Regional Transit Governance Study Summary

Introduction

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. Table 1 provides some brief highlights of the transit vision networks.

Table 1 Summary of Transit Vision Network Improvements

Unconstrained Network	Constrained Network
- Improved frequency for fixed routes in urban areas including BRT from US 29 through UVA, downtown, to Pantops - Expanded fixed routes serving every jurisdiction in region - Eight new fixed route bus services (hourly service including weekends) - Supplementary on-demand zones in lower-density areas to connect to regional network - Expanded hours and days of service (seven days a week) 7am to 8pm on most urban and regional networks (some running to midnight) - More all-day service during morning and evening peak periods and during the middle of the day	- All fixed routes operate seven days a week - Increased frequency (15, 20, and 30 min) on weekdays and more 20- and 30-min routes on Saturdays. - All fixed routes run on Sundays - All CONNECT routes to run seven days a week with two additional daily trips - Two new CONNECT routes - Additional weekend service - Expanded Circulator services in Nelson, Greene, Louisa, and Fluvanna counties to run all day, seven days a week (intra-county) - Expanded Albemarle County rural demand response service

Subsequently, this follow-up study on regional transit governance will identify governance options for regional transit and increase transportation investments to achieve regional transit priorities. The study focus is on identifying options for a governance body that can steward any additional transit revenues generated; the scope does not include strategies or approaches for consolidating current transit operations.

This study has two main goals:

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, increasing transportation services across the region.

Process Overview

To achieve these goals, the study team adopted a five-phase approach shown in Figure 1. The study is currently finalizing Phase III, Potential Revenue Generation. The final study recommendations are expected in December 2023.
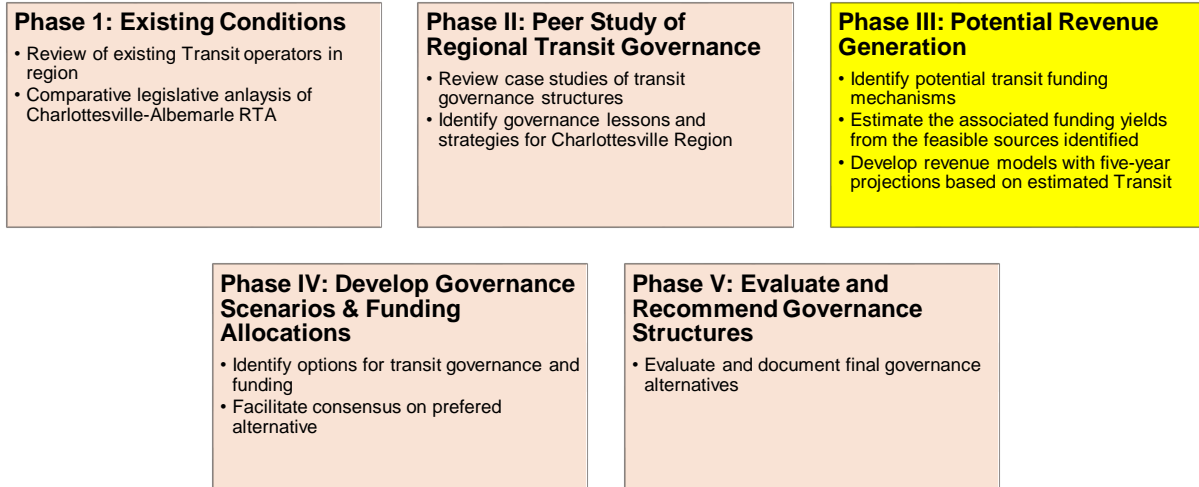
Phase 1: Existing Conditions
- Review of existing Transit operators in region
- Comparative legislative anlaysis of Charlottesville-Albemarle RTA

Phase II: Peer Study of Regional Transit Governance
- Review case studies of transit governance structures
- Identify governance lessons and strategies for Charlottesville Region

Phase III: Potential Revenue Generation
- Identify potential transit funding mechanisms
- Estimate the associated funding yields from the feasible sources identified
- Develop revenue models with five-year projections based on estimated Transit

Phase IV: Develop Governance Scenarios & Funding Allocations
- Identify options for transit governance and funding
- Facilitate consensus on prefered alternative

Phase V: Evaluate and Recommend Governance Structures
- Evaluate and document final governance alternatives

Figure 1 Study Approach

The core study team is made up of representatives from the TJPDC, City of Charlottesville, Virginia Department of Rail and Public Transportation (VDRPT), and AECOM (consultants). The study team coordinates with a steering committee comprising representatives from Albemarle, Fluvanna, Louisa, Nelson, and Greene counties, as well as, from University of Virginia (UVA) and the City of Charlottesville.
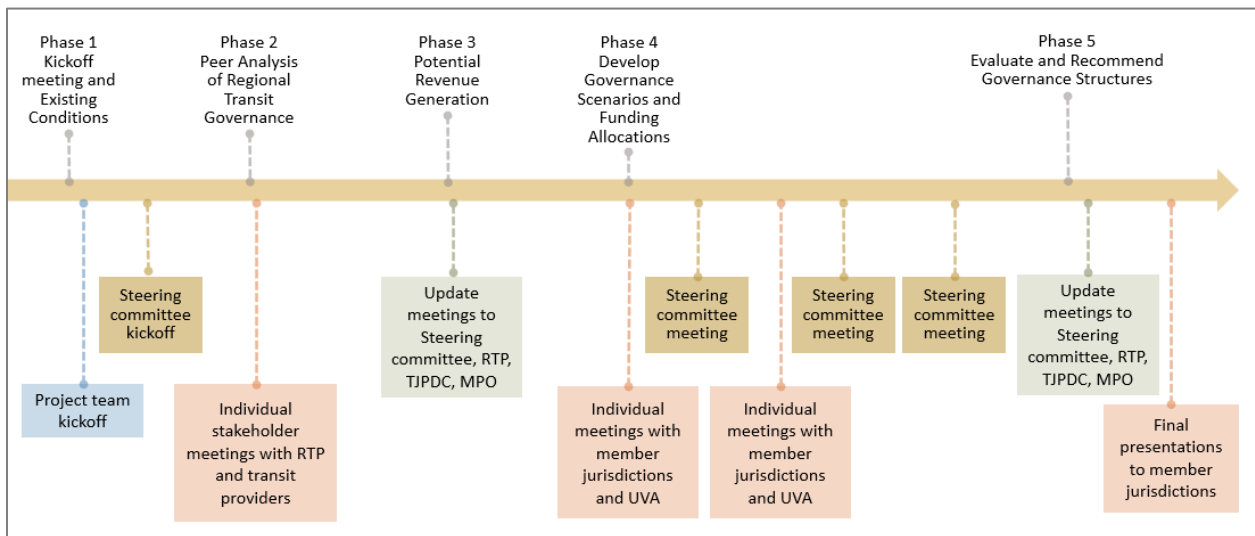

Figure 2 Stakeholder Engagement Map

Key Findings to Date

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 funding, which would need to come from federal, commonwealth, and local sources.

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.

After reviewing the current RTA legislation in comparison with other Virginia RTAs[1], reviewing regional peers, and holding discussions with regional stakeholders, recommendations for the transit governance structure will likely fall under one of three options below:

1. Establish a new authority with funding provisions at the state legislature (comparable to CVTA or HRTAC)

2. Modify existing CARTA legislation to provide additional funding authority

3. Modify another framework to provide additional authority

Phase IV of the study will explore potential structures for governing transit by outlining alternatives that show various memberships/participation from regional partners.

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 year for the constrained network and unconstrained network respectively. 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.

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

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 million[2] 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.

In Phase III of this study, the universe of potential revenue sources was explored and distilled to a list of potentially feasible options with a past record in the Commonwealth (e.g., funding sources for CVTA, HRTAC, NVTA). The main sources include the following:

- Sales tax
- Grantors tax
- Fuel tax
- Transient occupancy tax/lodging tax
- Recordation tax
- Toll revenues
- Interstate Operations Enhancement Program
- Truck registration fees

Subsequently, the study team is engaging stakeholders on the potential feasibility of these options at the state level (General Assembly) and at the jurisdiction level.

Next Steps

The next steps will cover additional stakeholder engagement to discuss example governance scenarios and the resulting funding allocations. By the end of this study, we hope to accomplish the following:

1. Reach consensus with regional stakeholders on feasible options for a transit governance structure in the region (e.g., membership, board representation, authorities, and powers).
2. Identify potential funding mechanisms and associated estimated projections for improving transit within the region.
3. Identify immediate next steps for preliminary planning towards implementation.

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 council action beyond consensus and good faith efforts to participate and support the groundwork needed for implementation.

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[2] National Transit Database (2021).

Appendix

Table 1: Summary Table Showing Stakeholder Engagement to Date

Study Phase	Coordination
Phase I	Garland Williams, CAT Ted Rieck, Jaunt Diantha McKeel, Reginal Transit Partnership Rebecca White, UVA Matt Lawless, Scottsville Ray Amoruso, Hampton Roads Transit Brian Smith, Deputy CEO Hampton Roads Transit
Phase II	Brian Booth, Director, Blacksburg Transit John Connell, General Manager, Bloomington Transit Louwana Oliva, Executive Director, Centre Area Transportation Authority (CATA) Scot Vanderpool, General Manager, Tompkins Consolidated Area Transit (TCAT) Matt Carpenter, CEO, TheRide Darian Nagle-Gamm, Transportation Director, Iowa City Transit Danny Plougher, Virginia Transit Authority Lisa Guthrie, Virginia Transit Authority
Phase III	Albemarle County Diantha McKeel, Board member Jacob Sumner, Interim CFO Trevor Henry, Assistant County Executive Greene County Catherine Schafrik, County Administrator Dale Herring, Board Chair Jim Frydl, Planning Director Nelson County Ernie Reed, Central District Supervisor Dillan Bishop, Planning and Zoning Director Fluvanna County Patricia Eager, Board Vice Chair Kelly Belanger Harris, Assistant County Administrator Louisa County Christopher Coon, Deputy County Administrator Kevin Page, Executive Director HRTAC Laura Farmer, CFO VDOT Ted Rieck, CEO, Jaunt Garland Williams, Director, CAT Sean Nelson, District Engineer, VDOT Stacy Londrey, Assistant District Administrator, VDOT The project team is scheduled to meet with the City of Charlottesville on August 30th.

Table 2: Summary of Main Funding Sources for Three Regional Transportation Authorities in Virginia

Funding Source	Entity	Description
Sales Tax	CVTA	0.7% regional sales tax.
	HRTAC	0.7% sales tax, funding the HRTF. Can only fund road projects. $146.2 million (2020)
	NVTA	0.7% special district sales tax. $197.04 million (FY2022). Can fund transit.
Grantor's Tax	HRTAC	Additional 6 cents per $100. Can be used for transit projects.
	NVTA	Part of the "Regional Congestion Mitigation Tax", which raised ~$17.85 M in FY2022.

Funding Source	Entity	Description
		$0.10 (formerly $0.15) congestion relief fee (renamed the regional transportation improvement fee) within the 9 jurisdictions.
		Can be spent only on road construction, capital improvements that reduce congestions, other projects approved in the regional transport plan or for transit.
Fuel Tax	CVTA	7.6 cents/gallon on gasoline/gasohol
		7.7 cents/gallon on diesel
		Indexed to inflation.
		35% - CVTA use on transportation-related purposes for Planning District 15
		15% to GRTC or successor for transit and mobility services within Planning District 15
		50% returned, proportionally to each locality to improve local mobility through construction, maintenance, or expansion of roads, sidewalks, trails, mobility services, or transit located in the locality.
	HRTAC	7.6 cents/gallon on gasoline/gasohol
		7.7 cents/gallon on diesel, subject to annual adjustment.
		Can only fund road projects.
		$55 million (2020)
Transient Occupancy Tax	HRTAC	1% local hotel tax. Can be used for transit projects.
		Only collected in six localities with HRT service
	NVTA	Part of the "Regional Congestion Mitigation Tax", which raised ~$17.85M in FY2022.
		3% tax on transient occupancy (hotels).
		Can be spent only on road construction, capital improvements that reduce congestions, other projects approved in the regional transport plan or for transit.
Truck Registration Fees	NVTA	Portion of increased truck registration fee as part of I-81 Corridor Improvement Fund distributed to NVTA
Interstate Operations Enhancement Program	NVTA	To improve the safety, reliability, and travel flow along interstate highway corridors in the commonwealth through the development and funding of operational and capital improvements.
		Preceded by I81 Corridor Improvement Plan (completed)
		43.7% - I81 corridor Improvement
		8.4% to NVTA
		Remaining allocated by CTB
Toll Revenues	HRTAC	Authorized to use tolls for new construction or existing highways, bridges, tunnels.
		Has state guidance on tolling ($345M anticipated toll revenue for HRBT financing (FY20-FY26)
Recordation Tax	HRTAC	Taxes paid during the sale of property which can be used for transit projects. Estimated at $20 million for 2020.
Northern Virginia Transportation District Fund Transfer	NVTA	The district is a subset of NVTA members, which raises transit funds through taxes.
		70% regional needs and 30% local disbursement for transportation needs.
		Can be used for transit
		FY22 proposed budget had $20M. ~$6M (30%) for local jurisdictions and $14M (70%) for regional transit