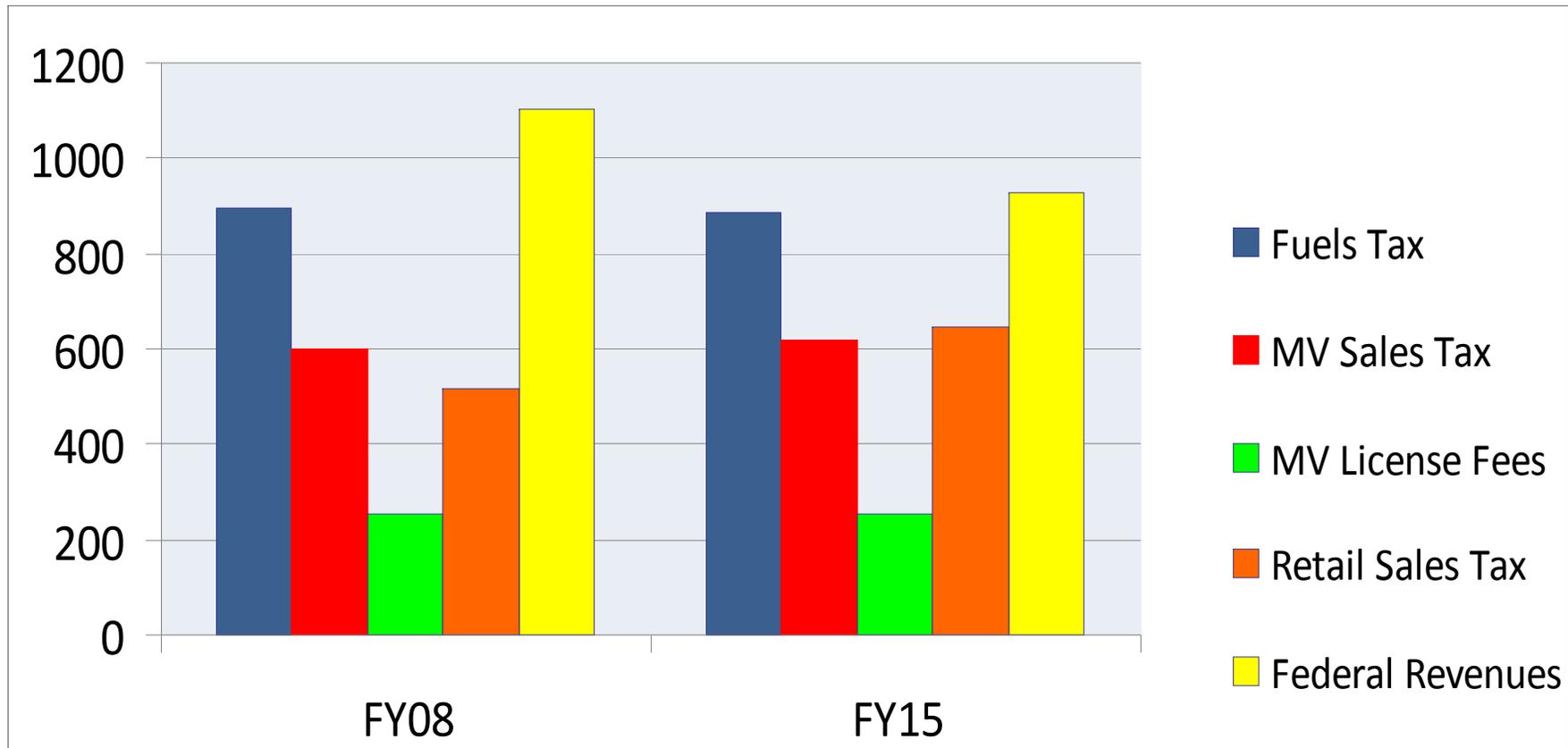
Current Trends in Virginia

- **TEUs at Port of Virginia down 22.1% in April 2009 compared to April 2008**
- **Diesel tax collections are down 14.5% in April 2009 compared to April 2008**
- **Motor vehicle sales tax collections are down 28.2% in April 2009 compared to April 2008**
- **Recordation tax revenue estimates for FY10 are down 47% from 2007 estimates**
- **Original vehicle registrations are down 11.4% in April 2009 compared to April 2008**
- **Virginia's air carrier capacity is down more than 12%**
- **Latest Congressional Budget Office estimate predicts \$13.5 billion reduction in federal funds – a 33% decline**

2010 – 2015 CTB Six-Year Financial Plan Estimated Revenues (in millions)

	2010	2011	2012	2013	2014	2015	Total
State Transportation Revenues							
HMO	\$1,327.0	\$1,349.1	\$1,366.9	\$1,402.3	\$1,427.1	\$1,456.3	\$8,328.7
TTF net interest	883.8	909.4	940.3	978.7	1,014.5	1,051.4	5,778.1
PTF (From TTF)	149.9	157.7	165.3	172.9	180.8	189.2	1,015.8
Local and Other Revenues	367.5	271.7	242.0	224.4	221.1	219.9	1,546.6
Total	<u>2,728.2</u>	<u>2,687.9</u>	<u>2,714.5</u>	<u>2,778.3</u>	<u>2,843.5</u>	<u>2,916.8</u>	<u>16,669.2</u>
Federal Revenues	<u>919.8</u>	<u>901.7</u>	<u>907.7</u>	<u>913.8</u>	<u>919.8</u>	<u>925.9</u>	<u>5,488.8</u>
Total Revenues	<u>3,648.0</u>	<u>3,589.6</u>	<u>3,622.2</u>	<u>3,692.0</u>	<u>3,763.4</u>	<u>3,842.7</u>	<u>22,157.9</u>
Other Financing Sources							
Capital Improvement Bonds	206.1	240.8	212.4	207.8	208.3	146.6	1,222.1
Total Revenues and Other Financing Sources	\$3,854.1	\$3,830.4	\$3,834.6	\$3,899.9	\$3,971.7	\$3,989.4	\$23,380.0

Major Transportation Revenues



ARRA Transportation Projects in Virginia Summary

• Transit Projects	\$116.1 million
• Enhancement	\$20.8 million
• BRAC	\$96.0 million
• Structurally Deficient Bridges	\$116.1 million
• Deficient Pavements	\$114.6 million
• Rail Projects	\$61.7 million
• Additional Highway Projects	\$175.6 million
• Urban MPO Projects	\$117.8 million

* Figures slightly higher than total apportionment due to low contract bids

ARRA Milestones

- **February 17:** ARRA signed by President
- **March 2:** Virginia received its apportionment from USDOT
- **April 6:** Secretary Homer provided list of eligible projects to General Assembly
- **April 16:** Commonwealth Transportation Board (CTB) allocated \$328 million for highway projects and \$17.3 million for small urban and rural transit projects
- **May 12:** CTB allocated \$204 million for highway projects
- **June 16:** FHWA notified VDOT that it has met the 50% obligation requirement
- **June 18:** CTB allocated \$52.7 million for highway projects

Three Year Comparison of Transit and Rail Six Year Program

	FY 08 - 13	Revised FY 09 - 14	FY 10 - 15
Public Transit	\$ 1,780	\$ 1,833	\$ 1,739
Rail	287	260	242
Dulles Metrorail	799	822	46
Total	\$ 2,866	\$ 2,915	\$ 2,027

(Figures in millions)

Investments in Public Transportation and Travel Demand Management

- **Major transit projects in large urban areas that will improve mobility, generate jobs and promote economic development.**
 - Dulles Corridor Metrorail
 - Richmond Bus Rapid Transit Alternatives Analysis
 - Norfolk Light Rail
- **Start new transit service in Haymarket, VA**
- **New locomotives for VRE**
- **Metro Matters program (\$50 million annually)**
- **185 Buses for Transit and Human Service**
 - 154 replacement vehicles that will reduce maintenance costs and improve reliability
 - 31 vehicles that will improve upon existing services or be used for new services

Rail Programs: Rail Enhancement Fund and Demonstration Projects

- Includes \$217 million for 14 projects for freight and passenger rail needs over the six-year period
 - Capital improvement in the I-95/I-64 and I-81/Rte. 29 rail corridors
 - Crescent Corridor and National Gateway freight intermodal initiatives
 - Intercity Passenger Rail, Virginia Port Authority, VRE Commuter Rail, and High Speed Rail initiatives
- Pilot intercity passenger service for 3 years
 - Lynchburg to Washington, DC
 - Richmond to Washington, DC
 - \$17.2 million in FY 10 – FY 12 for operational subsidy

Major Transit and Rail Initiatives



\$9 billion in Public Private Partnerships

	Construction complete	Phase Two underway	Reassigned from original private partner	Private Investment	Concession Agreement
Route 28	√	√		√ - tax district	
APM/Maersk Private Port Terminal	√			√ - equity and risk	
Coalfields Expressway			√	√ - equity and risk	
Pocahontas Parkway	√	√	√	√ - equity and risk	√
Jamestown 2007	√				
Route 288	√			√ - pavement risk	
Route 58	√	√		√ - risk	

\$9 billion in Public Private Partnerships

	Construction complete	Next Phase underway	Reassigned from original private partner	Private Investment	Concession Agreement
Heartland Corridor				√ - equity and risk	
Dulles Rail				√ - tax district and risk	
I-495 HOT Lanes				√ - equity and risk	√

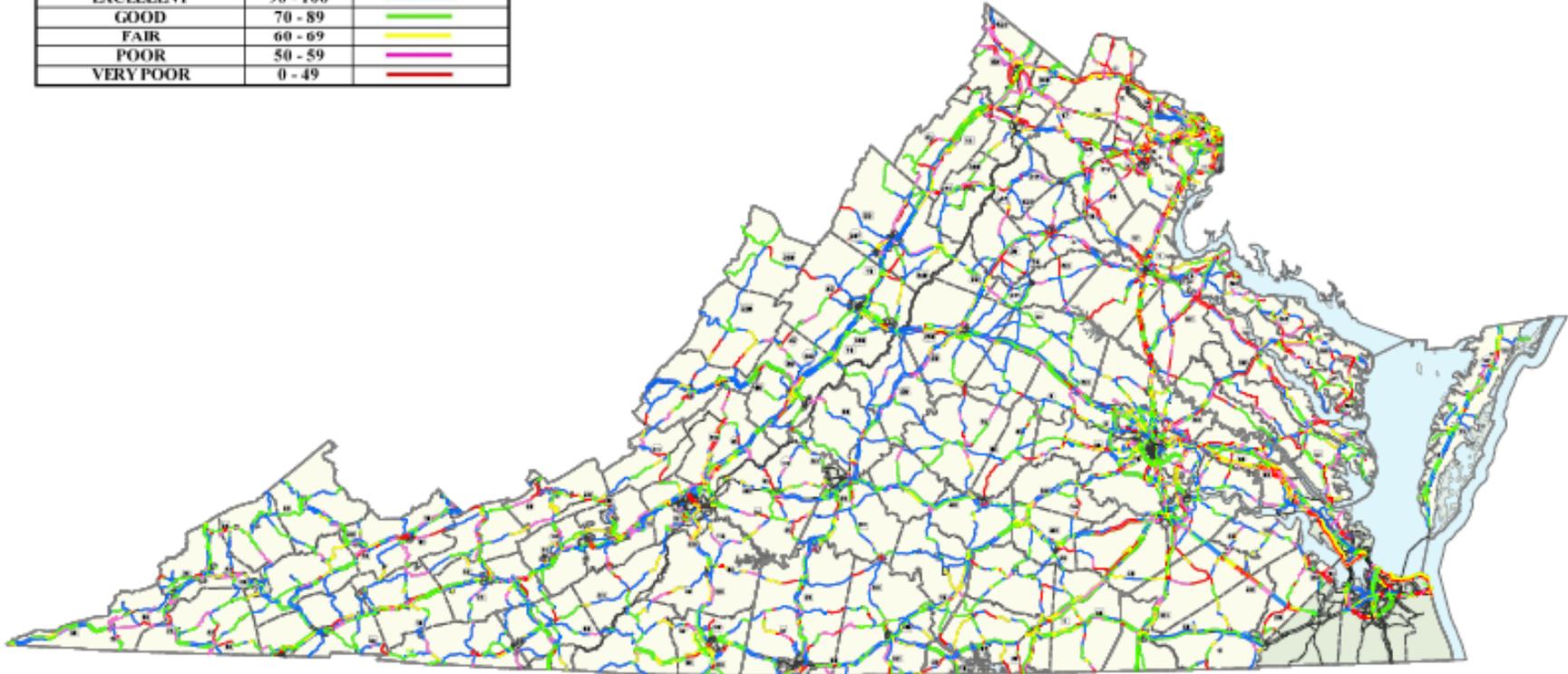
Three projects are under active P3 procurement - \$4 billion in construction

- I-395/I-95 HOT Lanes – studies indicate that tolls can support; environmental review complete
- Downtown/Midtown Tunnels/Martin Luther King Freeway Extension – Independent Review Panel appointed
- Route 460 – Detailed proposals sent to private sector December 2008

INTERSTATE AND PRIMARY PAVEMENT CONDITION - 2008

\$1 Billion in immediate needs

PAVEMENT CONDITION	CCI RATING	COLOR SCHEME
EXCELLENT	90 - 100	Blue
GOOD	70 - 89	Green
FAIR	60 - 69	Yellow
POOR	50 - 59	Magenta
VERY POOR	0 - 49	Red



0 5 10 20 30 40 Miles

— Denotes pavement sections 1) not maintained by VDOT
2) overlaps with other sections 3) not rated

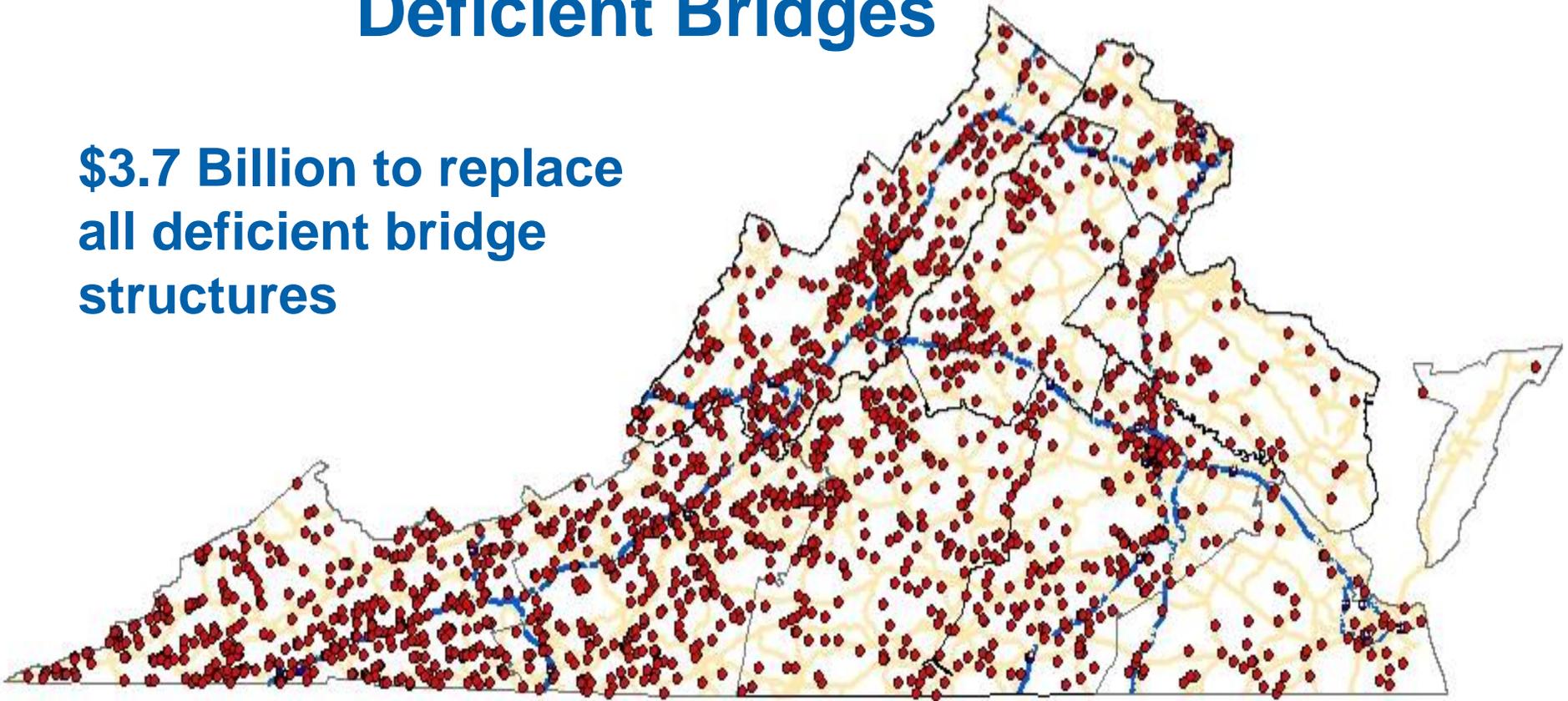
Note: Data was collected between December 2007 and March 2008

VDOT Virginia Department
of Transportation

Asset Management

Commonwealth Priorities: Deficient Bridges

**\$3.7 Billion to replace
all deficient bridge
structures**



Transit: State of Good Repair

- **DRPT in process of implementing asset management system to determine transit capital replacement needs**
 - Identifies vehicle and other asset replacement needs
 - Help improve fleet dependability and safety
 - Will consider capital backlog and annual needs
- **WMATA estimates its state of good repair needs to be \$7.1 billion in the next ten years**

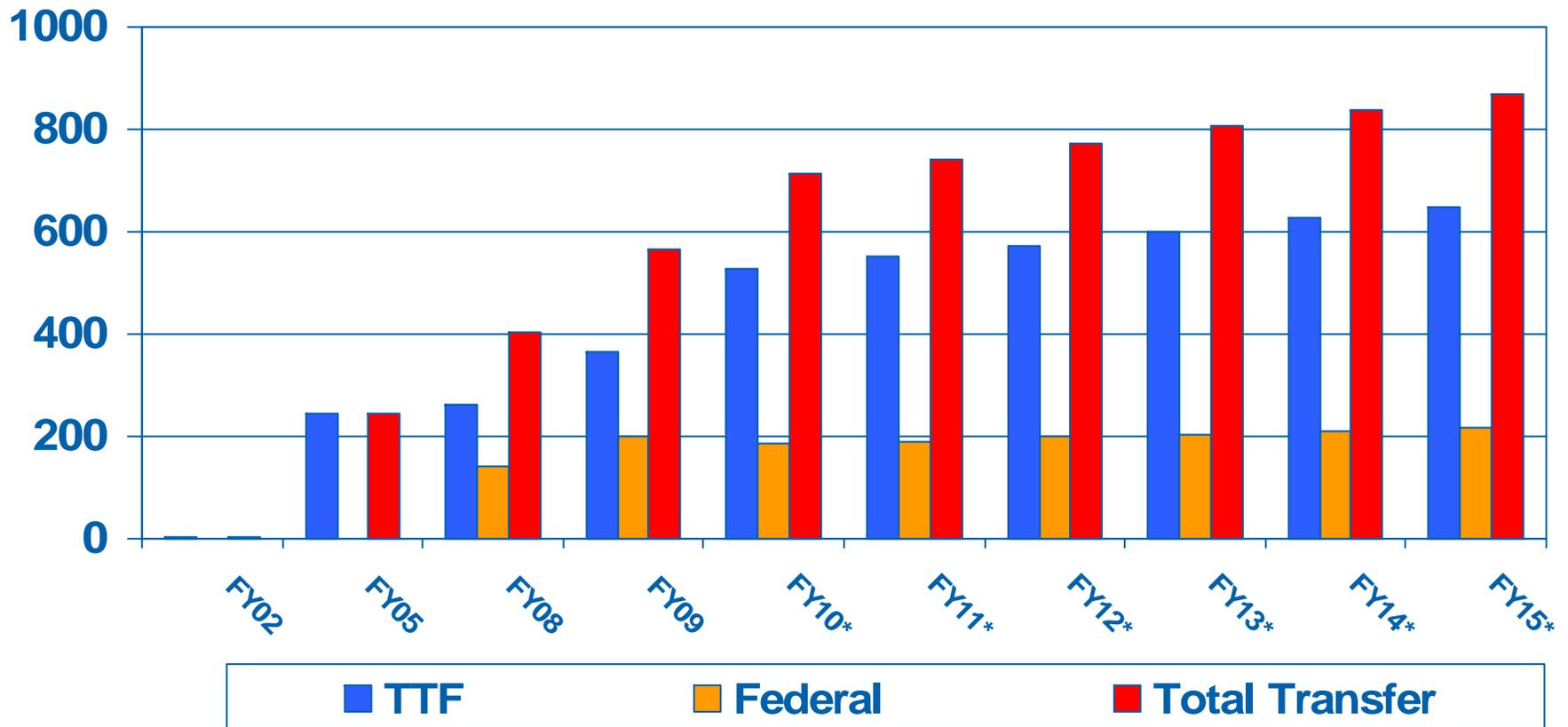
Total Draft Revised Six-Year Improvement Program

	Approved FY 2008-2013 Program	Approved FY 2009-2014 Program	Revised FY 2009-2014 Program	Draft FY 2010-2015 Program
Highway Construction	\$8.6 billion	\$7.9 billion	\$6.0 billion	\$5.5 billion
Rail & Public Transportation	\$2.9 billion	\$2.7 billion	\$2.9 billion	\$2.0 billion
Total	\$11.5 billion	\$10.6 billion	\$8.9 billion	\$7.5 billion

Highway Program

	FY 2008-2013	FY 2009-2014	Revised FY 2009-2014	FY2010-2015
Interstate	\$2.1 billion	\$2.1 billion	\$1.4 billion	\$1.3 billion
Primary	\$2.0 billion	\$1.6 billion	\$1.3 billion	\$1.0 billion
Secondary	\$1.3 billion	\$1.0 billion	\$0.6 billion	\$0.5 billion
Urban	\$1.1 billion	\$0.8 billion	\$0.5 billion	\$0.4 billion
Federal Maintenance	\$0.9 billion	\$1.0 billion	\$1.2 billion	\$1.2 billion
MPO	\$0.6 billion	\$0.6 billion	\$0.5 billion	\$0.6 billion
Safety, Enh, Rail, Other	\$0.6 billion	\$0.8 billion	\$0.5 billion	\$0.5 billion
Total	\$8.6 billion	\$7.9 billion	\$6.0 billion	\$5.5 billion

Six Year Program Funds Transferred to Highway Maintenance



* Estimate based on preliminary financial plan with 3% growth rate – growth rate has been 4% in recent years

Transportation Revenues – HB3202

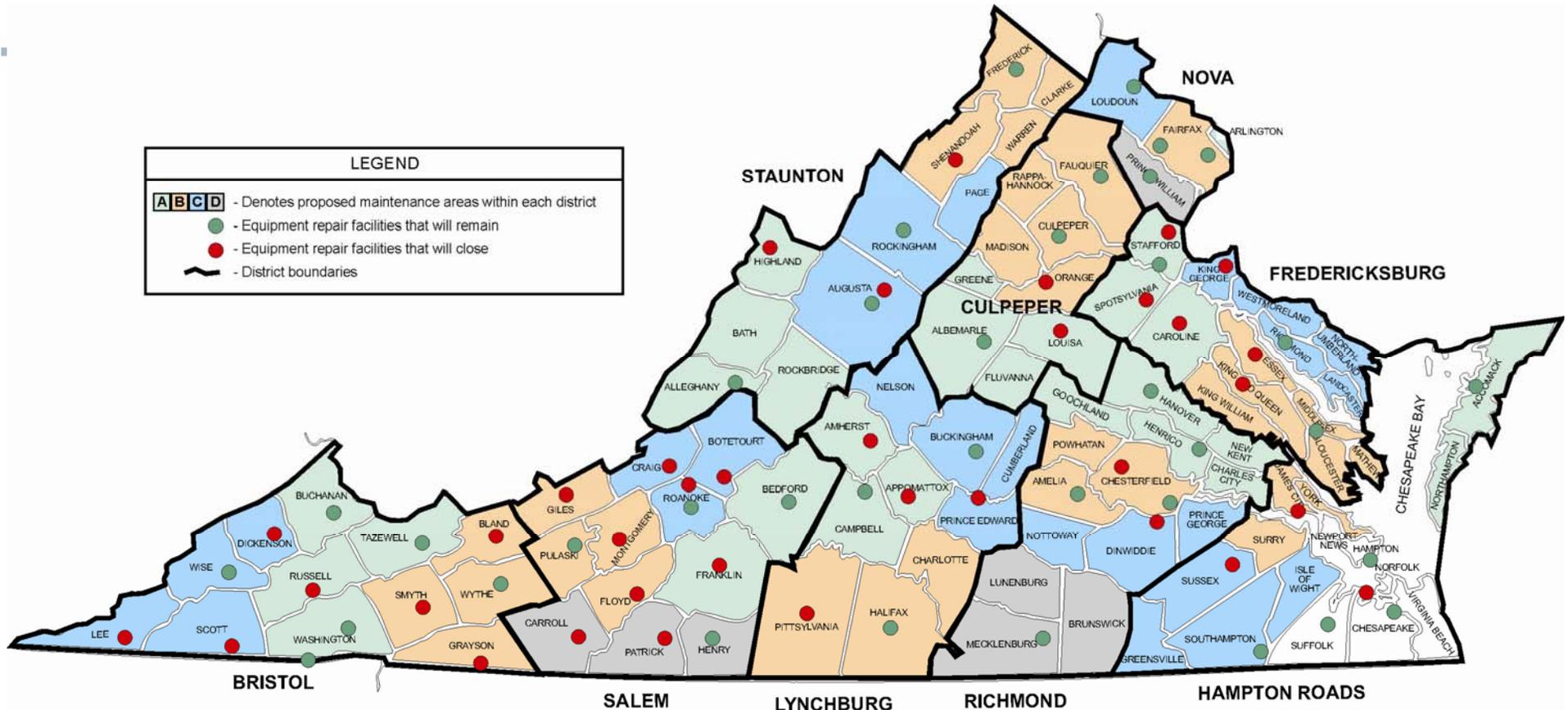
Bonds

- **\$3 billion authorization over 10 years**
- **The current financial model projects ~\$2.2 billion over the next 10 years; first sale would not be until calendar year 2010**
 - Total amount issued will depend on growth in insurance premium revenues
- **Bonds may not be sufficient to fund all purposes envisioned by HB 3202; priority order in HB3202 is as follows:**
 - 1) transit and rail capital
 - 2) federal match
 - 3) revenue sharing program
 - 4) priority projects
- **Long term sustainability of bond program is an emerging issue**

Blueprint: 3-Pronged Approach

- **Construction**
 - Reductions over 6 years of \$2 billion – 72%
 - Refocused on Safety, Pavements, and Bridges
 - Elimination of state formula distributions
- **Organization and Staffing**
 - Reductions over 6 years of \$391 million – 15%
 - Implementation of organizational and staffing changes
 - Changes in the way VDOT uses the private sector
 - 1,000 classified and 450 wage layoffs
- **Services**
 - Reductions over 6 years of \$348 million – 13%
 - Reduced average annual growth from 4% to 3% for FY 2010 – 2014
 - The average annual growth in maintenance payments to cities and counties will also be reduced from 4% to 3%

Equipment Shops



**First Closings Anticipated:
September 2009**

Roadside Services Service Levels

- Annual primary and secondary mowing cost are \$42 million
- VDOT recommends that statewide mowing practices will be adjusted to base-level practices
- Districts may increase mowing in urban areas or for unique circumstances within their budget allocations
- Wildflower program investment and management will be limited to the revenue generated by the wildflower license plate revenue
- Anticipated annual savings are \$20 million

Before



After



Safety Service Patrol Service Levels

- Annual cost of \$10 million with service coverage of 479 miles
- VDOT recommends service hours and coverage be scaled back to 2001 levels and reduce contract provided patrol
- Anticipated FY10 savings of \$6.5 million
- New service levels will begin in July 2009
- Recommendation would reduce service coverage in Northern Virginia from 24 hours a day to 18 hours on 9 routes

Rest Areas and Welcome Centers Service Levels

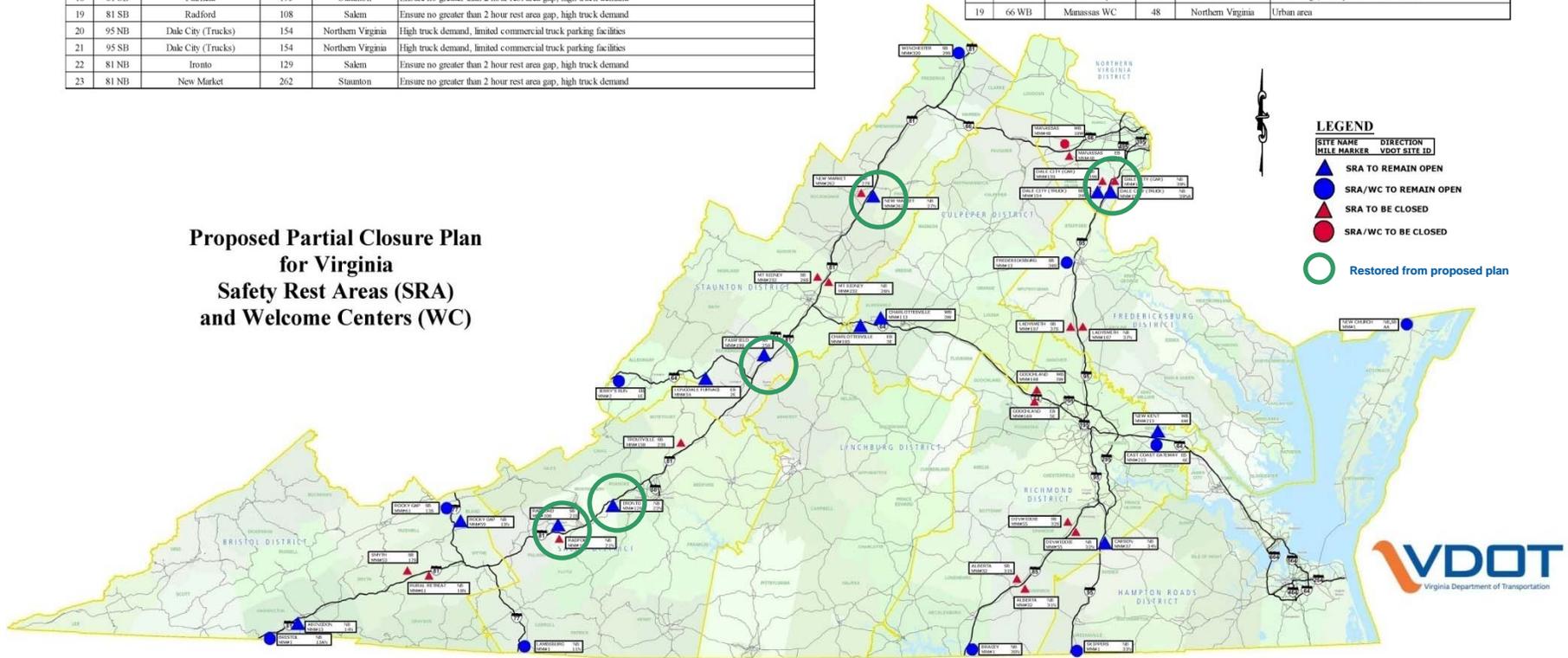
- Annual cost of \$21 million to operate 42 facilities
- VDOT initially recommended closing 25 facilities to save \$12 million
- VDOT revised recommendation – proposes to close 19 facilities to save \$9 million in FY10, in addition VDOT proposes:
 - Revised recommendation will maintain a minimum 120 mile spacing between sites
 - Add 225 commercial parking spaces at remaining sites to replace lost spaces
 - Replace 2-hour parking restriction with “no overnight parking”
 - Pursue commercialization of rest areas in federal transportation reauthorization

REVISED CLOSURE LIST

Safety Rest Areas to remain OPEN					
#	Interstate	Site Name	Mile Marker	VDOT District	Primary Reason for remaining OPEN
1	77 NB	Rocky Gap	59	Bristol	Rural corridor, limited nearby commercial services, critical refuge for incidents/accidents in tunnel
2	81 NB	Abingdon (Trucks)	13	Bristol	Large facility, excellent condition, high truck demand
3	64 EB	Charlottesville	105	Culpeper	Critical incident/weather refuge on Afton Mountain, limited nearby commercial services
4	64 WB	Charlottesville	113	Culpeper	Critical incident/weather refuge on Afton Mountain, limited nearby commercial services
5	77 SB	Rocky Gap WC	61	Bristol	Economic benefit to Commonwealth
6	81 NB	Bristol WC	1	Bristol	Economic benefit to Commonwealth
7	95 SB	Fredericksburg WC	131	Fredericksburg	Economic benefit to Commonwealth
8	95 NB	Skippers WC	1	Hampton Roads	Economic benefit to Commonwealth
9	US 13 SB	New Church WC	1	Hampton Roads	Economic benefit to Commonwealth
10	64 EB	East Coast Gateway WC	213	Richmond	Economic benefit to Commonwealth
11	64 WB	New Kent	213	Richmond	Freight corridor, limited nearby commercial services; critical evacuation refuge
12	85 NB	Bracey WC	0.5	Richmond	Economic benefit to Commonwealth
13	95 NB	Carson	37	Richmond	Economic benefit to Commonwealth, operate 8am - 5pm only, Petersburg Visitor Center
14	77 NB	Lunenburg WC	1	Salem	Economic benefit to Commonwealth
15	64 EB	Jerry's Run WC	2	Staunton	Economic benefit to Commonwealth
16	81 SB	Winchester	320	Staunton	Economic benefit to Commonwealth
17	64 EB	Longdale Fum. (Trucks)	34	Staunton	Low cost, limited commercial services in rural corridor
18	81 SB	Fairfield	195	Staunton	Ensure no greater than 2 hour rest area gap, high truck demand
19	81 SB	Radford	108	Salem	Ensure no greater than 2 hour rest area gap, high truck demand
20	95 NB	Dale City (Trucks)	154	Northern Virginia	High truck demand, limited commercial truck parking facilities
21	95 SB	Dale City (Trucks)	154	Northern Virginia	High truck demand, limited commercial truck parking facilities
22	81 NB	Irono	129	Salem	Ensure no greater than 2 hour rest area gap, high truck demand
23	81 NB	New Market	262	Staunton	Ensure no greater than 2 hour rest area gap, high truck demand

Safety Rest Areas to be CLOSED					
#	Interstate	Site Name	Mile Marker	VDOT District	Primary Reason for CLOSURE
1	81 NB	Rural Retreat	61	Bristol	Urban fringe, nearby commercial services
2	81 SB	Smyth	53	Bristol	Urban fringe, nearby commercial services
3	95 NB	Ladysmith	107	Fredericksburg	Nearby commercial services
4	95 SB	Ladysmith	107	Fredericksburg	Nearby commercial services
5	66 EB	Manassas	48	Northern Virginia	Urban area
6	95 NB	Dale City	155	Northern Virginia	Urban area
7	95 SB	Dale City	155	Northern Virginia	Urban area
8	64 EB	Goochland	169	Richmond	Urban fringe
9	64 WB	Goochland	168	Richmond	Urban fringe
10	85 NB	Dimwiddie	55	Richmond	Urban fringe, small gap
11	85 NB	Alberta	32	Richmond	Urban fringe
12	85 SB	Dimwiddie	55	Richmond	Urban fringe
13	85 SB	Alberta	32	Richmond	Urban fringe
14	81 NB	Radford	108	Salem	Multiple small urban areas, commercial services
15	81 SB	Troutville	158	Salem	Nearby commercial services
16	81 NB	Mt. Sidney	232	Staunton	Urban fringe, nearby commercial services
17	81 SB	New Market	262	Staunton	Nearby commercial services
18	81 SB	Mt. Sidney	232	Staunton	Urban fringe, nearby commercial services
19	66 WB	Manassas WC	48	Northern Virginia	Urban area

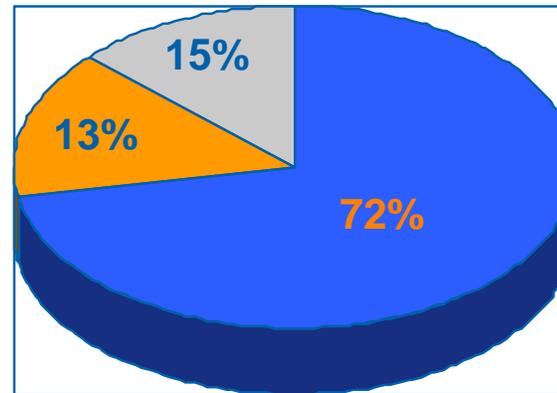
**Proposed Partial Closure Plan
for Virginia
Safety Rest Areas (SRA)
and Welcome Centers (WC)**



VDOT's Blueprint for the Future

- **3 Parts to Blueprint**
 - Six-Year Program
 - Organization/Staffing
 - Services/Programs

**Reductions by Program
Over 6 years**



- Construction Program
- Admin & Support Program
- Maintenance Program

Ability to Meet Future Priorities

	Today	Future
Maintenance of highways and transit	√	?
Match all federal funds	√	X
Economic Development	↔	X
Transit/Rail/Congestion Relief	↔	X
Bridge Repair, Replacement, and Closure	↔	↔
PPTA/Congestion Relief	√	X
Multimodal Improvements	↔	X
Land Use/Transportation	X	?

Maintenance Funding and Ability to Match Federal Dollars

- Over last ten years maintenance funding has grown on average 4%
- If maintenance is grown at 4%, the following will be necessary to match federal funds:
 - FY10: Reduce either revenue sharing or industrial access fund
 - FY11: Eliminate revenue sharing and industrial access fund
 - FY12: Stop matching federal RSTP and CMAQ funds for MPOs and eliminate both programs
 - VDOT is in the process of determining maximum level of federal funds that can be used in maintenance program, additional federalization may extend timeline
- If maintenance is grown at 3%, the following will occur:
 - Commonwealth will be able to match federal funds for the foreseeable future
 - Secondary pavement maintenance will be reduced

Risk Factors Moving Forward

- **Uncertain and rapidly declining federal transportation revenue situation**
- **Federal re-authorization**
- **Sustainability of HB3202 bonds**
- **Declining state revenues and ability to match federal funds**
- **Implementation of VDOT Blueprint reorganization**



COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

Transportation in Virginia

Pierce R. Homer
Secretary of Transportation
June 2009



Virginia Department of Rail and Public Transportation

