

Regional Transit Governance Study

Draft Executive Summary

Study Overview

Over the past several years, the Thomas Jefferson Planning District Commission (TJPDC) has worked collaboratively with its member jurisdictions to improve transit service in the region. In the past year, the region undertook a collaborative effort to develop a [Transit Vision Plan](#) to establish a clear, long-term vision for efficient, equitable and effective transit service for the region. Led by the TJPDC and supported by the City of Charlottesville, Albemarle County, and DRPT, the Transit Vision Plan established a unified vision for transit service in Region 10, which is made up of the counties of Albemarle, Fluvanna, Greene, Louisa, Nelson, and the City of Charlottesville.

This governance study is a follow-up study that seeks to identify governance options for regional transit and increase transportation investments in the region. The study's focus identifies options for a governance body that can steward additional transit revenues generated; the scope does not include strategies or approaches for consolidating current transit operations.

Study Goals and Approach

The two main goals of this study are to:

1. Identify strategies for dedicated transit funding to augment current jurisdictional costs for transit.
2. Identify a governing structure that can manage and account for the use of the additional transit funds, better capture and allocate the full costs of service, and ensure transparency.

The additional funds will support the implementation of the services in the Transit Vision Plan and increase transit services across the region.

To achieve these goals, the study team adopted a five-phase approach shown in Figure E-1.

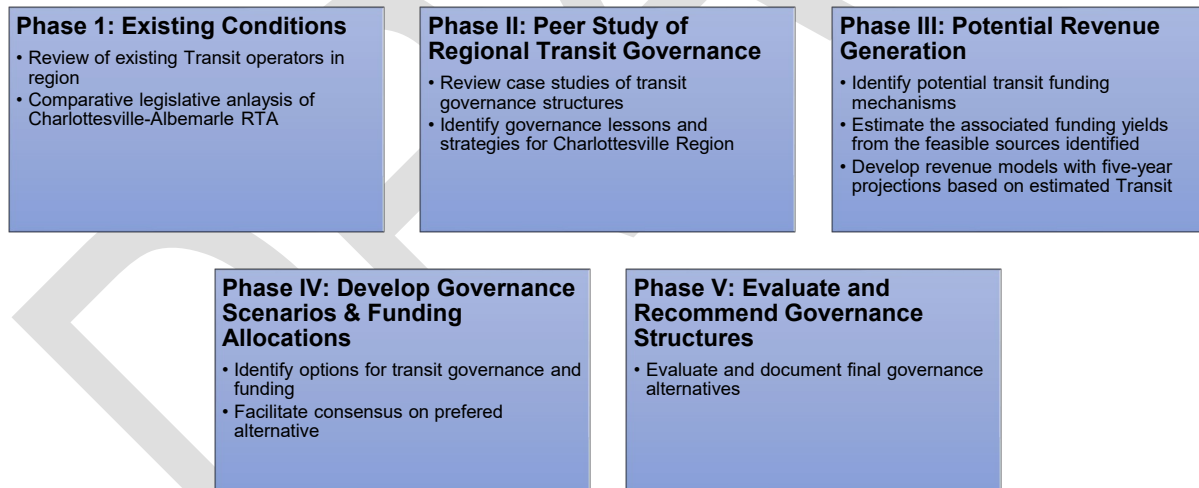


Figure E- 1 Study Approach

A steering committee was formed to guide the study and provide feedback. It comprised representatives from Albemarle, Fluvanna, Louisa, Nelson, and Greene counties, the City of Charlottesville, TJPDC, Virginia Department of Rail and Public Transportation (VDRPT), and University of Virginia (UVA). Additionally, stakeholder engagement was also conducted with the transit providers, Regional Transit Partnership, the TJPDC Commission, boards of supervisors of member counties, Charlottesville City Council, the Metropolitan Planning Organization Policy Board, and the Virginia Department of Transportation (VDOT).

Existing Legislation for a Regional Transit Authority

The legislature provided for the Charlottesville-Albemarle Regional Transit Authority (CARTA) as early as 2009 with subsequent amendments. The authority was established as a service delivery organization, with the contracting, financial (including bonding), and acquisition and operating powers necessary. Its authority is for transit. Charlottesville and “all or portions of Albemarle County” are the essential boundaries, but additional portions of Albemarle, Fluvanna, Greene, Louisa, and Nelson counties as well as cities, towns, tourist-driven and public transit agencies, and higher education agencies may join as members. There is no provision in the current CARTA legislation for dedicated funding, which would come from federal, commonwealth, or local sources.

Frameworks for Regional Transit Governance

Other frameworks exist for regional transit governance. A peer review of six agencies with similar demographic, geographic, and operating characteristics to the Charlottesville Region showed various governance structures including transit service provided by a **town department** with funding from a university (Blacksburg Transit); **public transportation corporation** funded through local property and income taxes (Bloomington Transit); a **joint municipal authority** funded by member municipalities (CATA); **501 (c)(3) nonprofit** funded through general fund contributions from a city, county, and university (TCAT, Ithaca); and a **transportation authority** (TheRide, Ann Arbor) and city department (ICT, Iowa City) both funded through local property taxes.

Recommended Governance Structure

With the exception of funding authority, the existing CARTA legislation possesses the fundamental structure and make-up of a regional transit authority that could serve Region 10. It is recommended for regional stakeholders to implement the existing structure in the interim while an *ideal* transit authority that has potential to accomplish regional goals is pursued.

The following describes the ideal transit authority for the region. These characteristics were derived from a comparative review of other Virginia Regional Transit Authorities (RTAs)¹ and regional peers, and consensus building discussions with regional stakeholders.

- **Creation:** The authority may be created by issuing new state legislation or modifying existing² legislation to form a transit authority that meets the characteristics described. Existing legislation for the Charlottesville-Albemarle Regional Transit Authority (CARTA) may be amended to include funding and align with other sections described in this section.
- **Purpose:** The authority would serve as a regional decision-making body for transit matters. Its purpose would be to plan for regional transit service and to manage any dedicated transit funding generated in the region.
- **Authority participation:** The authority may be created with the City of Charlottesville and Albemarle County as initial members, and an option for the counties of Fluvanna, Greene, Louisa, and Nelson to join as participating members as well.
- **Other Entities as Participants:** Other entities such as higher education institutions, public transportation agencies, or private nonprofit entities may also join the authority upon agreement, concurrent resolution, or ordinance of the existing members of the authority.
- **Board Composition:** The board composition will be:
 - Two directors representing the County of Albemarle, each of whom shall be a member of the governing body of the county.
 - Two directors representing the City of Charlottesville, each of whom shall be a member of the governing body of the city.
 - One director representing each county that joins the Authority, each of whom shall be a member of the governing body of each respective county.³

¹ Hampton Roads Transportation Accountability Commission (HRATC), Central Virginia Transportation Authority (CVTA), and Northern Virginia Transportation Authority (NVTA).

² Charlottesville-Albemarle Regional Transit Authority <https://law.lis.virginia.gov/vacode/title33.2/chapter28/>

³ There are mechanisms available to ensure that funding raised by a jurisdiction are invested back into that jurisdiction.

The Board may also include gubernatorial appointees and representatives from state or regional bodies such as DRPT, the House of Delegates, the Senate, or any other body deemed appropriate by the state legislature. Additional directors may also be added to represent the interests of any agencies or institutions that join the authority.

Most authorities have the option for the board structure to change as needed to reflect changes in the region that occur over time. Rules for change may include transit service-based methods or population-based methods. Boards should ideally represent all taxpayers (including non-transit riding taxpayers), therefore, a combination of the two approaches could be considered if modifications are required.

Potential Transit Funding Options

Two transit network alternatives were developed as part of the Transit Vision Study. Operating costs for the two alternatives were estimated at roughly \$35.5 million and \$85 million per year⁴ for the constrained network and unconstrained network respectively. The constrained vision network was developed under the premise of a future regional transit authority with the ability to generate additional revenue. Both options provide a drastic improvement to current transit service across the region including increased routes, frequencies, and days of service for the urban areas; and micro transit options and all-day service, seven days a week into the city from the lower density areas. Detailed descriptions of the transit service improvements can be found in the study [report](#).

Public transportation is funded through a combination of federal, state, local, and internally generated sources (e.g., fares, advertising, etc.). Average operating costs per year for current transit service in the region (not including UTS) is approximately \$18 million per year with the local component making up about a third (~\$5 million⁵ in 2021) of the total amount. A substantial increase in local funding is required to meet the funding gap between current transit funding and the future funding needed for increased transit service across the region.

After extensive research of potential revenue sources and stakeholder engagement, the following options were determined to be most feasible⁶ under the Virginia context: Sales tax: A tax on the sale of goods or services purchased (not including tax for non-prepared foods). It is the most common source for funding local and regional transit services. Being relatively stable and having moderate public acceptance, an additional 0.7% increase in sales tax across the region could generate an approximate five-year average of \$37 million per year.

- **Transient occupancy tax/lodging tax:** A tax on lodging establishments and does not directly impact residents. It has a minimal revenue yield in some areas. An additional 0.5% could generate an approximate five-year average of \$1 million per year.
- **Personal property tax:** A tax on the value of all motor vehicles, trailers, mobile homes, boats, and aircrafts. It is a relatively stable source but has potential for public resistance if the rate of increase is significant. An additional 0.5% could generate an approximate five-year average of \$13 million per year.
- **Real estate tax:** A tax on the assessed value land and buildings. It is widely used to finance transit and typically considered a default funding source. An additional 0.1% could generate an approximate five-year average of \$52 million per year.

Although funding estimates were developed for the four revenue sources above, representatives from member localities expressed flexibility in pursuing funding sources. As efforts are made toward implementation, member localities are open to adopting one sole source, a combination of sources, or alternative options not identified in this study. Detailed estimates may be found in Section 4: Revenue Generation.

⁴ When anticipated state and federal funding are accounted for, the local component of these amounts are estimated to be between 54 percent and 65 percent of the total respective amounts. Total cost estimates do not include costs associated with capital investments and ADA paratransit service requirements for fixed route expansions.

⁵ National Transit Database (2021).

⁶ Analysis was conducted assuming a uniform levy across all Region 10 localities.

Recommended Next Steps

The following next steps are recommended as a result of feedback from this study.

- Use the CARTA structure to establish an interim entity for regional transit governance and decision making (while legislative action is being pursued) with authority to plan for transit service and with the ability to expand its role over time.
- Conduct a transit needs assessment that clearly analyzes rural transit needs and estimated service costs.
- Ensure continued rural engagement in development of legislative packet for a regional transit authority. Include protective mechanisms in the use of transit revenue generated to lead to equitable investments across the region. Continue educational efforts on the potential benefits of a regional authority and its impact on different types of residents.
- Engage UVA leadership at a level where there is decision-making authority in subsequent efforts toward establishing a transit authority.

The scope of this study does not cover identification of transit service improvements, consolidation of existing transit operations, and administration/governance of school bus operations.

Recommendations presented at the conclusion of this study do not require any immediate action beyond consensus and good faith efforts to participate and support the groundwork needed for implementation.