

Agenda Item 5 Handout

HB2313: HRTPO Structure and Financing

HRTPO – Potential 2014 Legislative Initiatives

HRTPO Legislative Ad-hoc Committee



June 27, 2013

HRTPO – Potential 2014 Legislative Initiatives

Premises:

- A. HB 2313 created a Hampton Roads Transportation Fund (the “HRTF”) which, beginning July 1, 2013, will be funded with revenues derived from certain taxes and fees.
- B. HRTF is a special nonreverting fund administered by the Comptroller of the Commonwealth.
- C. HRTF is to be used solely for new construction projects on new or existing roads, bridges and tunnels in the localities comprising Planning District 23. Certain requirements for use of the HRTF are broadly stated without specific terms.
- D. Although the HRTPO must approve the projects constructed with HRTF monies, HB 2313 does not authorize a local entity to administer or implement projects. Thus, VDOT and CTB will oversee and implement the projects.
- E. HB 2313 also does not specifically allow HRTF to be leveraged through bond issuances.
- F. Additional legislation is necessary to empower either the CTB or a local authority, new or existing, to issue bonds secured by HRTF.
- G. The Secretary of Transportation has indicated that the State’s debt capacity limits make the CTB an inefficient bond issuer; the Secretary has recommended that the HRTPO explore the creation and use of an Authority, similar in certain respects to the Hampton Roads Transportation Authority contemplated in 2007 and the current Northern Virginia Transportation Authority.

Potential Features of a New Hampton Roads Transportation Authority:

1. Formation, Composition and General Purpose
 - Legislation would create the Authority as a body politic and political subdivision of the Commonwealth.
 - The Authority would have a membership that mirrors the HRTPO (as modified to embrace all of Planning District 23).
 - Voting powers would also mirror the HRTPO.
 - The Authority would serve primarily as a financing mechanism, capable of issuing bonds secured by the HRTF. Those bond proceeds would be used toward execution of the HRTPO’s regional transportation plan (LRTP and TIP, as approved and in effect from time to time) and its proposed transportation improvements.
 - If desired, the Authority could have expanded implementation powers that would allow it to acquire and construct transportation improvements independently.

2. Powers

(a) Primary

- The sections of the Code of Virginia implementing HB 2313 would be modified to provide that the Comptroller would distribute the revenues dedicated to the HRTF to the Authority for use toward regional transportation projects.
- The Authority would have the power to issue bonds secured by the HRTF.
- The Authority would have the power to apply to and negotiate with the government of the U.S., the Commonwealth, and/or any agency, instrumentality or political subdivision thereof for grants and other funds available to carry out transportation projects.
- All monies received by the Authority and the proceeds of bonds issued by the Authority would be used solely to fund transportation projects authorized under HB 2313.
- The Authority would be authorized to enter into agreements incidental to or necessary for the exercise of its primary powers.
- The Authority also would be authorized to engage VDOT to develop projects and generally would coordinate its activities with VDOT and CTB.
- The Authority would be a responsible public entity under the PPTA.
- The Authority would be authorized to employ a chief executive officer and other staff as necessary. VDOT and Va. Dept. of Rail and Public Transportation would make their employees available upon request.

(b) Potential Expanded Powers and Other Changes (if desired)

1. The Authority could have power to implement projects, directly or by contract:
 - The Authority could be authorized to construct, acquire, renovate or repair, by purchase, lease, contract or otherwise, the project improvements and related facilities.
 - The Authority could be authorized to enter into agreements with public or private entities for the construction, operation and/or maintenance of the project improvements and facilities.
 - The Authority could be authorized to acquire land for projects.

- The Authority would be authorized to impose, collect and set tolls for use of facilities newly constructed or reconstructed with revenues under the control of the Authority.
2. Approval of projects could be shifted from HRTPO to the Authority
 3. Either or both of the HB2313 requirements that funds be used in each planning district locality and that priority be given to use of funds for projects that most relieve congestion could be modified to provide additional flexibility, or those provisions could be clarified. Currently, HB2313 does not specify the period of time allowed for expenditure of funds across all of the localities, or specify the methodology for determining potential congestion relief.