

*Our Mission: To provide critical transportation infrastructure to enhance the community's long-term economic and environmental sustainability.*

### **Transportation Capital Fund (formerly Transportation Investment Fund)**

- Allows the County to make major ongoing investments in multimodal transportation infrastructure that support the function, competitive position, and ongoing development of Arlington's commercial and mixed use districts such as the Rosslyn-Ballston Corridor, Crystal City, Pentagon City, Columbia Pike, and Shirlington. These commercial mixed use districts make up over half of the County's tax base, and include most of the County's office, hotel, retail, and multi-family housing stock.
- Provides a predictable stream of capital funding for transportation projects that is over and above what would be available from County general obligation bond and Pay-As-You-Go sources.
- Provides the opportunity to leverage outside sources of funding from federal and state transportation programs as well as private sector partners.
- The 2013 Virginia General Assembly enacted legislation (House Bill 2313) which raises new transportation revenues for Northern Virginia through a series of state imposed regional taxes and fees. Of these revenues, 70 percent ("Regional Funds") will be retained by the NVRTA to fund regional transportation projects. The remaining 30 percent ("Local Share") will be returned on a pro rata basis to the member localities, based on the amount of revenue generated by the taxes and fees within the locality, to be used for locally selected transportation projects.

As part of the HB 2313 legislation, localities must enact a Commercial and Industrial Property ("C&I") tax at \$.125 per \$100 valuation or dedicate an equivalent amount for transportation. *Localities that do not fully implement this tax or an equivalent amount will have revenues reduced by a corresponding amount, the proceeds of which would be redistributed regionally.* The Arlington County Board adopted the required \$.125 per \$100 valuation C&I tax, known as the Transportation Capital Fund (TCF) in 2008, and therefore meets this requirement.

- Anticipated unspent TCF funds originally budgeted for the streetcar program are \$17.3 million, including the FY 2016 funding noted in the CIP. Effective with the County Board's decision in mid-November 2014 to cancel the streetcar program, these TCF funds are set aside until a revised plan for transportation is developed. The process is underway in updating existing project plans for the affected corridor. This will inform the upcoming FY 2017 – FY 2026 CIP.

### **SIGNIFICANT BUDGET CHANGES**

The FY 2016 adopted expenditure budget for the Transportation Capital Fund (TCF) is \$36,046,244 a two percent decrease from the FY 2015 adopted budget. The FY 2016 budget reflects:

- ↓ Revenues and expenditures decrease based on commercial real estate projections (\$558,195), and Northern Virginia Transportation Authority (NVRTA) revenue projections (\$57,218). The revenue will be used to support major approved capital projects, listed on the following page.
- ↓ The authorized FTEs were decreased 0.5 to properly reflect the grant compliance position reporting to the Human Rights Office. The salary for this position remains fully charged to the Transportation Capital Fund.
- As part of budget adoption, \$412,000 of funding for bike-pedestrian projects were shifted from decal fees (PAYG) to HB2313 local.

- ART Service Enhancements (\$155,638) and Supplemental ART service (\$425,000) are funded by HB2313 local funds.

**PROGRAM FINANCIAL SUMMARY**

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Capital Projects	\$17,068,745	\$32,726,961	32,167,495	-2%
Interest on Debt	673,417	662,000	662,000	-
Capital Project Contingency	-	3,272,696	3,216,749	-2%
<b>Total Expenditures</b>	<b>17,742,162</b>	<b>36,661,657</b>	<b>36,046,244</b>	<b>-2%</b>
<b>Total Revenues</b>	<b>38,011,783</b>	<b>36,661,657</b>	<b>36,046,244</b>	<b>-2%</b>
<b>Change in Fund Balance</b>	<b>\$20,269,621</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Authorized FTEs</b>	<b>5.0</b>	<b>15.5</b>	<b>15.0</b>	

There are a total of 22.5 FTEs to support major street and transit program elements. 15.0 FTEs are funded by Transportation Capital Fund and 7.5 FTEs are funded by the Crystal City Tax Increment Fund. Of the total TCF funded, 5.0 FTEs were approved at FY 2014 adoption, 10.0 FTEs were approved at FY 2013 closeout and 0.5 FTE was approved at FY 2015 budget adoption. The FY 2016 budget proposes a 0.5 FTE reduction in TCF to properly reflect the grant compliance position, which must report to the Human Rights Office. The salary for this position remains fully charged to the Transportation Capital Fund.

**FY 2016 MAJOR PROJECTS**

Complete Streets

- Rosslyn-Ballston Corridor Improvements:
  - Wilson Boulevard Phase III -10th Street to North Lincoln Pedestrian Safety and Streetscape Improvements (design completion FY 2016, construction completion FY 2017)
  - Lynn Street Esplanade and Rosslyn Circle Improvements, including Custis Trail Improvements (design completion FY 2015, construction completion FY 2017)
  - Clarendon Circle Improvements (design completion FY 2016, construction completion FY 2018)
- Crystal City Street Improvements: Multimodal street improvements throughout Crystal City that will provide better connectivity and access and enhance private redevelopment opportunities (continue preliminary planning and engineering of street network. Construction will be ongoing in phases. The timing of some projects is dependent on private development projects)
- Columbia Pike Corridor Street Improvements: Multimodal improvements along the entire corridor that will increase pedestrian safety and access, provide improved bicycle facilities and improve traffic flow (continue preliminary planning and engineering of entire corridor - construction will be ongoing in phases through 2019)
- East Falls Church Streets: The primary intent of the program is to create more complete streets with better facilities for pedestrians, bicyclists, and transit service. Specific projects have yet to be determined; staff will solicit input from the community in establishing priorities.

- Improvements Outside Major Corridors:
  - Old Dominion Drive – Glebe Road to 38<sup>th</sup> St. N. - Sidewalk improvements where none currently exist, traffic signal upgrades and installation of street lighting and bus stops
  - Lee Highway at Glebe Road Intersection Improvements – Undergrounding of overhead utilities around the vicinity of the intersection; Sidewalk improvements, installation of left turn lanes, upgraded traffic signals and lighting to follow
  - 12th St. S. (USPS. West of S. Glebe Rd.) Extension of 12<sup>th</sup> St. S. from Glebe Road to east of S. Monroe St. will provide for better pedestrian and bicycle connectivity
  - Five Points Intersection (Lee Highway at N. Quincy St. and Military Rd.) – Multi-modal safety improvements
  - Walter Reed Dr. – 6<sup>th</sup> St. S. to Columbia Pike - Pedestrian safety and access improvements
  - South Courthouse Rd. – Multi-modal safety and accessibility improvements
  - Arlington Blvd. Intersection Safety Improvements (at N. Irving St., Park Dr. and N. Manchester St.) – Multi-modal safety and traffic signal improvements
- WALK Arlington:
  - Clarendon Blvd. @ Courthouse – Pedestrian safety and access improvements
- Capital Bikeshare: Funding will support expansion into new locations throughout the County, including the East Falls Church Metro area and along Lee Highway. These funds also support infill stations in south Arlington, and additional docks at existing locations near Metro stations, as well as ongoing maintenance of the program.
- Transportation Systems & Traffic Signals: This program includes the upgrade and reconstruction of existing outdated traffic signals, and also allows for the implementation of Transportation Operations and Management systems, and system components.
- Intelligent Transportation Systems: Fiber Project (Phase 1 - 100 percent completed; Phase 2 - 98 percent completed; Phase 3 design 100 percent completed; Phase 3 construction – 2015/2016)

#### Transit

- Arlington Transit (ART) Bus Maintenance Facility Phase 4 to include compressed natural gas (CNG) fueling station, bus wash, and light duty maintenance bay (award construction contract in FY 2015 and advance construction work in FY 2016)
- ART Fleet Expansion (revenue service FY 2016)
- Pentagon City Metro Station Second Elevator (award final design contract in 2015; begin construction in late FY 2016)
- Ballston Multimodal Improvements (complete final design in early FY 2016 and begin construction in late FY 2016)
- Ballston-MU Metro Station West Entrance (begin final design in FY 2016 and complete final design in FY 2017)
- Columbia Pike Transit Stations formerly called Super Stops (complete design of seven to eight transit stations in FY 2016 and begin construction; complete design and construction of remaining stations in FY 2019)

TRANSPORTATION CAPITAL FUND  
FUND STATEMENT

	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 RE-ESTIMATE	FY 2016 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>	\$85,256,672	\$2,500,000	\$105,526,293	\$102,538,150
Construction Reserve	82,756,672	-	103,026,293	98,838,150
Reserve	2,500,000	2,500,000	2,500,000	3,700,000
<b>TOTAL BALANCE</b>	<b>85,256,672</b>	<b>2,500,000</b>	<b>105,526,293</b>	<b>102,538,150</b>
<b>REVENUES</b>				
Commercial Real Estate Revenues	25,734,105	25,261,657	24,907,626	24,703,462
Developer Contributions	750,000	-	228,140	-
Revenue from Fairfax County	61,133	-	34,843	-
FTA Revenues	-	-	570,989	-
NVTC Revenues <sup>1</sup>	667,284	-	15,892	-
NVTA Revenues - Regional	-	-	797,696	-
NVTA Revenues - Local	10,799,261	11,400,000	11,339,224	11,342,782
<b>TOTAL REVENUES</b>	<b>38,011,783</b>	<b>36,661,657</b>	<b>37,894,410</b>	<b>36,046,244</b>
<b>TOTAL REVENUE &amp; BALANCE</b>	<b>123,268,455</b>	<b>39,161,657</b>	<b>143,420,703</b>	<b>138,584,394</b>
<b>EXPENSES</b>				
Capital Projects - Current Year	17,068,745	32,726,961	32,726,961	32,167,495
Capital Projects - Carry-Over	-	-	3,837,178	10,760,943
Interest on Debt	673,417	662,000	662,000	662,000
Capital Project Contingency	-	3,272,696	3,656,414	4,292,844
<b>TOTAL EXPENSES</b>	<b>17,742,162</b>	<b>36,661,657</b>	<b>40,882,553</b>	<b>47,883,282</b>
<b>BALANCE, JUNE 30</b>				
Construction Reserve	103,026,293	-	98,838,150	87,001,112
Reserve <sup>2</sup>	2,500,000	2,500,000	3,700,000	3,700,000
<b>TOTAL BALANCE</b>	<b>\$105,526,293</b>	<b>\$2,500,000</b>	<b>\$102,538,150</b>	<b>\$90,701,112</b>

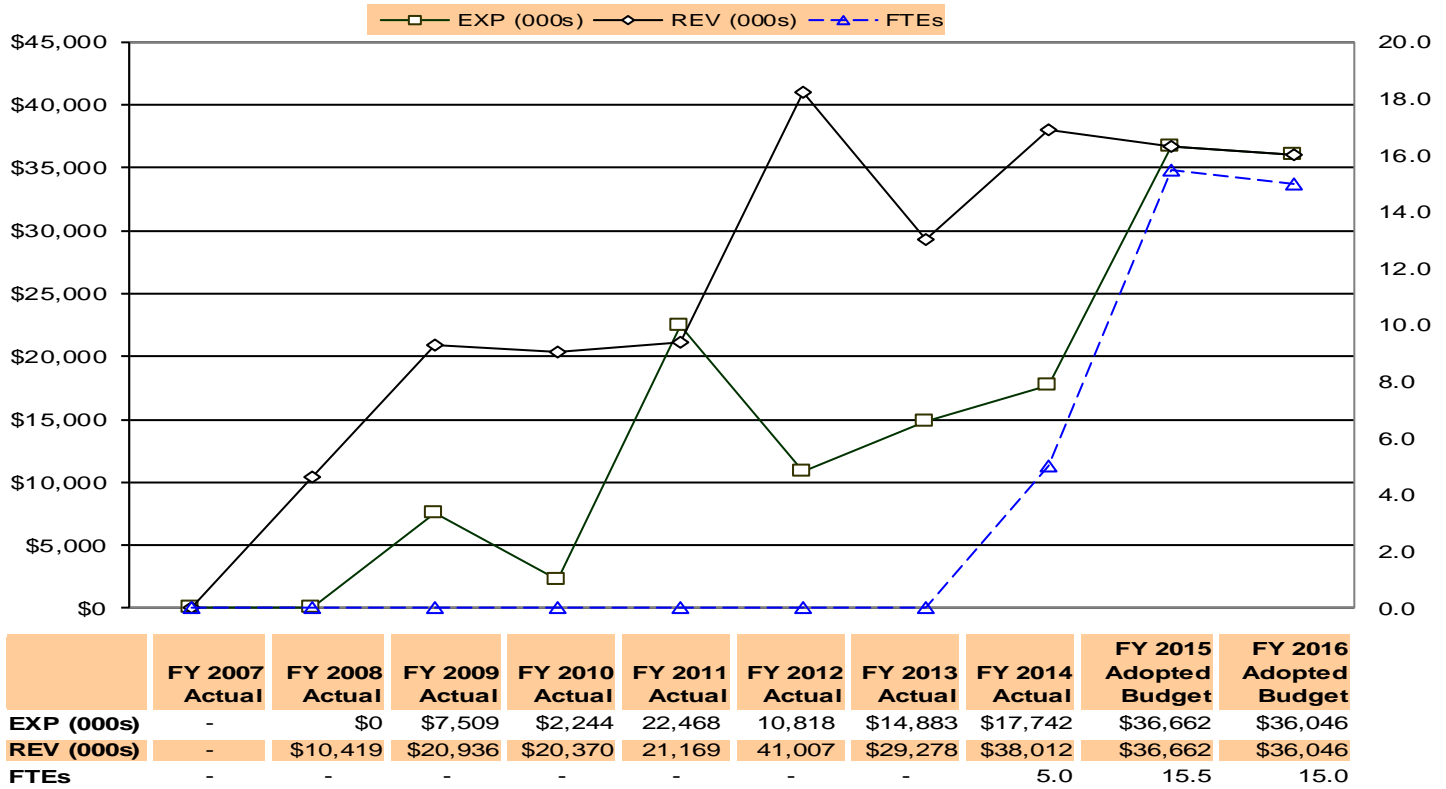
Most capital projects span multiple years, from design to construction completion. The FY 2014 Actual and FY 2015 Re-Estimate columns reflect that funding for capital projects are carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds. The FY 2016 adopted budget column is presented in a similar fashion to show planned execution of projects in the fiscal year. These are staffs' best estimates based on preliminary plans and design and construction schedules.

Notes:

1. The FY 2014 NVTC revenues represent state aid reimbursement transfers received from the Northern Virginia Transportation Commission.
2. Balances equivalent to a minimum of ten percent of annual budgeted revenues are held in a reserve in accordance with the County Board's financial and debt policies.

**TRANSPORTATION CAPITAL FUND  
TEN-YEAR HISTORY**

**EXPENDITURE, REVENUE AND FULL-TIME EQUIVALENT TRENDS**



There are a total of 22.5 FTEs to support major street and transit program elements. 15.0 FTEs are funded by Transportation Capital Fund and 7.5 FTEs are funded by the Crystal City Tax Increment Fund. Of the total TCF funded, 5.0 FTEs were approved at FY 2014 adoption, 10.0 FTEs were approved at FY 2013 closeout and 0.5 FTE was approved at FY 2015 budget adoption. The FY 2016 budget reflects a 0.5 FTE reduction in TCF to properly reflect the grant compliance position, which must report to the Human Rights Office. The salary for this position remains fully charged to the Transportation Capital Fund.

**TRANSPORTATION CAPITAL FUND**  
TEN-YEAR HISTORY

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<b>Fiscal Year</b>	<b>Description</b>	<b>FTEs</b>
FY 2009	<ul style="list-style-type: none"><li>▪ The Transportation Investment Fund (subsequently renamed the Transportation Capital Fund) was established by the County Board in CY 2008 by adopting a commercial real estate tax rate of \$0.125 per \$100 of assessed value of real property. This tax rate applies to all properties used for or zoned to permit commercial and industrial uses and excludes residential uses including apartments. Any unspent balances in FY 2008 were carried over to FY 2009 in the form of fund balance.</li><li>▪ The County Board added 6.0 FTEs and administrative expenses for Transportation Investment Fund services to the Department of Environmental Services and the Department of Real Estate Assessments (Department of Management and Finance) in the General Fund (\$513,684). The costs for these positions are paid for by the Transportation Investment Fund through a transfer to the General Fund</li></ul>	
FY 2010	<ul style="list-style-type: none"><li>▪ In FY 2009, the Department of Environmental Services and Department of Management and Finance were authorized 6.0 FTEs to perform administrative services for the Transportation Investment Fund. These FTEs, budgeted in the respective departments, were paid for through a transfer to the General Fund from the Transportation Investment Fund. Due to changes made by the 2009 State General Assembly, only 4.0 FTEs will be paid for through the Transportation Investment Fund and these positions will be charged directly to projects in the fund and will not be shown as a transfer to the General Fund.</li><li>▪ Revenue increases reflect an increase in the assessment base of commercial properties for the CY 2009 assessment. The adopted commercial real estate tax rate is \$0.125 per \$100 of assessed value, which is expected to generate \$21,038,453 in FY 2010.</li><li>▪ Beginning July 1, 2009, the Virginia General Assembly capped the Commercial Real Estate Tax at \$0.125 per \$100 of assessed valuation, down from the previous cap of \$0.25. Arlington County set its rate at \$0.125 beginning on July 1, 2008, so it is not able to raise the current Commercial Real Estate Tax.</li></ul>	
FY 2011	<ul style="list-style-type: none"><li>▪ The adopted FY 2011 revenues and expenditures decreased by 13 percent from the FY 2010 adopted budget and seven percent from the FY 2010 re-estimate, based on projections for the commercial real estate tax. These estimates were revised in January 2011 based on increased commercial tax revenue estimates. The re-estimated number was \$19.7 million, compared to \$18.4 million that was adopted. This re-estimate was a decrease of three percent compared to FY 2010 actuals rather than the 13 percent decrease originally anticipated. The adopted commercial real estate tax rate is \$0.125 per \$100 of assessed value, which is re-estimated to generate \$19,735,913 in FY 2011.</li></ul>	

**TRANSPORTATION CAPITAL FUND**  
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2012	<ul style="list-style-type: none"> <li>▪ The adopted FY 2012 revenues and expenditures increased by 14.6 percent from the FY 2011 adopted budget and 6.8 percent from the FY 2011 re-estimate, based on projections for the commercial real estate tax. The adopted commercial real estate tax rate is \$0.125 per \$100 of assessed value, which is expected to generate \$21,082,282 in FY 2012.</li> </ul>	
FY 2013	<ul style="list-style-type: none"> <li>▪ The adopted FY 2013 revenues and expenditures increased by 13.8 percent from the FY 2012 adopted budget and 4.4 percent from the FY 2012 re-estimate, based on projections for the commercial real estate tax. The adopted commercial real estate tax rate is \$0.125 per \$100 of assessed value, which is expected to generate \$24,000,000 in FY 2013.</li> </ul>	
FY 2014	<ul style="list-style-type: none"> <li>▪ The adopted FY 2014 revenues and expenditures increased by 0.5 percent from the FY 2013 adopted budget and FY 2013 re-estimate, based on projections for the commercial real estate tax. The adopted commercial real estate tax rate is \$0.125 per \$100 of assessed value, which is expected to generate \$23,862,600 in FY 2014.</li> <li>▪ There are a total of 8.0 authorized FTEs in FY 2014, of which 5.0 FTEs are funded by Transportation Capital Fund (TCF) and 3.0 FTEs are funded by Crystal City Tax Increment Fund (TIF).</li> <li>▪ <i>As part of the FY 2013 closeout appropriation, 10.0 new FTEs were authorized from Transportation Capital Fund to support major street and transit program elements.</i></li> </ul>	<p>5.0</p> <p>10.0</p>
FY 2015	<ul style="list-style-type: none"> <li>▪ Revenues and expenditures increased based on commercial real estate projections (\$1,399,057) and the addition on local Northern Virginia Transportation Authority (NVTA) revenue approved by the General Assembly in 2013 (\$11,400,000).</li> </ul>	
FY 2016	<ul style="list-style-type: none"> <li>▪ Revenues and expenditures decrease based on commercial real estate projections (\$558,195), and Northern Virginia Transportation Authority (NVTA) revenue projections (\$57,218).</li> <li>▪ The authorized FTEs were decreased 0.5 to properly reflect the grant compliance position reporting to the Human Rights Office. The salary for this position remains fully charged to the Transportation Capital Fund.</li> <li>▪ As part of budget adoption, \$412,000 of funding for bike-pedestrian projects were shifted from decal fees (PAYG) to HB2313 local.</li> <li>▪ ART Service Enhancements (\$155,638) and Supplemental ART service (\$425,000) are funded by HB2313 local funds.</li> </ul>	<p>(0.5)</p>