



## CITY OF RICHMOND

### Department of Planning & Development Review *Staff Report*

**Ord. No. 2021-015:** To amend Ord. No. 2020-051, adopted May 11, 2020, which (i) accepted a program of proposed Capital Improvement Projects for Fiscal Year 2020-2021 and the four fiscal years thereafter, (ii) adopted a Capital Budget for Fiscal Year 2020-2021, and (iii) determined a means of financing the same, by reducing estimated receipts and the appropriation for the Department of Public Works' Transportation Projects by \$15,000,000.00; to amend Ord. No. 2020-050, which adopted the Fiscal Year 2020-2021 special fund budgets and made appropriations thereto, by establishing a new line item called the "CVTA Special Fund" line item and increasing estimated receipts from the Central Virginia Transportation Authority and the amount appropriated to the new Department of Public Works' CVTA Special Fund line item by \$12,195,491 for the purpose of funding the planning, design, operations, maintenance, and construction of transportation improvements within the city of Richmond.

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**To:** City Planning Commission  
**From:** Land Use Administration  
**Date:** February 1, 2021

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#### **PETITIONER**

Bobby Vincent, Director of Public Works

#### **PURPOSE**

To amend Ord. No. 2020-051, which adopted the Capital Improvements Projects budget; and Ordinance 2020-050, which adopted the FY2021 Special Fund budget on May 11, 2020, by appropriating (up to) \$12,195,491 from the Commonwealth of Virginia revenues of the Central Virginia Transportation Authority (CVTA) Fund, to a new Department of Public Works special fund.

#### **SUMMARY & RECOMMENDATION**

Pursuant to Chapter 42 of Title 15.2, Code of Virginia funding generated through the imposition of an additional regional 0.7 percent sales and use tax and a wholesale gas tax of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel are designated to the Central Virginia Transportation Authority (CVTA). The City of Richmond is a member locality and will receive a portion of revenue that can be used for transportation purposes. Financial reporting guidance, legislatively mandated by the Act, indicated that CVTA Act funds should be deposited into a separate special fund. Therefore, a newly created special fund is necessary to track revenues and expenditures related to the planning, design, operations, maintenance, and construction of transportation improvements within the City of Richmond.

City Administration recommends approval of the ordinance.

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## **FINDINGS OF FACT**

### **Background**

On May 1, 2020, the Virginia General Assembly adopted House Bill 1541, which created the Central Virginia Transportation Authority (CVTA), comprising the counties and cities located in Planning District 15. The Central Virginia Transportation Authority is a body politic and as a political subdivision of the Commonwealth. The Authority embraces each county, city, and town located in Planning District 15, which is established pursuant to Virginia Code Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2. The nine localities are Richmond City, Hanover County, Goochland County, Powhatan County, Chesterfield County, Charles City County, New Kent County, Henrico County and Town of Ashland.

Richmond's vast network of sidewalks, highways and bridges connect our communities and support our economy. But today our curbs and gutters, sidewalks and bridges are in poor condition, directly impacting the lives of ordinary citizens by increasing wear and tear on vehicles, driving up repair costs, inflating travel times, and sometimes introducing new safety concerns. This is one of the benefits of the CVTA fund being created in the state treasury for localities within in Planning District 15. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be used to calculate or reduce the share of federal, state, or local revenues otherwise available to participating localities. Further, any such revenues cannot be used or included in any computation of, or formula for, a locality's ability to pay for public education.

Fifty percent of the CVTA funds are proportionally returned, to each locality located in Planning District 15 and are for activities related to improving local mobility, including construction, maintenance, or expansion of roads, sidewalks, trails, mobility services, or transit located in the locality. Each locality is required to create a separate, special fund in which all revenues received shall be deposited. Each locality must annually provide to the Authority with sufficient documentation, as required by the Authority, showing that the revenues distributed were used for the purposes set forth in the Act.

Ordinance 2020-051 was considered by City Council and adopted on May 11, 2020, to provide for an FY2021 Capital Fund budget appropriation for the initial projected amount of \$15 million that was applied to the Capital Improvement Program for Paving. The adopted CIP budget placed \$15 million CVTA funds and \$15M of General Obligation bonds totaling \$30 million in the Project #100546 and Award #500286 for paving. With this amendment, the \$15 million in CVTA funds will be removed. The \$15 million was an FY21 budget estimate in preparation of receiving CVTA funds, the updated revenue estimate is \$12,195,491. The CVTA Act requires that all CVTA funds be placed in a separate special fund. The projected FY21 paving and infrastructure budget will now be \$20.2 million, which is a combination of \$5.2 million of CVTA funds and \$15 million in GO Bond dollars. The total CVTA funds that will be placed in the newly created special fund for transportation related efforts is \$12,195,491.

The City Administration requests that the FY2021 special budget be amended to provide spending authority of CVTA fund allocations by appropriating (up to) \$12,195,491) to the Department of Public Works. By amending the Capital Improvements and Special Fund budgets this will allow for the Commonwealth of Virginia revenues of the CVTA fund, to be received and placed in a new Public Works special fund and properly segregated by eligible activities for both revenues and expenditures.

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