

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

### Transportation Capital Fund

- Allows the County to make major ongoing investments in multimodal transportation infrastructure and expanded transit service 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, state, and regional 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 Northern Virginia Transportation Authority (NVTA) 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 \$0.125 per \$100 of real estate value 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 \$0.125 per \$100 valuation C&I tax, known as the Transportation Capital Fund (TCF) in 2008, and therefore, meets this requirement.
- The 2018 Virginia General Assembly enacted legislation (House Bill 1539) to divert two of the three regional taxes and fees established in 2013 under HB 2313 from NVTA to WMATA. The available revenue for TCF NVTA Local was reduced by approximately 40 percent.

### SIGNIFICANT BUDGET CHANGES

The FY 2019 adopted budget for the Transportation Capital Fund (TCF) is \$37,225,429, however, due to a state legislative action taken after the adopted budget for dedicated Washington Metropolitan Area Transit Authority (WMATA) funding, the revised FY2019 budget is \$32,769,562. In 2018, after the Board adopted the FY2019 budget, legislation was passed in the Virginia General Assembly that provides approximately \$154 million of dedicated funding for the WMATA. As part of the funding plan, existing grantors and transient occupancy taxes distributed to the Northern Virginia Transportation Authority (NVTA) will now be remitted directly to WMATA. The direct impact to the Transportation Capital Fund is a reduction of NVTA local funds available in FY 2019 by approximately \$4.3 million annually. Additionally, the portion of NVTA regional taxes collected within Arlington County is reduced by \$10.5 million annually and \$7.2 - 8.2 million of new local funding must now be remitted annually to the State as part of the \$154 million dedicated funding package. Due to this significant reduction in revenues, and new WMATA funding requirements, the County will be required

to re-prioritize its transportation program under this new reduced funding plan. This may result in the reduction, deferral, or cancellation of some projects, or require the use of debt financing to offset the loss of this revenue source. The revised FY 2019 execution plan compared to the revised FY 2018 plan is shown in the fund statement. The revised FY 2019 budget reflects:

- ↓ Revenues decrease based on a reduction in commercial real estate assessments (\$1,246,745), and a reduction in Northern Virginia Transportation Authority (NVTA) revenues due to the 2018 General Assembly action to provide dedicated funding to Metro (\$4,307,391).
- ↑ Increase of 7.0 FTEs due to the addition of the following positions:
  - Two Engineering positions (\$276,000, 2.0 FTEs) in the Traffic Engineering & Operations Bureau: the first FTE will support the Transportation Systems & Traffic Signals and Intelligent Transportation Systems CIP programs. The second FTE will support delivery of the Complete Streets CIP program.
  - A Community Relations Specialist position (\$133,000, 1.0 FTE) to support the overall transportation capital program.
  - Three positions transferred from the DES General Fund. The positions include two Budget Analysts and a Transportation Capital Program Manager (\$427,000, 3.0 FTEs). A portion of the time for these positions had already been charged to capital projects and the Transportation Capital Fund (net impact \$257,000).
  - A Grants Compliance Specialist position currently charged to the Transportation Capital Fund but previously authorized in the County Manager's Office (1.0 FTE).

**PROGRAM FINANCIAL SUMMARY**

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Revised	% Change '18 to '19
Capital Projects	\$26,823,321	\$37,650,698	\$32,769,562	-13%
Interest on Debt	596,153	673,000	-	-100%
<b>Total Expenditures</b>	<b>27,419,474</b>	<b>38,323,698</b>	<b>32,769,562</b>	<b>-14%</b>
<b>Total Revenues</b>	<b>48,268,744</b>	<b>\$38,323,698</b>	<b>\$32,769,562</b>	<b>-14%</b>
<b>Change in Fund Balance</b>	<b>\$20,849,270</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Authorized FTEs</b>	<b>18.0</b>	<b>22.0</b>	<b>29.0</b>	

\*The FY 2019 Adopted Budget includes a total of 35.5 FTEs to support the transportation capital program. 29.0 FTEs are funded by the Transportation Capital Fund and 6.5 FTEs are funded by the Crystal City Tax Increment Fund (TIF).

\*FY 2019 revised budget numbers are shown for FY 2019 to demonstrate the reduction of revenue based on the Virginia General Assembly action to dedicate funds for WMATA. A budget appropriation to reduce the Adopted FY 2019 budget will be completed as part of FY 2018 Closeout.

- This table reflects the FY 2019 spending plan of current year revenues and does not show the use of fund balance for the total projected FY 2019 expenditures. See the Fund Statement for the execution plan.

**FY 2019 MAJOR PROJECTS**

**Complete Streets**

- Rosslyn-Ballston Corridor Improvements: Multimodal street improvements throughout the corridor that meet the planning goals outlined in the Master Transportation Plan (MTP) and area sector plans. These projects will provide significant street and sidewalk safety and functionality improvements. Projects include:

- Lynn Street Esplanade and Custis Trail Improvements - Rosslyn: Design and Utility undergrounding completed Fall FY 2018, VDOT construction advertisement complete, award in February 2018, general construction starts Spring FY 2018.
- Clarendon Circle Improvements – Wilson Blvd and Washington Blvd: project design, procurement, and construction award expected by the end of FY 2018, general construction to start in FY 2019.
- Columbia Pike Corridor Street Improvements: Multimodal improvements along the entire corridor that will increase pedestrian safety and access, provide improved bicycle facilities, improve traffic flow, and increase pedestrian safety at intersections. Engineering drawings will continue to be developed for four segments of Columbia Pike and construction will begin on the segment between Four Mile Run and the County line in FY 2018. Construction between Four Mile Run and the County line will continue in FY 2019 and construction between S. Oakland and S. Wakefield will begin in FY 2019:
  - Columbia Pike from Four Mile Run to S. Jefferson Street (FY 2018-FY 2021)
  - Columbia Pike from S. Oakland St to S. Wakefield Street (FY 2019-FY 2021)
- 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 components such as battery backup and mid-block flashers. Major Signal upgrade projects for FY 2019 include the following:
  - S. Carlin Springs Rd. at 3rd Street S.
  - S. Carlin Springs Rd. at 6th Street S.
  - S. Glebe Rd. and Arlington Ridge Rd.
  - Route 50 and Montague (pedestrian signal)
- Intelligent Transportation System (ITS): This program will proceed at a reduced scope due to a reduction in TCF. The program will allow the County to expand ITS system capabilities/upgrades with the help of recently installed fiber in the County. These projects include upgrading the County's traffic signal system to allow for integration of existing components such as video detection, uninterrupted power supply (UPS), and Polara pedestrian push buttons into the central Traffic Management Center (TMC). Additionally, in FY 2019, this program will work towards designing and installing new ITS strategies such as connected vehicles, data sharing and collection, and security enhancements.

The data programs listed above will also support travel forecast model development efforts. The modeling program will begin with the development of an Arlington County travel demand model that can be used for service analysis and strategic planning for Arlington County as a whole. This model can be tailored for use in specific studies for subareas—including Crystal City/Pentagon City, the Rosslyn/Ballston Corridor, and the Columbia Pike Corridor. These models will allow the County to test multimodal impacts on County's roadways and assist in decision-making by ensuring that investments will yield significant positive impacts on the countywide transportation system.

## Transit

- The ART facilities project will provide the needed facility to maintain Arlington's growing fleet of ART buses used for local bus service. The County has increased the number of ART routes and hours of service significantly during the past 10 years. The County's approved plan for ART is to further expand from 65 to 90 buses during the next eight to ten years. In order to perform regular preventive maintenance and handle repairs and other unscheduled maintenance work, the County needs to acquire land and construct a 10-bay transit bus maintenance facility, parts storage room, offices, and gated parking area.

- **ART Fleet and Equipment Replacement:** This project is for the replacement of aging buses that have completed their useful life in accordance with public transit standards. This is a State of Good Repair initiative and is now using NVT A Local funding to meet the state match for vehicle replacement. For FY 2019, it is anticipated that 14 buses will be replaced.
- **Public Transportation Service Operations:** The County continues the recent trend of funding bus service expansion with transportation capital funds. FY 2019 includes ART 41 and 45 service expansions and a proposed ART service overlay to Metrobus 22. The County will also pay for expanded Metrobus service on Columbia Pike. Additionally, transportation capital funding will pay for Capital Bikeshare operations and maintenance.

**TRANSPORTATION CAPITAL FUND  
FUND STATEMENT**

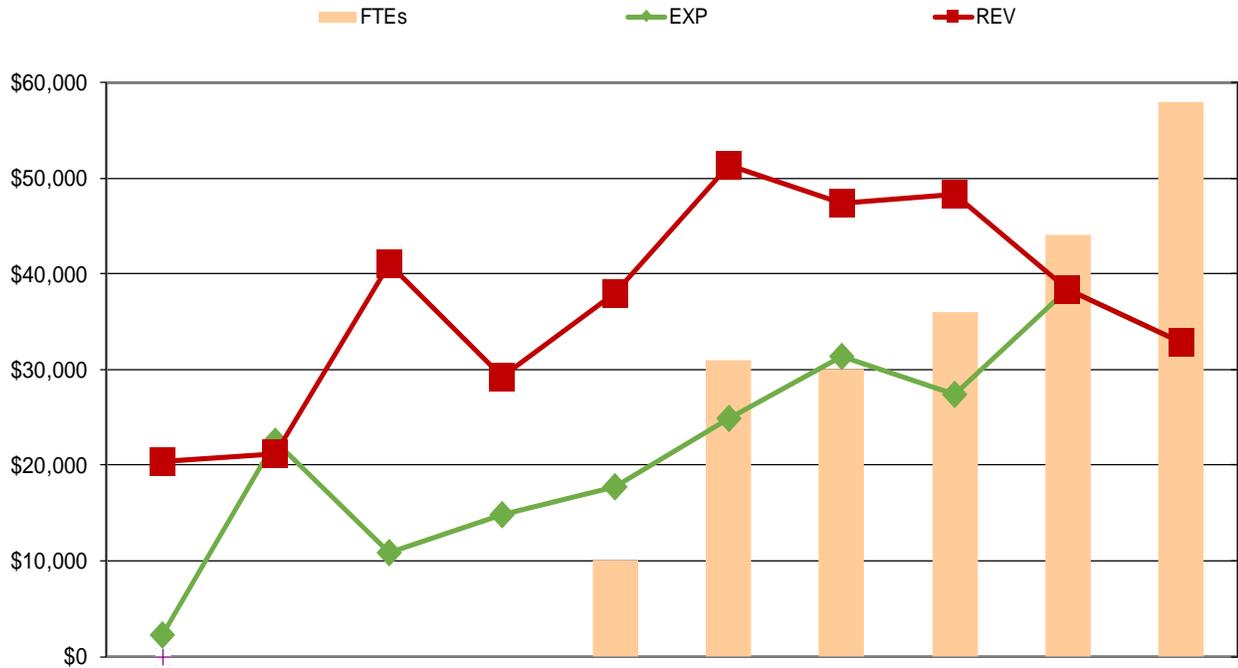
	<b>FY 2017 ACTUAL</b>	<b>FY 2018 ADOPTED</b>	<b>FY 2018 RE-ESTIMATE</b>	<b>FY 2019<sup>2</sup> REVISED</b>
<b>ADJUSTED BALANCE, JULY 1</b>				
Construction Reserve	\$144,016,259	\$137,921,265	\$164,765,529	\$140,157,118
Reserve	3,700,000	3,800,000	3,800,000	3,800,000
<b>TOTAL BALANCE</b>	<b>147,716,259</b>	<b>141,721,265</b>	<b>168,565,529</b>	<b>143,957,118</b>
<b>REVENUES</b>				
Commercial Real Estate Revenues	25,031,364	26,423,698	25,551,570	25,176,953
Developer Contributions	3,084,202	-	-	-
Capital Bikeshare - User Revenue	814,929	-	-	-
Misc. Revenues	656,622	-	-	-
Grant Revenues	6,384,471	-	-	-
NVTC Revenues - Local	12,297,156	11,900,000	12,139,019	7,592,609
<b>TOTAL REVENUES</b>	<b>48,268,744</b>	<b>38,323,698</b>	<b>37,690,589</b>	<b>32,769,562</b>
<b>TOTAL REVENUE &amp; BALANCE</b>	<b>195,985,003</b>	<b>180,044,963</b>	<b>206,256,118</b>	<b>176,726,680</b>
<b>EXPENSES</b>				
Current Year Capital Projects	26,823,321	37,650,698	37,690,589	32,769,562
Carryover Capital Projects		26,699,302	15,858,411	42,373,000
Interest on Debt	596,153	673,000	8,750,000	-
<b>TOTAL EXPENSES</b>	<b>27,419,474</b>	<b>65,023,000</b>	<b>62,299,000</b>	<b>75,142,562</b>
<b>BALANCE, JUNE 30</b>				
Construction Reserve	164,765,529	111,121,963	140,157,118	98,284,118
Reserve <sup>1</sup>	3,800,000	3,900,000	3,800,000	3,300,000
<b>TOTAL BALANCE</b>	<b>\$168,565,529</b>	<b>\$115,021,963</b>	<b>143,957,118</b>	<b>\$101,584,118</b>

- Most capital projects span multiple years, from design to construction completion.
- The FY 2017 Actual and FY 2018 Re-Estimate columns reflect that funding for capital projects is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.
- The FY 2019 revised budget column is presented in a similar fashion to show planned execution of projects in the fiscal year.
- These are estimates based on preliminary plans and design and construction schedules.

Notes:

1. Balances equivalent to a minimum of ten percent of annual budgeted TCF revenues are held in a reserve in accordance with the County Board's financial and debt policies.
2. FY2019 revised budget rather than FY2019 adopted budget is shown to demonstrate the reduction in revenue based on the General Assembly action for dedicated WMATA funding. A budget appropriation to reduce the funding will be completed as part of FY2018 Closeout.

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



	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted Budget	FY 2019 Revised Budget
<b>EXP</b>	\$2,244	\$22,468	\$10,818	\$14,883	\$17,742	\$24,894	\$31,329	\$27,419	\$38,324	\$32,769
<b>REV</b>	\$20,370	\$21,169	\$41,007	\$29,278	\$38,012	\$51,360	\$47,353	\$48,269	\$38,324	\$32,769
<b>FTEs</b>	0.00	0.00	0.00	0.00	5.00	15.50	15.00	18.00	22.00	29.00

\*FY 2019 revised budget numbers are shown for FY2019 to demonstrate the reduction of revenue based on the Virginia General Assembly action to dedicate funds for WMATA. A budget appropriation to reduce the Adopted FY19 budget will be completed as part of FY2018 Closeout.

The FY 2019 Proposed Budget includes a total of 35.5 FTEs to support major street and transit program elements. 29.0 FTEs are funded by Transportation Capital Fund and 6.5 FTEs are funded by the Crystal City Tax Increment Fund.

**TRANSPORTATION CAPITAL FUND**  
TEN-YEAR HISTORY

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<b>Fiscal Year</b>	<b>Description</b>	<b>FTEs</b>
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>	
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>	

**TRANSPORTATION CAPITAL FUND**  
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
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> </ul>	
	<ul style="list-style-type: none"> <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> </ul>	5.0
	<ul style="list-style-type: none"> <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>	10.0
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> </ul>	
	<ul style="list-style-type: none"> <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> </ul>	(0.5)
	<ul style="list-style-type: none"> <li>▪ As part of budget adoption, \$412,000 of funding for bike-pedestrian projects were shifted from decal fees (PAYG) to HB2313 local.</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ ART Service Enhancements (\$155,638) and Supplemental ART service (\$425,000) are funded by HB 2313 local funds.</li> </ul>	
FY 2017	<ul style="list-style-type: none"> <li>▪ Revenues and expenditures increase based on commercial real estate projections (\$79,849), and Northern Virginia Transportation Authority (NVTA) revenue projections (\$471,659). The revenue will be used to support major approved capital projects.</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ Personnel and non-personnel increases due to the addition of two Design Engineer Team Supervisors (2.0 FTE) in the Engineering Bureau and one Principal Planner (1.0 FTE) for the Neighborhood Complete Streets Program. Other personnel changes are a reallocation of a previously approved 1.0 position in County Attorney's Office to a 1.0 Capital Programs Management Coordinator and reallocation of a previously approved 1.0 position in DES Real Estate to a 1.0 Engineering Design Section Manager.</li> </ul>	3.0
FY 2018	<ul style="list-style-type: none"> <li>▪ Revenues increase based on commercial real estate projections (\$1,640,387), and Northern Virginia Transportation Authority (NVTA) revenue projections (\$85,559).</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ Increase of 4.0 FTEs including a Neighborhood Complete Streets Traffic</li> </ul>	4.0

**TRANSPORTATION CAPITAL FUND**  
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
	Engineer position (\$133,000) in the Traffic Engineering & Operations Bureau, a Design Engineer position (\$133,000) in the Engineering Bureau to support the Neighborhood Complete Streets program, a Management & Budget Specialist position (\$113,050) to support the overall transportation capital program, and the transfer of an existing position in the Real Estate Bureau from the Crystal City, Potomac Yard, and Pentagon City Tax Increment Financing Area (TIF) fund.	
FY 2019	<ul style="list-style-type: none"> <li>▪ Revenues decrease based on a reduction in commercial real estate assessments (\$1,246,745), and a reduction in Northern Virginia Transportation Authority (NVTA) revenues due to the 2018 General Assembly action to provide dedicated funding to Metro (\$4,307,391).</li> <li>▪ Increase of two Engineering positions (\$276,000, 2.0 FTE) in the Traffic Engineering &amp; Operations Bureau; The first FTE will support the Transportation Systems &amp; Traffic Signals and Intelligent Transportation Systems CIP programs. The second FTE will support delivery of the Complete Streets CIP program. <span style="float: right;">2.0</span></li> <li>▪ A Community Relations Specialist position (\$133,000, 1.0 FTE) to support the overall transportation capital program. <span style="float: right;">1.0</span></li> <li>▪ Three positions transferred from the DES General Fund. The positions include two Budget Analysts and a Transportation Capital Program Manager (\$427,000, 3.0 FTEs). A portion of the time for these positions had already been charged to capital projects and the Transportation Capital Fund (net impact \$257,000). <span style="float: right;">3.0</span></li> <li>▪ A Grants Compliance Specialist position currently charged to the Transportation Capital Fund but previously authorized in the County Manager's Office (1.0 FTE). <span style="float: right;">1.0</span></li> </ul>	