



COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

Transportation Update
Senate Committee on Finance

January 16, 2013
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Secretary of Transportation



Governor McDonnell's 2013 Transportation Funding Plan

- Eliminates Virginia's 17.5 cents/gallon tax on gasoline. The diesel fuel tax is retained.
- Increases the sales and use tax from 5.0 to 5.8% and dedicates the increase to transportation
- Increases transportations' share of the existing sales and use tax from 0.5% to 0.75% over the next five years
- Increases motor vehicle registration fees by \$15
- Imposes \$100 alternative fuel vehicle (AFV) fee on any AFV that is not already taxed
- Dedicates revenues from the Marketplace Equity Act to the localities, public education, and transportation

Summary of Revenue Sources

2013 Transportation Funding Package Summary of 0.8% SUT (5.8% Total)						
Policy	2014	2015	2016	2017	2018	5-Year Total
Incremental Sales Tax Commitment Over 5 Years (0.5% to 0.75%)	\$49.0	\$101.7	\$158.4	\$219.2	\$283.2	\$811.5
\$15 Increase in Registration Fees	\$109.4	\$109.4	\$109.4	\$109.4	\$109.4	\$547.0
\$100 Registration Fee for Alt. Fuel Vehicles	\$10.2	\$11.4	\$13.0	\$15.0	\$17.0	\$66.6
Replace 17.5 cents/gallon tax on gas with 0.8% GF sales tax increase (excluding fuel) but retain 17.5 cents/gallon tax on diesel fuel	\$24.6	\$109.3	\$131.8	\$158.4	\$182.9	\$607.0
Marketplace Equity - Transportation	\$175.7	\$199.1	\$207.0	\$214.8	\$222.2	\$1,018.8
Marketplace Equity - Local Trans	\$23.7	\$26.9	\$28.0	\$29.1	\$30.1	\$137.8
Additional Funding for Transportation	\$392.6	\$557.8	\$647.6	\$745.9	\$844.8	\$3,188.7
2013 Transportation Funding Package - Other Components Summary of Retaining 17.5 cents/gallon Diesel Fuel Tax						
Policy	2014	2015	2016	2017	2018	5-Year Total
Current Forecast	\$187.0	\$195.3	\$203.7	\$213.8	\$224.4	\$1,024.2
Impact of Eliminating 17.5 Cents/Gallon Motor Fuels Tax on Gasoline and 0.8% SUT Increase						
Policy	2014	2015	2016	2017	2018	5-Year Total
0.8% SUT Increase	\$708.70	\$803.30	\$835.50	\$867.20	\$896.70	\$4,111.40
Eliminate 17.5 Cents/Gallon Motor Fuels Tax on Gasoline	(\$684.1)	(\$694.0)	(\$703.7)	(\$708.8)	(\$713.8)	(\$3,504.4)
Net to Transportation	\$24.6	\$109.3	\$131.8	\$158.4	\$182.9	\$607.0
2013 Transportation Funding Package - Other Components Summary of Retaining Non-Transportation Marketplace Equity						
Policy	2014	2015	2016	2017	2018	5-Year Total
Marketplace Equity - Public Education	\$53.4	\$60.5	\$63.0	\$65.4	\$67.6	\$309.9
Marketplace Equity - Local Option	\$23.7	\$26.9	\$28.0	\$29.1	\$30.1	\$137.8

Impact of Governor McDonnell's Transportation Plan

Governor McDonnell's 2013 Transportation Funding Plan						
Summary of Additional Funding for Program						
Commonwealth Transportation Fund						
	2014	2015	2016	2017	2018	Total
Highway Maintenance and Operating Fund						
Additional Funding for Maintenance	\$9.1	\$76.7	\$103.5	\$334.6	\$418.2	\$942.0
Transportation Trust Fund						
Port	\$7.5	\$9.0	\$9.4	\$9.9	\$10.4	\$46.3
Aviation	\$4.3	\$5.1	\$5.4	\$5.7	\$5.9	\$26.4
Transit	\$91.1	\$97.5	\$100.8	\$104.5	\$108.1	\$502.0
Highway Construction	\$140.5	\$168.3	\$177.0	\$186.2	\$194.7	\$866.6
Intercity Passenger Rail Operating and Capital Fund	\$54.7	\$54.7	\$54.7	\$54.7	\$54.7	\$273.5
Priority Transportation Fund	\$13.7	\$18.2	\$19.7	\$21.2	\$22.6	\$95.3
Total Transportation Trust Fund	\$311.80	\$352.80	\$367.00	\$382.20	\$396.40	\$1,810.10
Total Commonwealth Transportation Fund	\$320.80	\$429.50	\$470.50	\$716.80	\$814.50	\$2,752.10
Other Transportation Components						
Phase II Dulles Rail	\$49.0	\$101.7	\$149.3	n/a	n/a	\$300.0
Local Transportation	\$23.70	\$26.90	\$28.00	\$29.10	\$30.10	\$137.80
Total Additional Funding for Transportation	\$392.6	\$557.8	\$647.6	\$745.9	\$844.8	\$3,188.7
Non-Transportation Components						
Public Education (K-12)	\$53.4	\$60.5	\$63.0	\$65.4	\$67.6	\$309.9
Local Option	\$23.7	\$26.9	\$28.0	\$29.1	\$30.1	\$137.8
Total Funding	\$469.7	\$645.2	\$738.6	\$840.4	\$942.5	\$3,636.4

Budget Amendments

- **Authorize the use of \$800,000 from the TTF to meet NASA requirements for shoreline protection at the Virginia Commercial Space Flight Authority on Wallops Island**
- **Amends the language which authorized the use of unencumbered amounts from the HMOF to complete the re-purchase of components of Launchpad O-A and liquid fueling facilities improvements at the Mid-Atlantic Regional Spaceport to allow the use of any unencumbered amounts identified by the Secretary from among the transportation agencies**
- **Includes an NGF appropriation of \$79.8 million in the second year to reflect the transfer of the Northern Virginia regional motor fuel sales tax collection responsibility from the Department of Taxation to the Department of Motor Vehicle**
- **Provides an appropriation of \$48.1 million NGF in the second year to support the transfer of an additional 0.05% of state sales tax revenues**
- **Includes \$1,000,000 for Port of Virginia Economic and Infrastructure Development Zone grants**

Port PPTA Update

- On November 27, 2012, VPA Board passed resolution adopting actions taken by OTP3 to date and authorizing Interim Executive Director of VPA to continue process
- On December 3, 2012, Detailed PPTA Proposals were submitted by:
 - APM Terminals, Inc. (“APMT”)
 - Maher Terminals LLC and JPMorgan IFF Acquisitions LLC (“Virginia Port Partners”, consortium formerly led by RREEF)
- OTP3, in conjunction with VPA staff and advisors, currently reviewing and evaluating detailed PPTA proposals
- OTP3 to present results of evaluation and recommendations on next steps to VPA Board on January 22, 2012
- If VPA Board elects to continue with proposal review and evaluation process after January 22, 2012, OTP3 team will engage with one or both proposers on comprehensive agreement terms
- OTP3 team will update VPA Board in March on status of comprehensive agreement terms and provide recommendation whether to solicit final, binding financial offers

APMT Proposal

- APMT operates APMT-VA, NIT, NNMT, PMT and VIP
- Ownership of APMT-VA transferred to VPA at beginning of concession
- APMT will make the following payments in a 48 year concession, valued at \$3.821 billion (NPV @ 5%)
 - Upfront payments
 - Fixed monthly payments
 - Revenue share
 - Tax payments
 - Capital investments
 - Residual value of APMT-VA
- Infrastructure costs (e.g. wharf construction, capital, dredging) to be assumed by VPA
- Capital investments include construction of APMT-VA Phase II under 48 year scenario

VPP Proposal

- **VPP to operate NIT, PMT, NNMT, VIP, and a future CIMT**
 - VIT will operate APMT-VA until lease expires
 - Ownership of APMT-VA retained by APMT
- **VPP will make the following payments in a 48 year concession, valued at \$3.13 billion (NPV @ 5%) not including estimated tax payments:**
 - Concession fee
 - Fixed concession payments
 - Capital investments
- **Capital investments focus on the development of CIMT**
 - CIMT development is dependent on VPA developing the land using \$425.5 million of authorized federal funding
 - Expansion opportunities at NIT, NNMT, and PMT will be evaluated
- **All superstructure costs assumed by VPP, and all new equipment would become property of VPA at the end of the concession**
- **Infrastructure costs (wharf construction, capital dredging, etc.) assumed by VPA**

Questions