

Discussion of Proposed FY2021-2026 Capital Funds Blueprint and Policy Direction

Kesha Reed, Capital Grants Administrator

FY21-26 Capital Blueprint

- Sources of Revenue
- Prioritization of Needs
- Next Steps

Sources of Revenue

Sources of Capital Funds

Federal

- 5307 and 5339 Formula Funds (From FTA)
- **5337 Formula Funds -Additional dedicated lanes required (From FTA)**
- CMAQ and STBG Funds (From TPO)

Virginia

- Smart Scale, other Discretionary Grants (From DRPT)

Local

- General Fund, Bonds (Local City/County)

Regional

- **Undetermined**

Other

- Farebox/Passes, Advertising (GRTC)

Urbanized Area Formula (5307)

- Eligible activities include:
 - planning, engineering, design and evaluation of transit projects and other technical transportation-related studies;
 - capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and
 - capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software.
- All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs.

Urbanized Area Formula (5307)

- Federal Formula Funds based predominantly on ridership
- Annual allocation split 90% GRTC and 10% Petersburg Transit
- Average GRTC allocation around \$11M unmatched Federal Dollars
- \$7M unmatched Federal Dollars flexed in operational budget for Preventative Maintenance (PM) and ADA service costs = around \$9 M total matched funding
- \$4 M remaining unmatched federal dollars = around \$10M total matched dollars for capital projects
- Requires 4% to 20% Local Match

Every \$1 M transferred to Operations loses up to \$2.43 M State match opportunity for Capital needs

State of Good Repair/Fixed Guideways (5337)

- Federal Formula State of Good Repair Grant based on Revenue and Route Miles
- Eligibility requires fixed guideways (BRT) in revenue service for at least 7 years
- Average GRTC allocation could be several hundred thousand unmatched Federal Dollars annually

GRTC is not eligible for this money due to lack of 0.729 miles dedicated lanes on the Pulse

Bus and Bus Facilities (5339)

- Federal Formula Funds based predominantly on ridership
- Annual allocation split 90% GRTC and 10% Petersburg Transit
- Average GRTC allocation around \$1.5M
- \$1.5 M matched to State and Local funds = \$5.36M
- Requires 4% local match

Federal CMAQ/STBG

Capital funds awarded through TPO prioritization process

- Congestion Mitigation and Air Quality (CMAQ)
 - Eligible activities include Bus Replacements, Park and Rides, and other projects that would result in a reduction of vehicle congestion and an associated improvement of local or regional air quality
- Surface Transportation Block Grant (STBG)
 - Eligible Activities include a wide range of capital projects, engineering, planning studies, and similar activities

Total Capital Funding Sources

Expected Available Capital Funds through FY2026

- \$75 M 5307 and 5339 for Capital
- \$45 M for 5307 Flex to operations
- \$27 M “older” 5307 and 5339
- \$9 M Sale of Davis Avenue
- \$2 M CMAQ

TOTAL of \$158 M for 6-year Capital Plan

Prioritization of Needs

Funding Strategies

The GRTC proposed capital funding strategy would prioritize needs:

- 1) to maintain assets in a state of good repair;
- 2) to provide improvements to existing service for current riders;
- 3) to reflect and advance the mobility initiatives adopted by the TPO, City of Richmond, and the County of Chesterfield; and
- 4) to support initiatives to expand the usage of mass transit by other public and private funding partners within the region.

Funding Priorities

Identified Projects would be categorized in the following order of priority.

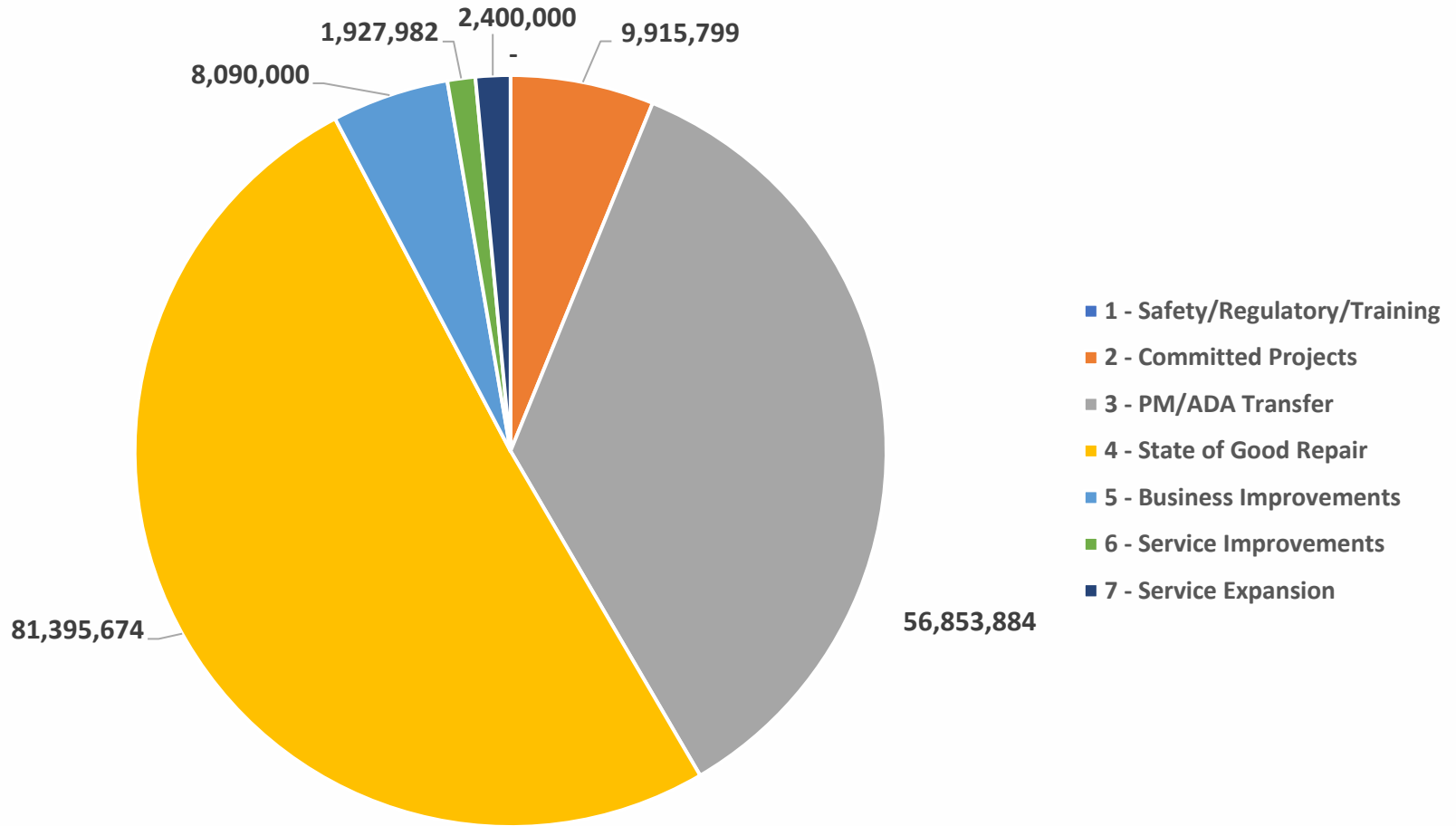
1. Safety / Regulatory / Training
2. Committed Projects
3. Transfer of Federal Capital Funds to Operational Preventative Maintenance and ADA
4. State of Good Repair (SGR)
5. Business Improvements
6. Service Improvements
7. System Expansion / High Capacity Transit Development

Project Identification

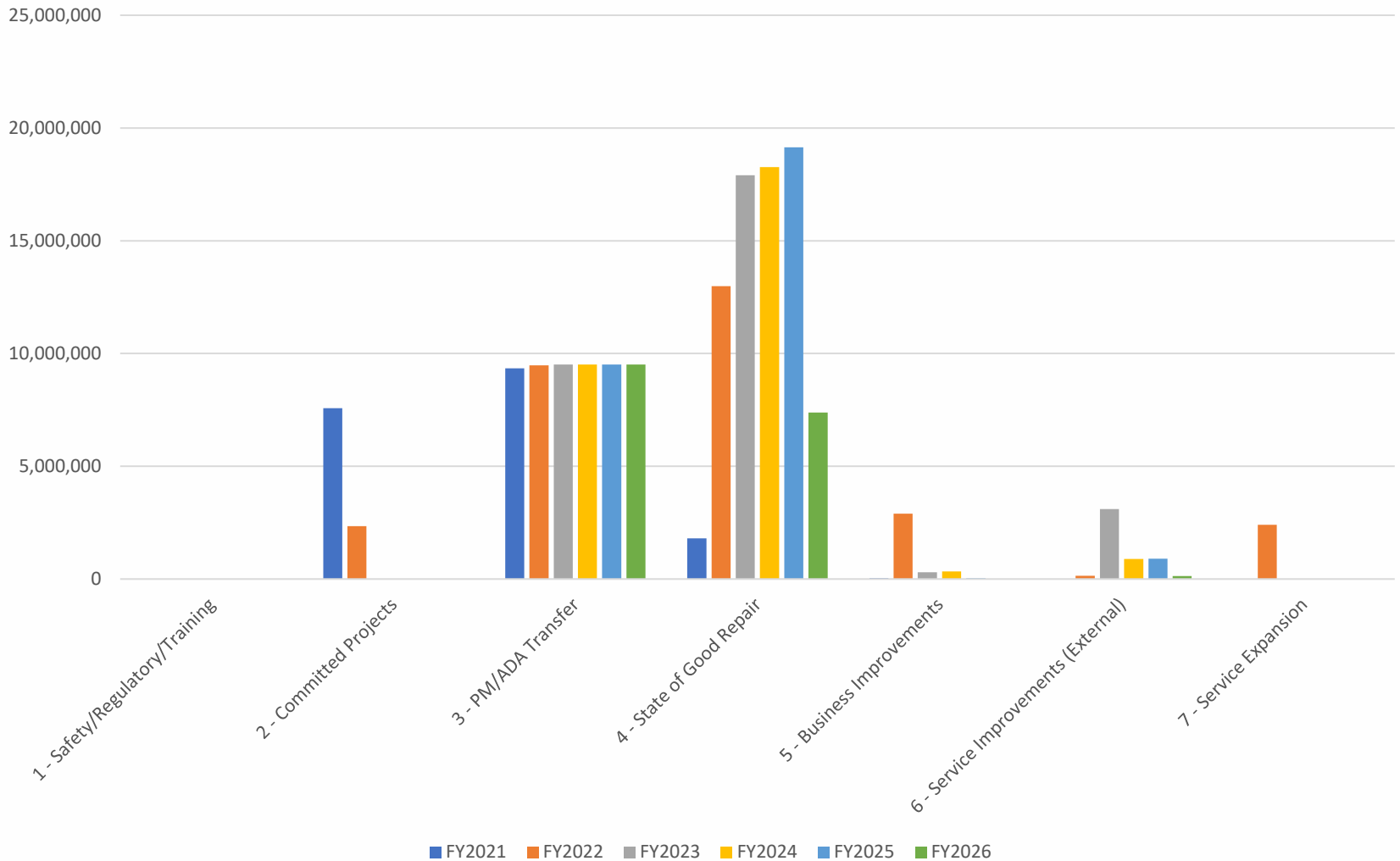
Plans Under Development

- Safety Management Plan - **DONE**
- Annual PM and ADA Transfer - **DONE**
- Fleet Replacement Plan - **DONE**
- Facilities and Asset Management Plan – IN PROGRESS
- Technology Replacement and Maintenance Plan – IN PROGRESS
- Regional Mobility Plan – IN PROGRESS
- Public Comment and Community Partnerships
- Industry Trends and Emerging Technologies

FY21-FY26 Capital Priority Spend - \$160M



FY21 - FY26 Capital Blueprint



Budget Policy Assumptions for Discussion

Annual Capital Budget

1. The Capital budget is separate from the Operating budget. The Capital funds roll over from one year to the next. The Capital budget is very limited as most of the allocation (approximately 64%) goes toward Preventive Maintenance
2. Use 5339 dollars and 5307 dollars to fund capital blueprint with assumption of 68% State and 4% Local match
3. Apply for CMAQ, STBG, and other discretionary grants to fund annual bus replacement and expansions needs in blueprint. Shift any assigned 5307 or 5339 dollars to FY23-FY26
4. Use Local, Advertising, Farebox, and other non-federal dollars to match state capital dollars where possible.
5. Currently, no CVTA funds are planned to be used for Capital projects.

Next Steps

Next Steps

- Continue to refine our Capital needs and blueprint based on changing assumptions.
- Look for additional Federal funding Regional Transit and Mobility Governance and Funding
- Dedicated Commuter Bus and BRT Lanes to local and regional mobility networks
- Regional Park and Rides and Mobility-on-Demand connections
- Definition of other Regional Transit and Mobility Connections

Comments and Discussion