

Charlottesville-Albemarle
Regional Transit Authority Plan

Final Report

August 2008



Submitted by:

Vanasse Hangen Brustlin, Inc.
8300 Boone Boulevard, Suite 700
Vienna, VA 22182

Submitted to:

Thomas Jefferson Planning District Commission
401 East Water Street
Charlottesville, VA 22902

With Support from:

Jacobs Edwards and Kelcey
Nelson/Nygaard

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Appendices

The work program for the development of the Charlottesville-Albemarle Regional Transit Authority Plan included the development of a series of Technical Reports documenting the products of each task. These reports were reviewed by the project advisory committee prior to presentation to the MPO Policy Board. The various analyses documented in these reports led to and supported the recommended plan.

These Technical Reports, published separately, are included as Appendices to this Final Report.

Appendix A: Institutional Options – Describes typical Regional Transit Authority (RTA) powers, the powers and functions that stakeholders have described as desirable for an RTA, and provides an overview of the institutional structure of existing providers. It then presents initial institutional options for the development of a Regional Transit Authority (RTA), as well as for alternative institutional structures that could produce the desired outcomes.

Appendix B: Organizational Analysis and Staffing Plan – Documents the general framework for an appropriate organizational structure for management and operation of public transportation in Charlottesville and Albemarle County in the event that a RTA is established and there is a significant expansion of transit services.

Appendix C: Corridor Identification – Reviews those corridors and areas most likely to support transit services within the relatively near future.

Appendix D1: Service Strategies – Identifies potential service strategies if a regional transit entity is formed. As existing fixed-route transit services are largely focused on Charlottesville, the four options discussed in this report envision a significant expansion of transit service in Albemarle County.

Appendix D2: Service Strategies Addendum – Identifies one additional service strategy as an addendum to Appendix D1.

Appendix E: Service Standards – Establishes service standards to provide a systematic method to determine: 1) the effectiveness in serving the community and meeting agency goals, and 2) the efficiency in the use of resources.

Appendix F: Prior Investment in CTS – Documents CTS assets, the original cost of the assets and the City's contributions to those costs, and the current value of CTS assets and the City of Charlottesville's contributions.

Appendix G: Service Strategy and Operating Costs – Discusses the preferred transit service strategy that could be operated as part of a RTA.

Appendix H: Funding Sources – Describes a variety of funding sources including federal, state, city, county funds, fares, and other miscellaneous sources such as advertising.

Appendix I: Cost Allocation Options – Presents an overview of operating cost allocation methods that are used by other Regional Transit Authorities. These approaches can provide insights to develop a cost allocation methodology for the Charlottesville-Albemarle area.

Appendix J: Transition Plan and Implementation – Identifies the key issues to be resolved prior to seeking action by the General Assembly to establish a RTA and proposes a time table for the transition from operations by CTS to operations by the new RTA.

Appendix K: In-Kind Cost Reporting – Details cost allocation procedures and accounting requirements that must be used by agencies receiving grants from federal agencies, including the Department of Transportation and the Federal Transit Administration. It then develops recordkeeping and cost allocation plans for the proposed Charlottesville RTA that adhere to all of these requirements.

1 Executive Summary

Formation of a regional transit authority is intended to promote the development of regional transit services and to provide travelers with an attractive alternative to driving on increasingly congested roadways throughout the Charlottesville-Albemarle area.

Section 3 describes an index used to identify those areas that are most amenable to transit based on eight factors that are known to increase transit use. The index is used to estimate the level of transit service that is appropriate for seven corridors in the Charlottesville-Albemarle area.

Section 4 evaluates five transit service expansion options compared to a baseline service option, based on operating costs, capital costs, and the level and quality of the transit services. Each option envisions a substantial increase in transit service in Albemarle County, and three envision high-speed and high-frequency transit services on Route 29 North and West Main Street.

Section 5 discusses the characteristics that a regional transit authority (RTA) might be granted by the Virginia Legislature, based on the powers recently granted to the Northern Virginia Transportation Authority, Williamsburg Area Transit Authority, and Hampton Roads Transportation Authority. It also discusses existing and future funding sources for operating a RTA.

Section 6 discusses policy and community input in developing this report.

Section 7 discusses the recommended service plan that was selected by the MPO Policy Board, and confirmed in a joint meeting of the City Council and the County Board of Supervisors. This service is focused on a bus rapid transit (BRT) route operating along the Route 29/West Main Street corridor, between the Charlottesville-Albemarle Airport and the Downtown Transit Station. Additional new routes provide a direct Pantops-Hollymead service, connect Biscuit Run to the UVa grounds, and provide circulators in the areas of Albemarle County designated for more urban development. The frequency of service on many city routes is increased. These actions will enhance the attractiveness of transit by significantly improving the reliability of service, reducing travel time, and improving transfers to other routes.

Section 8 identifies several potential methods for allocation costs among the members of the RTA and the implications of each method. Common measures include population, passengers, service hours, service miles, and assignment of routes to specific entities (the existing cost allocation method for CTS). While some jurisdictions select a simple approach because of the benefits of a simpler, transparent, and more straightforward approach, others select complex methods to address specific issues of individual partners.

Section 9 discusses an implementation schedule for the RTA as well as five key issues that the Charlottesville-Albemarle area must resolve prior to a regional authority assuming responsibility for transit operations. These include:

- Determination of desired structure and powers
- Obtaining legislative authority
- Establishing Authority by-laws and procedures
- Official concurrence by participating jurisdictions
- Transfer of staff and equipment

Prior to seeking legislation to establish a transit authority the City and County will need to come to agreement on:

- Composition of the Board of Directors of the Authority
- Revenue sources to be authorized or imposed.

2 Introduction

The Charlottesville-Albemarle County metropolitan area is served by three transit operations available to the public – Charlottesville Transit Service (CTS), JAUNT, and University Transit Service (UTS). Each of these systems was originally developed as an independent entity to serve a specific market – CTS to primarily serve the residents of the city of Charlottesville; JAUNT to serve as a coordinated human service transportation system throughout the Planning District; and UTS to service students, staff, and faculty traveling to and from locations on the UVa Grounds and nearby commercial and residential areas. Over the years, while each agency has retained its original role and primary focus, the agencies have developed symbiotic relationships supporting and complementing each other. CTS, with financial support from the University, operates the FREE Trolley that not only connects the Grounds to downtown Charlottesville, but also plays a role in intra-campus movements. CTS also provides bus service to portions of Albemarle County, with financial support by the County. JAUNT provides rural public transportation and paratransit service that meets ADA requirements for the CTS service area. UTS now provides service to the general public and no longer requires proof of affiliation with the University by those who wish to ride its buses.

There have been many suggestions that there be closer ties among the transit agencies and several studies of the feasibility of and potential benefits from a merger of CTA and UTS. The growth in Albemarle County in recent years, and the adoption of plans that would seek to concentrate much of Albemarle County's future growth in areas closer to urban services, has created the impetus for consideration of alternative organizational structures for transit in the metropolitan area:

- Structures that could provide an expanded base for coordinated planning of land development with public transit services;
- Structures that could include a broader range of interests in transit planning activities;
- Structures that could provide an accepted basis for funding support for expansion of public transit services.

The agreement in 2006 between several diverse entities in the Williamsburg area – James City County, the City of Williamsburg, the College of William and Mary, and Colonial Williamsburg – to form a transit authority has spurred renewed interest in several other communities in Virginia to explore the benefits of an authority or similar structure to plan, fund, and/or operate public transit services. This study:

- Defines a possible transit future for the Charlottesville-Albemarle County area;

- Defines the various ways in which the city, the county, the University and other institutions (e.g. Monticello) could organize to fund, manage and coordinate services;
- Identifies the benefits that could be achieved and the obligations of the partners; and
- Makes specific recommendations on how to proceed.

3 Area Development

To understand the nature of transit services that might be provided by a regional entity, areas and corridors are identified as a precursor to route planning. These areas and corridors currently offer characteristics or support policy initiatives that will lead to development which is amenable to transit service or could be in the future. Two types of development incorporate specific strategies to support alternative means of transportation other than single occupant vehicles. While transit-oriented development (TOD) is generally planned near an existing transit line, transit-ready development (TRD) is generally planned for future transit services. The objective is to plan a transit-friendly built environment prior to development rather than retrofitting an area after development has occurred, which is often costly and controversial. The proposed Biscuit Run development is a prime example of a potential transit-ready development. In general, the following characteristics can be observed in transit-ready development:

- Compact, Connected Street Network
- Mixed Land Uses
- Functional Bicycle and Pedestrian Networks
- “Park-Once” Business Districts
- Balanced and Integrated Customer Delivery System
- Transit Facilities Integrated into Neighborhoods.

Many factors are known to increase transit use. To identify those areas that are most amenable to transit, an index was developed that evaluates each Transportation Analysis Zone's (TAZ)¹ ability to support transit. The index is composed of both quantitative and qualitative measures. Quantitative measures include: 1) residential density, 2) employment density, 3) street connectivity, 4) income, 5) projected traffic congestion, and 6) residential concentration of employees of the University of Virginia (UVA). Qualitative measures include: 1) parking availability and 2) area plans and development policies articulated in the comprehensive plans for Albemarle County and City of Charlottesville. These factors are intended to determine how transit-oriented an area is. Places with a greater density of residents and employees, land use policies which encourage higher density, areas with connected streets, less parking availability, lower incomes, and high amounts of congestion are generally considered more transit-oriented than areas lacking some of the above characteristics.

In general, the eight factors in the transit potential index are related to transit ridership for the following reasons:

¹ A TAZ is an area designated by transportation officials for tabulating traffic-related data.

- Higher **residential densities** are more transit supportive since transit resources can serve a greater portion of the population, resulting in more cost-effective service.
- As with residential densities, higher **employment densities** are more transit supportive since transit resources can serve a greater portion of the population, resulting in more cost-effective service.
- Under certain circumstances **congestion** can support transit by encouraging people to forgo travel by automobile for transit. While transit is rarely as fast as travel by automobile, certain treatments such as exclusive transit lanes and signal priority technology can improve the travel time of transit relative to the automobile.
- Limited **parking availability**, or restrictions on parking (time limits, fees, permit restrictions) can encourage the use of transit by increasing the burden of travel by automobile.
- **Connectivity** refers to the directness of the roadway network and the number of potential routes to travel between two points. Street patterns with a high level of connectivity are considered to be supportive of public transportation because they provide safe, direct, and convenient routes for walking to transit stops. In addition, greater connectivity increases the “catchment” area of a transit stop – that is the area within a short walk to the transit stop, typically considered to be between a ¼ and ½ miles. Larger “catchment” areas increase the number of potential transit riders.
- Persons with lower **incomes** are more likely to use transit since it is less expensive than owning and maintaining an automobile.
- Transit-oriented **plans and development policies** can encourage transit use by limiting the barriers to successful transit implementation and encouraging dense development with high connectivity, limited parking, and a pedestrian-oriented environment.
- The **residential concentration of university employees** is a measure unique to areas where significant employment is focused on a university. UVa employees are more likely to ride transit since the University is served by high-quality and high-frequency transit service. Additionally, UVa has a high employment density, is pedestrian-oriented, and has limited parking availability.

Figure 1 shows the transit potential index in 2010. In general, those TAZs that are currently most supportive of transit are located in and around Downtown Charlottesville and the University of Virginia. There is a moderate level of support for transit along Route 29 North and Route 250 headed toward the Pantops Shopping Center. Most areas with high or moderate/high transit support ratings already have transit service, with the exception of the area at the intersection of Old Ivy Road and Route 250 Bypass. The transit potential index was used to rate the potential for transit on the following seven corridors (illustrated in Figure 2):

- West Main St/Market St
- Route 29 North
- High St/Route 250 East
- Avon St/Route 20
- Ridge St/Old Lynchburg Rd
- Route 250 West
- Rio Road East.

The ratings ranged from low to high and are associated with a service frequency level and headway. For example, areas with a “High” transit potential rating support “Very Frequent” service with headways less than 15 minutes. Areas with a “Low” transit potential rating support only “Commuter” services during peak periods (see Table 1).

Table 1: Transit Service Frequency

Transit Potential Rating	Service Frequency	Headway
High	Very Frequent	< 15-minute headways
Moderate High	Frequent	15-minute
Moderate	Moderate	30-minute
Low Moderate	Infrequent	60-minute or demand-response
Low	Commuter	Peak Period

The index developed for this analysis provides an estimation of transit supportability for each TAZ in the study area. It should be noted that an entire corridor does not need to be transit supportive, as long as a transit supportive “anchor” is located at the terminal points, such as Rivanna, Crozet, or Hollymead. Thus, the transit corridors were developed to include the connection of non-contiguous pockets of transit supportive areas. This frequency analysis is not definitive, but does give an idea of the level of transit service the corridor could support.

Table 2 shows the level of transit service that was recommended for each corridor.

Table 2: Corridor Analysis

Corridor	Area	Supported Transit Service Frequency
West Main Street/Market Street	Entire Corridor	Very Frequent
Route 29 North	UVA to Walmart	Frequent
	Hollymead area	Moderate
	Piney Mountain area	Infrequent
High Street/ Route 250 East	High Street	Moderate
	Pantops	Moderate
	Village of Rivanna	Infrequent
Avon Street/ Route 20	Entire Corridor	Moderate
Ridge Street/Old Lynchburg Road	Downtown Mall to Mill Creek	Infrequent
	Biscuit Run	Moderate
Route 250 West	Entire Corridor	Commuter
Rio Road East	Entire Corridor	Moderate

An in-depth discussion of area development is provided in Appendix C.

Charlottesville Albemarle Regional Transit Authority Study

Composite Index with Baseline Bus Routes

● Landmarks

— Bus Routes

— Major Roadways

- - - Urban Area

□ City/County Boundary

□ TAZ Boundary

Composite Index

Transit Potential Rating

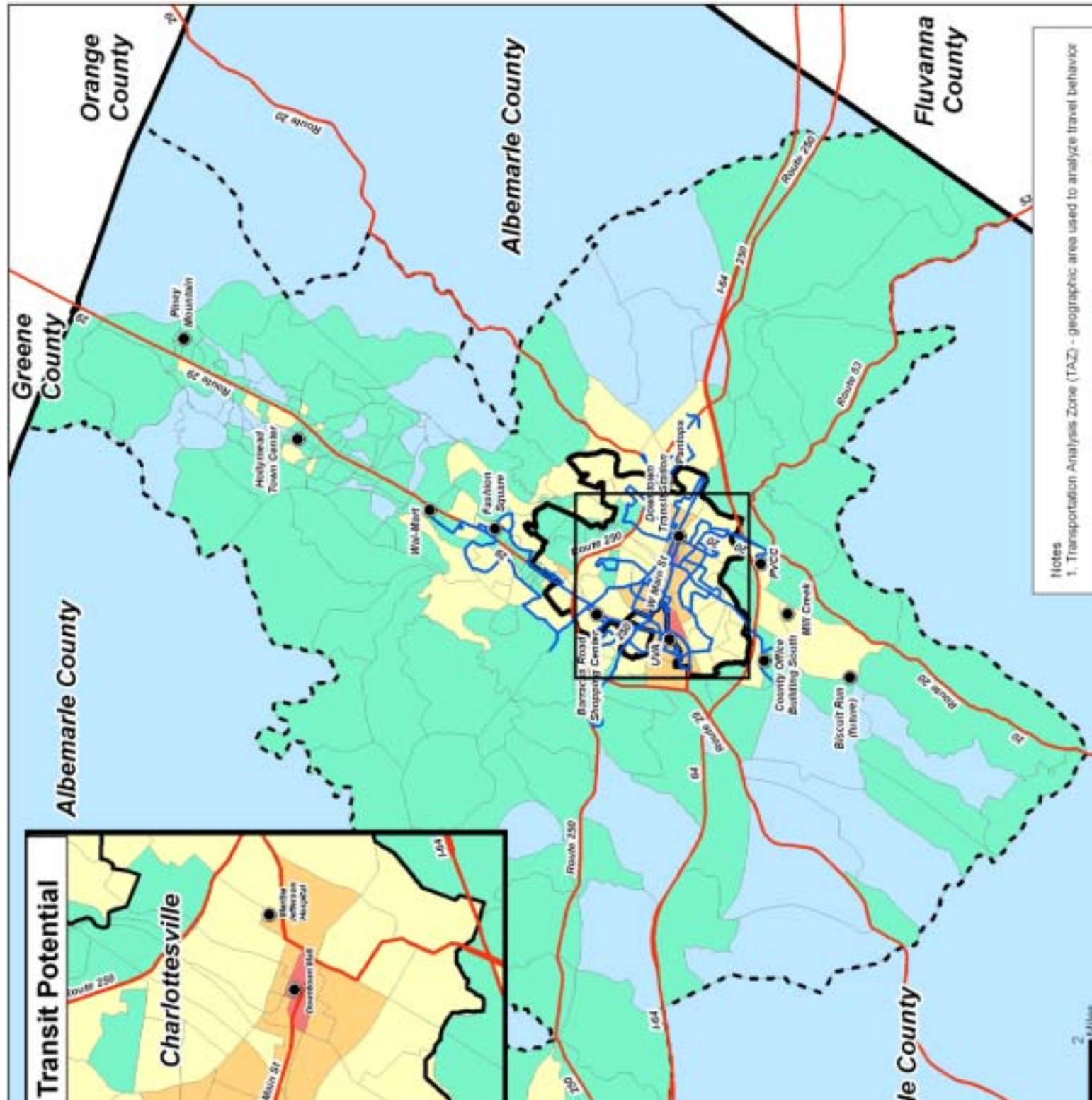
Low

Low/Moderate

Moderate

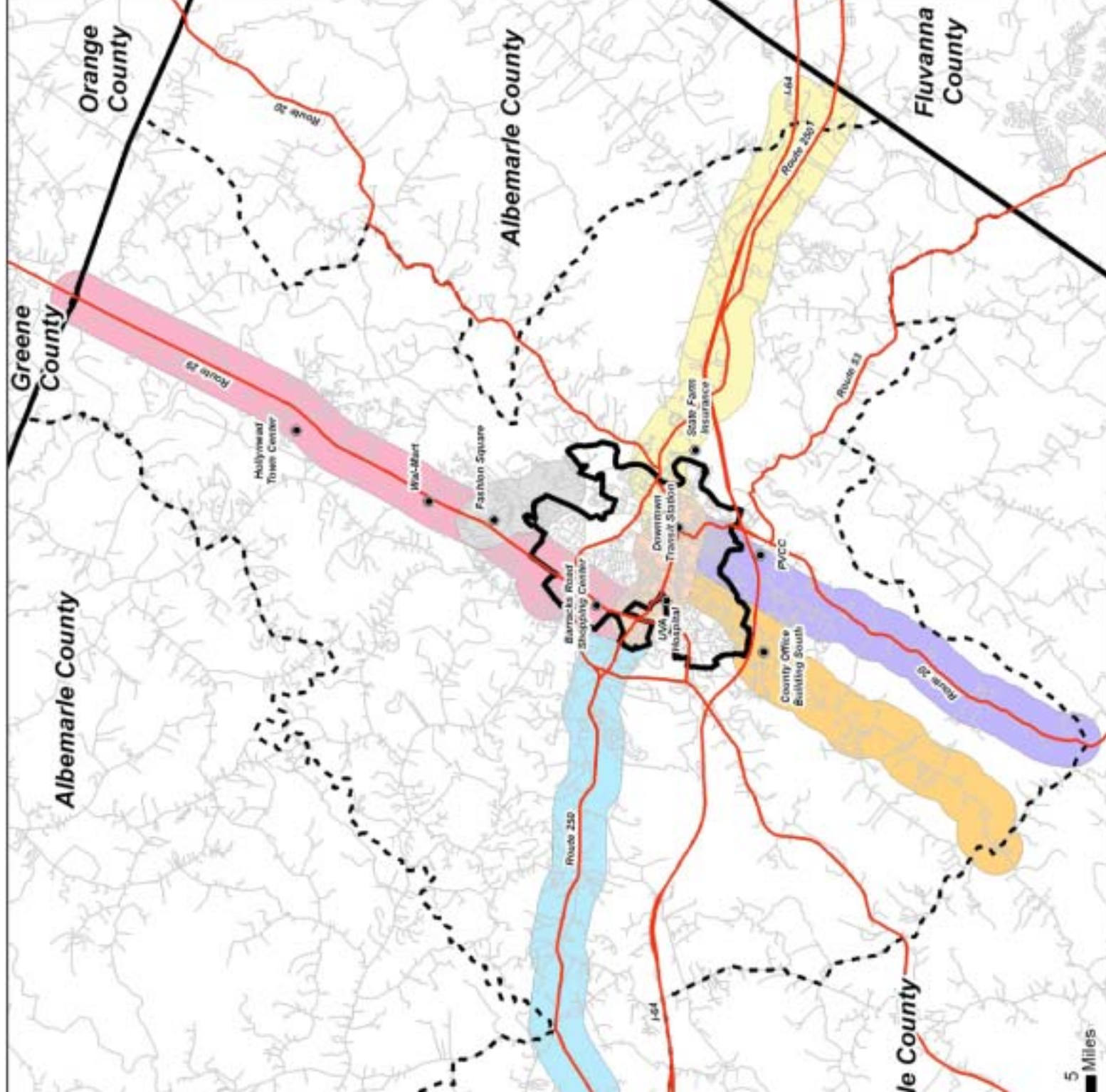
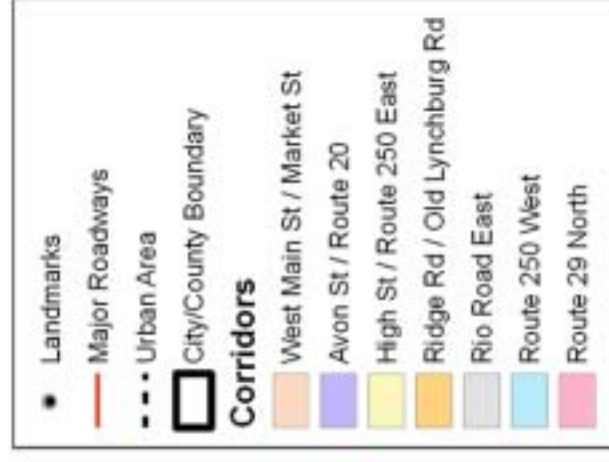
Moderate/High

High



Charlottesville Albemarle Regional Transit Authority Study

Transit Corridors



4 Range of Options Studied

Five transit enhancement options were developed for the Charlottesville-Albemarle area, each providing substantially more service in Albemarle County. To put these concepts into context, they are compared against a Baseline, which represents service operating in fall 2007. These options are summarized in Table 3 below and are described in greater detail and illustrated in Appendix D and Appendix D1.

4.1 Baseline

The Baseline represents the service that CTS proposes to operate beginning in fall 2008. The annual operating cost is estimated to be approximately \$6.0 million in FY 2010. Funding for providing CTS services is obtained from federal programs, state programs, contributions from UVa, and City and County general revenues. The City and County are each responsible for funding all or part of the costs of certain services not supported by other programs. In the Baseline 79.3 percent of service is considered City routes while 20.7 percent of service is considered County routes. The Baseline provides over 90,000 vehicle revenue-hours per year.

4.2 Option 1

Option 1 represents a significant expansion of traditional fixed-route service in Albemarle County and limited service expansion in Charlottesville. All Baseline CTS routes are a part of Option 1. This option would add five new local routes and modify three existing routes.

Overall, the operating costs for this option are estimated to be \$8.8 million in FY 2010, which is a 48.9 percent increase over the Baseline. This option requires nine additional 30-ft buses, three additional 35-ft buses, and over 220 additional bus stops, with a total cost of between \$4.6 million and \$10.3 million. In Option 1, 56.6 percent of service is considered City routes while 43.4 percent of service is considered County routes. Option 1 would provide nearly 127,000 vehicle revenue-hours per year.

4.3 Option 2

Option 2 also represents a significant expansion of traditional fixed-route service in Albemarle County and some service expansion in areas of Charlottesville. All Baseline CTS routes are a part of Option 2. All of the local routes described in Option 1 would be included as well as two additional local routes, two commuter routes and the development of a second transit hub at Barracks Road Shopping Center.

Overall, the operating costs for this option are estimated to be \$9.4 million in FY 2010. This option requires 11 additional 30-ft buses, three additional 35-ft buses and over 220 additional bus stops, costing between \$6.4 million and \$13.3 million. In Option 2, 52.4 percent of service is considered City routes while 47.6 percent of service is considered County routes. Option 2 would provide nearly 137,000 vehicle revenue-hours per year.

4.4 Option 3

Option 3 introduces a high frequency transit service along the Route 29 North and West Main Street/Market St corridors as a means of attracting “choice riders” – people who ride transit out of preference, not because they lack alternatives. Recommendations that succeed in attracting choice riders to transit must provide a level of service competitive with travel by automobile. This includes considering service reliability, travel time, modal transfers, and financial cost.

Option 3 largely aims to attract “choice riders” by reducing travel time on the Route 29 and West Main Street corridors. Trips originate at the Downtown Transit Station, with every other trip traveling to Fashion Square Mall and the Charlottesville-Albemarle Airport. Between the Downtown Transit Station and Fashion Square Mall, bus stops will be served by transit every 10 minutes (30-minutes at night). Between Fashion Square Mall and the airport, service frequency will be 20 minutes (60-minutes at night). This service would replace Route 7. All Baseline CTS routes are a part of Option 2. This option would add nine new local routes, two commuter routes and modify three existing routes.

Overall, the operating costs for this option are estimated to be \$10.9 million in FY 2010. This option requires 18 additional buses (six 30-ft buses and twelve 35-ft buses) and over 220 additional bus stops, costing between \$8.1 million and \$17.7 million. In Option 3, 48.5 percent of service is considered City routes while 51.5 percent of service is considered County routes. Option 3 would provide nearly 158,000 vehicle revenue-hours per year.

4.5 Option 4

Option 4 introduces a Priority Transit service to the Charlottesville-Albemarle area as an attractive alternative to travel in a private vehicle. This service could be Bus Rapid Transit (BRT), light rail or streetcar, although for the purposes of this option, capital and operating costs are estimated based on a BRT system. This option seeks to attract “choice riders” by significantly improving the reliability of service, reducing travel time and improving modal transfers. Travel time is composed of both “in-vehicle” and “out-of-vehicle” travel time. In this option, reliability is improved and “in-vehicle” travel time is reduced by providing exclusive transit lanes that allow transit vehicles to operate at faster speeds. “Out-of-vehicle” travel time is reduced by improving headways on the

trunk route (Route 29 and West Main Street) and by timing connections at stations. All Baseline CTS routes are a part of Option 4. This option would add nine new local routes, two commuter routes and modify three existing routes.

Overall, the operating costs for this option are estimated to be \$10.5 million in FY 2010. This option requires 18 additional buses (six 30-ft buses and 12 40-ft buses) and over 220 additional bus stops, costing between \$31.8 million and \$123.0 million. While the capital cost estimates in Option 4 are significantly higher than Option 3, one benefit is lower operating costs, since vehicles can operate at higher speeds. In Option 4, 48.5 percent of service is considered City routes while 51.5 percent of service is considered County routes. Option 4 would provide over 152,000 vehicle revenue-hours per year.

4.6 Option 4a

Option 4a resembles Option 4, except that headways are improved to a maximum of 15 minutes during peak periods and 30 minutes during off-peak periods, to attract choice riders. The operating costs for this option are estimated to be \$16.7 million in FY 2010. This option requires 45 additional buses (35 30-ft buses and 10 40-ft buses) and over 220 additional bus stops, costing between \$42.0 million and \$138.0 million. In Option 4a, 45.0 percent of service is considered City routes while 55.0 percent of service is considered County routes. Option 4a would provide over 240,000 vehicle revenue-hours per year.

Table 3: Summary of Service Options

Option	Operating Cost (millions of 2010 \$)	Capital Cost (millions of 2010 \$)	Vehicle Revenue Hours
Baseline	\$6.0	\$0	90,000
Option 1	\$8.8	\$4.6 - \$10.3	128,000
Option 2	\$9.4	\$6.4 - \$13.3	137,000
Option 3	\$10.9	\$8.1 - \$17.7	158,000
Option 4	\$10.5	\$31.8 - \$123.0	152,000
Option 4a	\$16.7	\$42.0 - \$138.0	240,000

5 Institutional and Funding Options

This section discusses the characteristics that a regional transit authority may be granted by the Virginia Legislature and potential funding sources. An evaluation of several potential institutions is provided in Appendix A. An in-depth discussion of funding sources is provided in Appendix H.

5.1 Regional Transit Authority

A legislatively-enabled RTA could provide powers that are tailored to the desires of the implementing organizations, plus the ability to generate revenue from new sources. To date, the Virginia Legislature has created three Transportation Authorities that have differing powers related to transportation, with the differences in powers generally reflecting the desires of the authorities:

- The Northern Virginia Transportation Authority (NVTa) was created in 2002 to administer new funds that were expected to be generated from a local sales tax for transportation. NVTa was also provided with the power to construct and operate transportation facilities and services. The sales tax failed to pass and NVTa became, in effect, a transportation planning agency. The recently passed transportation bill (HB 3202) gave NVTa broad authority to levy a number of new taxes, to implement tolls, program and implement transportation projects, and to issue bonds. However, in February 2008 the Virginia Supreme Court ruled against the imposition of the HB 3202 taxes and fees based upon the mechanism by which they were imposed.²
- The Williamsburg Area Transit Authority (WATA) was created in 2006 to merge two existing transit systems, one of which was privately operated. The merger was designed to provide more seamless transit service and to maximize state and federal funding opportunities. Williamsburg and area counties are permitted to include private institutions in the transportation authority. The parties that formed the WATA did not seek the authority to impose local taxes or fees, and thus WATA does not have this ability.
- The recent transportation bill (HB 3202) creates a Hampton Roads Transportation Authority. This authority has “all of the powers given to transportation district commissions,” plus broad powers to levy new taxes and fees, to impose tolls on new and expanded transportation facilities, to issues bonds, and to use revenues for transportation improvements. The Hampton Roads Transportation Authority is, in

2 Marshall v. Northern Virginia Transportation Authority, www.courts.state.va.us/opinions/opnscvwp/1071959.pdf

many respects, a toll road authority, but with broad powers relating to all transportation modes.

The development of a Charlottesville-Albemarle RTA would first require a city/county consensus on desired powers and funding authority, followed by the introduction of legislation and legislative approval. Previously granted approval to the three existing transportation/transit authorities in Virginia may set precedents that could frame the development of a Charlottesville-Albemarle RTA.

5.1.1 Composition and Governance

The three existing Transportation Authorities are composed of combinations of cities and counties, and in the case of Williamsburg, private institutions. Their governing boards are comprised of representatives from its members, and except in Williamsburg, the Department of Rail and Public Transportation (DRPT), the House of Delegates, and the Senate:

- NVTa is governed by a 16 member Board that is comprised of:
 - The chief elected officer, or designee, from each of the member jurisdictions (i.e., one representative per jurisdiction, irrespective of size).
 - Two members from the House of Delegates.
 - One member from the Senate.
 - Two citizens appointed by the Governor.
 - The Director of DRPT, or his designee (ex-officio).
 - The Chair of the Commonwealth Transportation Board, or designee (ex-officio).
- WATA is governed by one member from Williamsburg, one member from York County, and two members from James City County. In addition, those members may elect up to three members “to represent the interests of higher-education facilities (i.e., College of William and Mary) and nonprofit tourist-driven agencies in the Williamsburg area (i.e., Colonial Williamsburg), provided that such member facilities and organizations contribute significant financial resources to the Authority.”³ WATA’s Board does not include representatives from DRPT, the House of Delegates, the Senate, or the Commonwealth Transportation Board. By agreement of the RTA members, all board members will be non-elected officials.
- HRTA is governed by an 18 member Board that is comprised of:
 - The chief elected officer, or designee, from each of the member jurisdictions (i.e., one representative per jurisdiction, irrespective of size).
 - One member from the Commonwealth Transportation Board who is from the Hampton Roads area.

3 <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+15.2-6803>

- ❑ Two members of the House of Delegates.
- ❑ One member of the Senate.
- ❑ Two citizens appointed by the Governor.
- ❑ The Director of DRPT, or designee (ex-officio).
- ❑ The Chair of the Commonwealth Transportation Board, or his designee (ex-officio).

In the Charlottesville-Albemarle area, RTA legislation would need to specifically include the ability for UVa to become a member, if this is so desired. The same would be required for JAUNT to become a member.

5.1.2 Powers and Functions

The three Transportation/Transit Authorities established by the legislature generally have the same powers as Transportation Districts. Each of the Authorities has also been granted additional powers specific to its needs. The powers of Transportation Districts are generally as follows:

- Prepare transportation plans.
- Construct and acquire the transportation facilities included in the transportation plan.
- Operate or contract for the operation of transportation services.
- Enter into contracts and agreements.
- Issue bonds.
- Provide operating and capital funding for services operated by others (for example, JAUNT, if JAUNT were not part of the RTA).
- Acquire land through purchase, lease, gift, condemnation, or otherwise; either for its own use or on behalf of other agencies in connection with an adopted mass transit plan.
- Regulate fares, determine schedules and routes, and franchising agreements within its boundaries.
- Enter into contracts and agreements with adjoining counties and cities that are within the same Planning District, and with adjoining Transportation Districts, to provide transportation services to and from those areas, and to operate related facilities.
- Apply for and receive loans and grants of money and property.

An RTA could contract for service from an existing transit provider, including the City of Charlottesville/CTS, UTS, and JAUNT. In this manner, an RTA could set regional transit policies and determine services but avoid the need to develop new operational

capabilities. A new RTA could also assume ownership of existing transit equipment and personnel, if so desired.

Additional powers, beyond those of Transportation Districts, that have been granted to Authorities include:

Northern Virginia Transportation Authority

- HB 3202 provides the ability, following approval by the governing bodies of six of its nine member jurisdictions, to levy a wide range of taxes and fees for transportation purposes. NVTa voted to impose those taxes and fees but the Virginia Supreme Court ruled that this provision of the legislation violated the state constitution.
- HB 3202 also allows the authority to impose, collect, and set tolls on new or expanded transportation facilities.
- Subject to certain conditions specified in HB 3202, to determine the use of the new taxes, fees and toll revenues.
- It is not clear whether NVTa has condemnation powers (it does have the authority to “construct or acquire, by purchase, lease, contract, or otherwise, the transportation facilities specified in the plan.”)
- HB 3202 provides the ability for the authority to issue bonds.

Williamsburg Area Transit Authority

- WATA has generalized powers for oversight of Williamsburg area programs involving public transit, congestion mitigation, priority setting, and advocacy.
- WATA’s enabling legislation does not provide it with the ability to condemn property or to sell bonds. However, a “Cooperative Services Agreement” between the founding parties will provide the ability to sell bonds, with those parties backing the bonds.

Hampton Roads Transportation Authority

- HRTA can acquire, construct, and operate highways, bridges, tunnels, railroads, rolling stock, transit and rail facilities, and other transportation-related facilities.
- HB 3202 provides the Hampton Roads Transportation Authority the same condemnation powers as transportation districts (“slow-take” condemnation).
- HB 3202 provides the ability to issue bonds in the same manner as transportation districts.
- HB 3202 provides the ability, following approval by the governing bodies of seven of its 12 member jurisdictions that represent 51% of the population, to levy a wide range of taxes and fees for transportation purposes. Seven jurisdictions voted to

impose those taxes and fees but the Virginia Supreme Court ruled that this provision of the legislation violated the state constitution.

- HB 3202 also authorizes the Authority to impose, collect and set tolls on new or expanded transportation facilities.
- Subject to certain conditions specified in HB 3202, determine the use of the new taxes, fees, and toll revenues. The conditions, among other things, specify the initial projects to be undertaken.
- It is not clear whether the Hampton Roads Transportation Authority has bonding authority. (Its enabling legislation does not specifically provide it, but other legislation pertaining to authorities may provide the necessary authority).

5.1.3 Creation

The development of each of the three Transportation Authorities described herein was by legislation. Similarly, the creation of a Charlottesville-Albemarle Transit Authority would require legislation. This legislation would define the Authority, its governance and its powers and duties. (See Appendix A and Appendix J for more detail.)

5.1.4 Taxing and Revenue Authority

HB 3202 provided a number of tax and fee revenue opportunities for the Northern Virginia and Hampton Roads Transportation Authorities. Since the Virginia Supreme Court ruled that the method of imposing the taxes violated the state constitution, these taxes have not been imposed. The list, however, is illustrative of the nature of taxes that were acceptable to the legislature. These new sources are listed in Table 4 and differed slightly for the two regions:

Table 4: HB 3202 Funding Authorizations

	Northern Virginia Transportation Authority	Hampton Roads Transportation Authority
Region-Wide		
Sales Tax on Gasoline	-- ⁴	2%
Grantor's Tax (property transfer tax)	40¢/\$100	40¢/\$100
Motor Vehicle Rental Tax	2%	2%
Transient Occupancy Tax	2%	--
Safety Inspection Fee	\$10	\$10
Initial Vehicle Registration Fee	1%	1%
Sales Tax on Auto Repairs	5%	5%
Regional Registration Fee	\$10	\$10
Local Option		
Commercial Real Estate	Up to 25¢	Up to 10¢
Local Registration Fee	\$10	\$10
Commercial/Residential Impact Fee	TBD	TBD
Annual Revenue (millions)	\$200 - \$215	\$425 - \$445

⁴ A 2% sales tax on gasoline for transportation purposes is already levied in the portions of Northern Virginia that are members of the Northern Virginia Transportation Commission.

- HB 3202 authorized a 2% sales tax on motor fuels in the Hampton Roads region (this tax is already collected in Northern Virginia).
- The bill authorized a 2% transient occupancy tax in Northern Virginia but not in the Hampton Roads area.
- The commercial real estate tax can be up to 25¢ per \$100 in Northern Virginia, but only up to 10¢ in the Hampton Roads area.

In both regions, the legislation required that the governing bodies of a specified number of local jurisdictions vote to impose the new regional taxes. Since this process for imposing the taxes was ruled to be in conflict with the Virginia Constitution, some other method of imposing taxing authority will need to be addressed in any new legislation.

In the Williamsburg area, WATA does not have any special taxing authority. The founding parties did not believe that new revenues were necessary nor did they believe that there was sufficient local support to gain legislative approval for local taxes and fees.

For a Charlottesville-Albemarle RTA, if new revenues are desired, the specific new sources that could be available would have to be specified in, or even imposed by, the enabling legislation. The sources could be some or all of those that were authorized in Northern Virginia and Hampton Roads. The City and County should agree on proposed taxes and rates before requesting enabling legislation for a transit authority.

5.1.5 Expenditure/Funding Obligations

Expenditure decisions for Transportation Authorities are made by their Boards, which are configured as defined by their enabling legislations. The relationship between a new Charlottesville-Albemarle RTA and participating organizations should be determined during formation negotiations so that it may be defined by the Authority's enabling legislation. This could specify financial commitments and limitations, and could determine whether the individual organizations could withdraw.

5.1.6 Withdrawal

Enabling legislation for the three existing Transportation Authorities creates the Authorities, defines their membership and provides no means for withdrawal. Therefore, withdrawal would likely require new legislation.

5.1.7 Advantages and Disadvantages

The major advantages of an RTA are that it would be a true regional entity that could include the city, county, UVa, and other organizations such as JAUNT, and whose sole focus would be the provision of transit service. Furthermore, with dedicated revenue sources (if this

authority is sought and granted by the legislature) the RTA could operate independently of the city and county, and reduce direct city and county expenditures for transit.

The disadvantages would be that an RTA would be the most difficult option to implement of those considered for establishing a regional transit organization (see Appendix A), as it would require enabling legislation. It would also lessen the city's level of direct control over service.

5.2 Funding Sources

CTS and JAUNT are currently funded through a variety of federal, state, and local sources. A new RTA would have access to all of the same state and federal funds now used by these two operators. The members of the new organization would be responsible for providing the local share of funding for the services, just as the City and County do today. However, the development of a new RTA, in itself, would not impact the amounts that would be available—rather, existing funds would simply be shifted to the new RTA. Therefore, if the new RTA is to operate the services now provided by CTS, the funds now received by CTS would be available for RTA service. Similarly, if the new RTA were to operate some or all of the services now provided by JAUNT, the funds now received by JAUNT could be shifted to the new RTA.

UTS is funded largely through UVa student fees. If UVa were to become a member of the RTA, the RTA would likely assume responsibility for the full costs of operation of at least some portion of UTS services, and these same funds could be used to fund UVa's share of RTA service not supported by federal, state, or other programs. Since this would increase the overall operating cost of transit in the Charlottesville region, there could be an increase in the state contribution, but this contribution would be only about 20% of the cost of the additional services.

However, UTS also operates charter service for University events and organizations, and charges fees for these services. Federal regulations prohibit recipients of federal transit funding from operating charter services if there are other willing and able vendors. Thus, an RTA, since it would need to receive federal transit funds, could probably not provide UTS' charter services. Therefore, unless an alternative approach for providing UVa's charter services can be devised, the federal funding regulations would likely prevent UTS' participation in an RTA, unless the University established and maintained a separate organizational unit for the charter services or contracted with a private provider for charter services.

Beyond existing funding sources, there are also a large number of potential new funding sources. The passage of HB 3202 in 2007 was intended to provide NVTA and HRTA, and their member jurisdictions, with the authority to levy a broad array of new taxes and fees for

transportation. The Virginia Supreme Court ruled against the imposition of the HB 3202 taxes and fees based upon the mechanism by which they were imposed.⁵ However, with legislation and corrections to the enabling authorities, it could still be possible to develop similar revenue sources for the Charlottesville-Albemarle area. Property taxes and a local sales tax are additional options that have been discussed as potential options.

The total amounts of new funding that could be generated by these sources could be large: up to \$18.4 million per year in Charlottesville and \$34.1 million per year in Albemarle County (see Table 5). Of special note is that a sales tax of 1% or less would be sufficient not only to fund the entire local share of the recommended transit service but also to support bonds for the construction of the transit priority facilities.

A detail discussion of existing federal, state, and local funding sources, as well as potential future funding sources is provided in Appendix H.

Table 5: Projected Annual Revenue (2009)

	Rate	Charlottesville	Albemarle County	Charlottesville-Albemarle Area
HB 3202 Authority Sources				
Grantor's Tax	40¢/\$100	\$1,112,426	\$3,972,212	\$5,084,638
Motor Vehicle Rental Tax	2%	\$51,603	\$807,858	\$859,461
Transient Occupancy Tax	2%	\$800,800	\$666,653	\$1,467,453
Safety Inspection Fee	\$10	\$282,764	\$878,210	\$1,160,974
Initial Vehicle Registration	1%	\$854,974	\$2,655,379	\$3,510,353
Sales Tax on Auto Repairs	5%	\$450,314	\$1,398,585	\$1,848,899
Regional Registration Fee	\$10	\$282,764	\$878,210	\$1,160,974
Motor Fuels Sales Tax	2%	<u>\$1,405,527</u>	<u>\$3,210,179</u>	<u>\$4,615,706</u>
Subtotal		\$5,241,173	\$14,467,286	\$19,708,459
HB 3202 Local Option Sources				
Commercial Real Estate	10¢/\$1000	\$1,526,000	\$1,707,760	\$3,233,761
Local Registration Fee	\$10	\$282,76	\$878,210	\$1,160,974
Commercial/Residential Impact Fee	Locally Set	Depends upon rate	Depends upon rate	Depends upon rate
Subtotal		\$1,808,765	\$2,585,970	\$4,394,735
Other Sources				
Property Tax	1¢/\$1000	\$526,713	\$1,694,898	\$2,221,612
Local Sales Tax	1%	<u>\$10,815,000</u>	<u>\$15,330,000</u>	<u>\$26,145,000</u>
Subtotal		\$11,341,713	\$17,024,898	\$28,366,612
Total All Sources		\$18,391,651	\$34,078,155	\$52,469,806

5 Marshall v. Northern Virginia Transportation Authority, www.courts.state.va.us/opinions/opnscvwp/1071959.pdf

6 Policy and Community Input

Throughout the project, guidance was provided by an advisory committee organized by TJPDC. The committee included representatives from:

- TJPDC
- Charlottesville Transit Service
- City of Charlottesville
- Albemarle County
- University of Virginia
- JAUNT.

This group received draft copies of the Technical Reports and provided comments and clarifications. Each of the Technical Reports is included as a separately published Appendix to this document.

Policy and community input took several forms. Meetings with the advisory committee were held on August 15, 2007, September 7, 2007, November 27, 2007 and April 30, 2008. Meetings with the Metropolitan Planning Organization were held on August 15, 2007 and November 21, 2007.

At the November 21, 2007 meeting of the MPO Policy Board the study team presented four options for the transit services that might be operated by a Transit Authority. These ranged from minor changes to the current CTS service, to substantial expansion of services in portions of Albemarle County. The direction given to the study team by the MPO Policy Board was to develop a service plan that included both additional services in Albemarle County (e.g. a route providing a direct connection from Pantops to Hollymead) and enhanced services in the city of Charlottesville. The expanded service plan is reported in Appendix D2 - Service Strategies Addendum

In December 2007, Mr. Rue of TJPDC made presentations, respectively, to the Charlottesville City Council and the Albemarle County Board of Supervisors of the study progress and of direction given by the Policy Board of the MPO at its November 21, 2007 meeting.

The major milestone of the study was a Joint City/County work session held on February 11, 2008. This work session was attended by a majority of the members of both the City Council and the Board of Supervisors as well as members of the advisory committee, the press, and the public. The consensus of the work session was that the region should pursue formation of a Transit Authority; that legislation should be sought to permit implementation of the Authority with appropriate funding sources, and the Authority should pursue implementation of the larger transit service options. Work by the project team following the workshop was focused on defining the transit services

that would constitute the Transit Authority operating plan, defining the facilities and equipment that would be required to operate this service plan, estimating the capital and operating cost of the preferred service plan, developing a proposed plan for allocation of Authority costs between the member jurisdictions, and defining the plan for transition from the current operations to the Transit Authority.

7 Recommended Service Plan

Section 4 discusses the six options (including a baseline) that were presented to the advisory committee, the Metropolitan planning Organization and the Joint Meeting of the City and County held on February 11, 2008. Option 4a was selected as the preferred alternative to be operated by a RTA. The backbone of this service is a Bus Rapid Transit (BRT) route operating along Route 29/West Main Street, between the Charlottesville-Albemarle Airport and the Downtown Transit Station. The proposed service strategy substantially increases service in Albemarle County and improves headways in the City of Charlottesville. While the recommended service plan is based on Option 4a, it has been modified to incorporate planned service changes in fall 2008 and refined cost estimates. The recommended service plan is discussed below, and described in greater detail in Appendix G.

This service increases the attractiveness of transit by significantly improving the reliability of service, reducing travel time, and improving transfers to other routes:

- **Service Reliability:** Exclusive transit lanes on Route 29 will improve service reliability by enabling buses traveling on the BRT route to avoid congestion.
- **Travel Time:** Composed of both “in-vehicle” and “out-of-vehicle” travel time. “In-vehicle” travel time is reduced by providing exclusive transit lanes on the BRT route that allow transit vehicles to operate at faster average speeds by avoiding congestion. “Out-of-vehicle” travel time is reduced by improving service frequency on all routes, by timing transfers at stations, and by providing real-time bus arrival time information to riders.
- **Transfers:** Transfers between routes are timed transfers at both the Downtown Transit Station and a proposed transit station at Barracks Road Shopping Center. Potential future transfer stations could include UVA Hospital and Albemarle Square.

The proposed RTA service would add eight new local routes, two commuter routes and modify the alignment of one existing route. In addition, most of the existing routes would have their headways improved to between 15 and 30 minutes. Overall, the operating costs to fully implement this option are estimated to be \$16.2 million in FY 2009, although it is unlikely that all recommendations will be implemented before FY 2011 or FY 2012. The fully implemented RTA service requires a fleet of 76 vehicles during the peak hour, 54 vehicles more than the current CTS fleet (43 30-ft buses and 11 40-ft buses), 12 spare vehicles and approximately 200 additional bus stops, costing between \$50.1 million and \$150.8 million. Additional space for the storage and maintenance of the expanded fleet will also be needed. With the fully implemented RTA service enhancements, 47.5 percent of the revenue-hours of service could be attributed to Charlottesville and 52.5 percent of the revenue-hours of service could be attributed to Albemarle County. However, this is subject to a cost allocation agreement between the

two jurisdictions (see Section 8). Overall, the fully implemented service enhancements would provide nearly 240,000 vehicle revenue-hours per year.

8 Transit Authority and Funding

Currently, Charlottesville and Albemarle County split the local share of operating costs based on which jurisdiction is considered—through agreement—to be the primary beneficiary of the route. Individual routes are designated as either “City” or “County” routes, and Charlottesville then pays the local share of operating costs for the City routes, and Albemarle County pays the local share of operating costs for the County routes.⁶ Until FY 2008, all of the local shares of capital costs are paid by the City, and the City retained ownership of all assets. Beginning in FY 2008, the County began to make limited capital contributions for county service, but the City continues to own all assets.

To date, this system has worked well. CTS’ original routes were all designed to serve the City, and are designated as City routes. More recently implemented routes were developed at the behest of either the City or County, and were designated as City or County routes on the basis of which jurisdiction desired the new services. However, in the future, as the system grows to become more regional, it is likely that the region will desire the development of new routes that will provide regional benefits. As this occurs, it will become more difficult, if not impossible, to attribute all costs to one jurisdiction or the other, and not to share them between the two.

This section first discusses cost allocation methods used by other transit agencies. It then discusses how various cost allocation methods would impact the RTA and their implications. An in depth discussion of these issues is provided in Appendix I.

8.1 Cost Allocations Methods Used by Other Transit Agencies

Transit agencies vary widely in size, membership, and governance. Many have dedicated funding sources such as local sales or gas taxes that fund all of the local costs of their services, and thus cost allocation between partners is not necessary. For those that do allocate costs between partners, many examples of cost-sharing formulas exist. A number of different measures are used, the most common being:

- Population
- Passengers
- Service Hours
- Service Miles
- Assignment of routes to specific entities (as with CTS).

⁶ This process has begun to evolve. For 2008, the City and County agreed that the local operating shares for a new route (Route 2B) would be split 50/50 because the route provides service in both the City and County. To date this is the only CTS route that is not designated exclusively as either a City or County service.

Most use a combination of measures, and most are relatively simple. Those that use multiple measures typically weight the different measures in ways that are intended to be equitable and efficient. It is also common for transit systems to revise cost allocation formulas to reflect service or other changes and to improve equity. For example, both Virginia Railway Express and the Des Moines Regional Transit Authority are considering changes to their cost-sharing formulas. In a similar manner as Charlottesville, the George Washington Region is also examining cost allocation changes in conjunction with the development of a new transportation authority.

The simple approaches probably link costs to benefits in a less precise manner than the more complicated approaches. However, they are generally preferred because the benefits of a simpler, transparent, and more straightforward approach are typically viewed as more important than increasing the degree of accuracy at the expense of administrative cost and complexity. Simpler methods are also more transparent and can be explained easily to the public. In the cases where complex methodologies are used, they were developed to address specific issues of individual partners.

Of the 10 transit systems examined, four use a single measure to allocate costs (Table 8-1). In the same manner as Charlottesville, Fredericksburg allocates routes and associated costs to individual jurisdictions. Chapel Hill and Nashville allocate costs solely based on population. South Florida splits costs equally among its three member counties.

The other six transit systems split costs based on multiple measures. Williamsburg uses service hours, service miles, and adjustment factors that are designed to address concerns of specific members. VRE currently allocates costs on the basis of population and passengers, but is proposing to its members to switch to a purely passenger-based allocation.

Table 6: Cost Allocation Methodologies

	Route Assignment	Population	Population Density	Passengers	Service Hours	Service Miles	Passenger Miles	Adjustment Factors	Assessed Property	Equal Split
Charlottesville, VA	✓									
Williamsburg, VA					✓	✓		✓		
Fredericksburg, VA										
Existing	✓									
Proposed					✓					
Washington, DC (VRE)										
Existing		✓		✓						
Proposed				✓						
Washington, DC (WMATA Bus)		✓	✓	✓	✓	✓				
Chapel Hill, NC		✓								
Nashville RTA		✓								
South Florida										✓
San Luis Obispo, CA	✓	✓					✓			✓
Des Moines, IA						✓			✓	
Butte County, CA		✓		✓	✓					

8.2 Impact of Different Methods for Charlottesville-Albemarle RTA

In the Charlottesville-Albemarle area, a number of decisions still need to be made, and additional work conducted, before cost share estimates for local partners can be fully developed. For example, RTA partners will need to determine the services that will be provided, and these decisions will impact both overall costs and the amount of service provided in specific areas. Also, ridership projections will need to be developed in order to estimate the amount of fare revenue that would be generated by each route and in specific areas.

Until those decisions have been made and associated work conducted, it is not possible to precisely determine how the use of the allocation methods described above would impact costs for Charlottesville-Albemarle RTA partners. However, to provide a generalized indication of the cost difference impacts of various approaches, this section presents costs share estimates of operating the preferred option (see Section 7) for the

City of Charlottesville and Albemarle County for an RTA composed of the City and the County assuming:

The continued use of a similar methodology as at present that allocates costs of existing routes entirely to the jurisdiction that would receive the most benefit. For new routes:

- Where one jurisdiction would clearly receive more benefit than the other, all costs would be allocated to that jurisdiction.
- Where both jurisdictions would receive significant benefits, the costs would be split 50/50.

A cost allocation based on vehicle service hours and/or miles. These estimates are intended to illustrate the impacts of a cost allocation process that, in many respects, would be similar to the Williamsburg Area Transit Authority methodology, without the numerous adjustments, and the proposed George Washington Region RTA vehicle service hour-based methodology.

Because not all of the information needed to fully develop these estimates is available, two simplifying assumptions are used:

1. The services that would be provided by the RTA would be those described for service Option 4C. Note that this is **not** exactly the same as the recommended system.
2. Vehicle service miles, which could be easily determined by jurisdiction, were used as a surrogate for vehicle service hours, which would be significantly more difficult to develop. In most cases, the split of revenue hours and revenue miles by jurisdiction should be similar. The differences that would exist would be related to higher operating speeds in Albemarle County than in Charlottesville due to less dense development and less congestion. This means that more miles of service could be provided per hour of service in Albemarle County than in Charlottesville. As a result, the use of service miles instead of hours may slightly overstate County costs. With the ultimate use of service hours instead of miles, City costs would be somewhat higher than presented, and County costs somewhat lower than presented.

With the continued use of a similar methodology as at present, costs would be assigned to the City and/or County on a route-by-route basis. With this methodology, 52% of costs would be allocated to the City, and 48% of costs would be allocated to the County.

With the use of vehicle miles, the City would pay a slightly higher share, as 54% of vehicle miles would be in the City and 46% would be in the County. The use of a vehicle hour and vehicle mile methodology as in Williamsburg would increase the City share by an undetermined, but likely small amount. The use of a purely vehicle hour based methodology would further increase the City share, again by an undetermined, but likely small amount.

The differences, in percentage terms are not particularly large, only about 3%. For the service option for which the analysis was done, with a continuation of the existing methodology, the City's share of operating costs would be \$8.9 million and the County's share would be \$8.2 million.⁷ With a cost split based on vehicle miles, the City's share would be \$9.2 million, and the County's share would be \$7.9 million. Using a cost split combination of vehicle miles and hours, or purely vehicle hours, the City's share would be somewhat lower and the County's share somewhat higher.

8.3 Implications for a Charlottesville-Albemarle RTA

All of the cost allocation methodologies documented in Appendix I represent different approaches that link costs to benefits in ways that are mutually acceptable to all partners. Most, but not all, are simple. These simple approaches link costs to benefits in a less precise manner than the more complicated approaches. However, they are generally preferred because the benefits of a simpler, more straightforward approach are typically viewed as more important than increasing the degree of accuracy at the expense of complexity, and the increased costs for data collection and administration. In the cases where complex methodologies are used, they were developed to address specific issues of individual partners.

For the Charlottesville-Albemarle area, the examples provide a starting point for the development of a cost allocation methodology for a new RTA. As part of the issues to be resolved the City and the County will need to identify the specific elements that should be reflected in the cost allocation methodology. Ideally, it will be possible to address any issues within a simple process. However, as described in the examples above, it should be possible to address a wide number of issues within a defined cost allocation process.

As a starting point for discussion, for an RTA that would consist of the City and the County, a cost and revenue allocation plan that is similar to that being proposed for the

⁷ Note that these costs represent the respective shares of total operating costs, and not net operating costs. A large proportion of these costs would be funded with federal, state, and other operating subsidies, and the actual costs to the City and County would be much lower (for example, for FY 2008, the City will fund 45% of the total operating budget). Thus, the actual local costs associated with the respective shares, and the cost differences between the cost allocation methods, would be significantly lower.

George Washington Region is recommended (see Appendix I for greater detail). Such a process would entail the following:

Cost Allocation

1. Allocate total operating and capital costs based on a single measure, which would be revenue vehicle hours of service (RVH) in each jurisdiction, with only limited exceptions. Exceptions would include:
 - ❑ Routes that operate in a jurisdiction but do not serve that jurisdiction (for example, through an area where there are no stops).
 - ❑ Routes that clearly serve residents of only one jurisdiction (for example, express service).

Revenue Allocation

1. Allocate non-dedicated operating subsidies (for example, federal and state operating assistance) between the City and County on the basis of total RVH in each jurisdiction. (If an Authority is created and the Authority has taxing powers, those revenues would also be considered to be non-dedicated revenues.) In effect, non-dedicated revenue sources would be taken “off-the-top.”
2. Allocate dedicated subsidies (for example JARC funds for a specific route and UVA’s contribution to Free Trolley service) between the City and County based on RVH for the services for which the funds are provided.
3. Allocate fare revenue and UVA’s contribution for free fares for students and employees based on the percent of riders from Charlottesville and the percent of riders from Albemarle County (which could be determined by periodic surveys or based on AM peak boardings). If different fares are to be charged on different types of routes, fare revenue could be allocated using a combination of rider residences and average fares on a route-by-route basis).
4. Calculate net local costs as each jurisdiction’s share of total costs minus its share of subsidy revenue and fare revenue. (Note that an Authority with taxing powers could potentially generate sufficient revenues to cover all operating and capital costs, and in this case, net local costs could be zero.)

The above approach would represent a relatively simple and straight-forward approach that would address the most important local issues. Additional adjustments can be made, and in most cases there would be no “right” or “wrong” technical reasons to include or not include them. Instead, these types of adjustments would represent policy choices related to a greater emphasis on simplicity and transparency or the most precise accounting possible of all costs and revenues. Most other systems opt for simple and transparent methods that all parties believe represent a fair, if not completely precise, allocation of costs and revenues. However, others, and the Williamsburg Transit Authority is the best example of the systems examined, opt for more complex methods that may provide more precise results.

Finally, the method ultimately chosen should provide flexibility for future changes. While the current emphasis is on the development of a transit authority that comprises the City and County, there may be a desire in the future to include UVa and/or JAUNT. In that event, the methodology proposed above could include both with only minor adjustments. In the case of UVa, the UVa Grounds could become its service area, with costs and miles allocated accordingly.⁸ JAUNT costs within Charlottesville and Albemarle County could be allocated similarly, with supplemental agreements with other counties to cover costs in outlying areas.

⁸ At the present time, for cost allocation purposes, the UVa Grounds are considered to be part of the City.

9 Implementation Schedule

This section identifies the key issues to be resolved prior to seeking action by the General Assembly to establish a Transit Authority and proposes a time table for the transition from operations by CTS to operations by the new Authority.

9.1 Implementation Issues

The actions required to establish a Transit Authority and begin operations fall into five general topics:

- Determination of desired structure and powers
- Obtaining legislative authority
- Establishing Authority by-laws and procedures
- Official concurrence by participating jurisdictions
- Transfer of staff and equipment.

Determination of Desired Structure and Powers

One model for determining the structure and powers of the Charlottesville-Albemarle Transit Authority is the Williamsburg Transit Authority. The legislation establishing the Williamsburg Transit Authority was general, defining the bodies that may join the Authority, the powers and responsibilities of the Authority, and the composition and membership of the Board. The many remaining details were then left to be resolved by the Board of the Authority.

Charlottesville and Albemarle County representatives have indicated that the Transit Authority to be established in this region should seek taxing powers. The Williamsburg Transit Authority neither sought nor was granted taxing powers by the General Assembly. As of this writing the question of what, if any, taxes will be authorized for the Transportation Authorities in Northern Virginia and Hampton Roads, and whether such taxes would be imposed by the General Assembly or by the individual jurisdictions comprising the Authorities, is still an open issue.

Representatives of Charlottesville and Albemarle County will need to monitor actions by the legislature and coordinate with other localities in Virginia also seeking to form an Authority, in order to determine whether they will need to request taxing authority and, if so, what forms of taxation may be approved.

To move forward, the remainder of 2008 should be devoted to resolving specific issues in preparation for submitting a request to the General Assembly to establish the Transit Authority in 2009. Prior to seeking action by the General Assembly, the City and

County will need to come to agreement on the issues identified above. The key items to resolve are:

- Composition of the Board of Directors of the Authority
- Revenue sources to be authorized or imposed.

It is suggested that the governing bodies of the City and County appoint working groups to come to agreement on these issues and that a facilitator be engaged to assist. Other topics can be left for resolution by the Board of Directors once the Authority is authorized, but before formal agreement by the jurisdictions. A full list of the many issues that must be addressed prior to seeking legislative action are provided in Appendix J.

Obtaining Legislative Authority

The transition plan and schedule proposed herein assumes that agreement can be reached on the nature of the requested legislation by the end of December 2008, and that the creation of an Authority by the General Assembly occurs in the 2009 session.

Establishing Authority By-laws and Procedures

Once legislation creating the Transit Authority is approved, the participating jurisdictions will need to appoint or designate the members of the Board and proceed to adopt the bylaws that will govern the Authority and the operating procedures. There are many topics that must be addressed in the bylaws. These will include allocation of revenues obtained by the Authority; procedures for determining the services to be provided; responsibilities of the participating jurisdictions for financial support of Authority services and activities, and personnel policies. It is suggested that working committees assisted by a professional facilitator be formed to resolve these issues.

Official Concurrence by Participating Jurisdictions

After agreement is reached on by-laws and procedures, each jurisdiction will need to take formal action to agree to join the Authority. When both the City of Charlottesville and Albemarle County have taken the appropriate actions the Authority can formally come into existence.

Transfer of Staff and Equipment

The time of the transfer of responsibility for the operation of transit services from CTS to the Authority, and the transfer of the staff and physical assets of CTS to support such operations, will depend on the timing of the revenue streams authorized for the Authority. Once the Authority has begun to collect revenues and has accumulated sufficient reserves, transfers in accord with procedures to be adopted may take place.

The service plan proposed for the Authority assumes significantly more service than currently operated by CTS (see Section 7). New vehicles will need to be purchased and

new staff will need to be hired and trained. Both take time. The lead time for new buses can be 18 to 24 months. Those forming the Authority will need to determine at what point the transfer of operations from the City to the Authority is appropriate.

9.2 Implementation Schedule

The implementation schedule is based on resolution by the joint City/County working groups of all key issues by fall of 2008 and action by the General Assembly in 2009. The Authority would come into existence on July 1, 2009. It is assumed that collection of revenues that will fund the Authority would begin at this time. In the expectation that an Authority will be formed, the City and County should establish an informal service planning committee to work with CTS management to define the services that would be operated in the fiscal year beginning July 1, 2010, and the methods for funding these services should the Authority not be authorized or should the revenues accruing to the Authority not be sufficient to cover all costs. These services will represent the first step in the transition to full authority operation. In the latter half of 2010, assuming favorable action by the General Assembly, the Authority board would undertake other needed actions including adopting services plans and budgets for the following years, finalizing an agreement for transfer of assets from the City of Charlottesville to the Authority, placing orders for new buses, and initiating the process of hiring and training staff.

Under the contemplated schedule, the Authority would assume responsibility for transit services from CTS effective January 1, 2010. Given the lead times necessary to procure vehicles and to hire and train staff, it is unlikely that all proposed services could be operational at that time. The transition period would continue through the second half of 2010 with services continuing to expand as new buses arrive.

A general schedule of activities for establishment of the Transit Authority and the transition of operations from CTS to the new Authority is presented in Figure 3, Figure 4, Figure 5, and Figure 6.

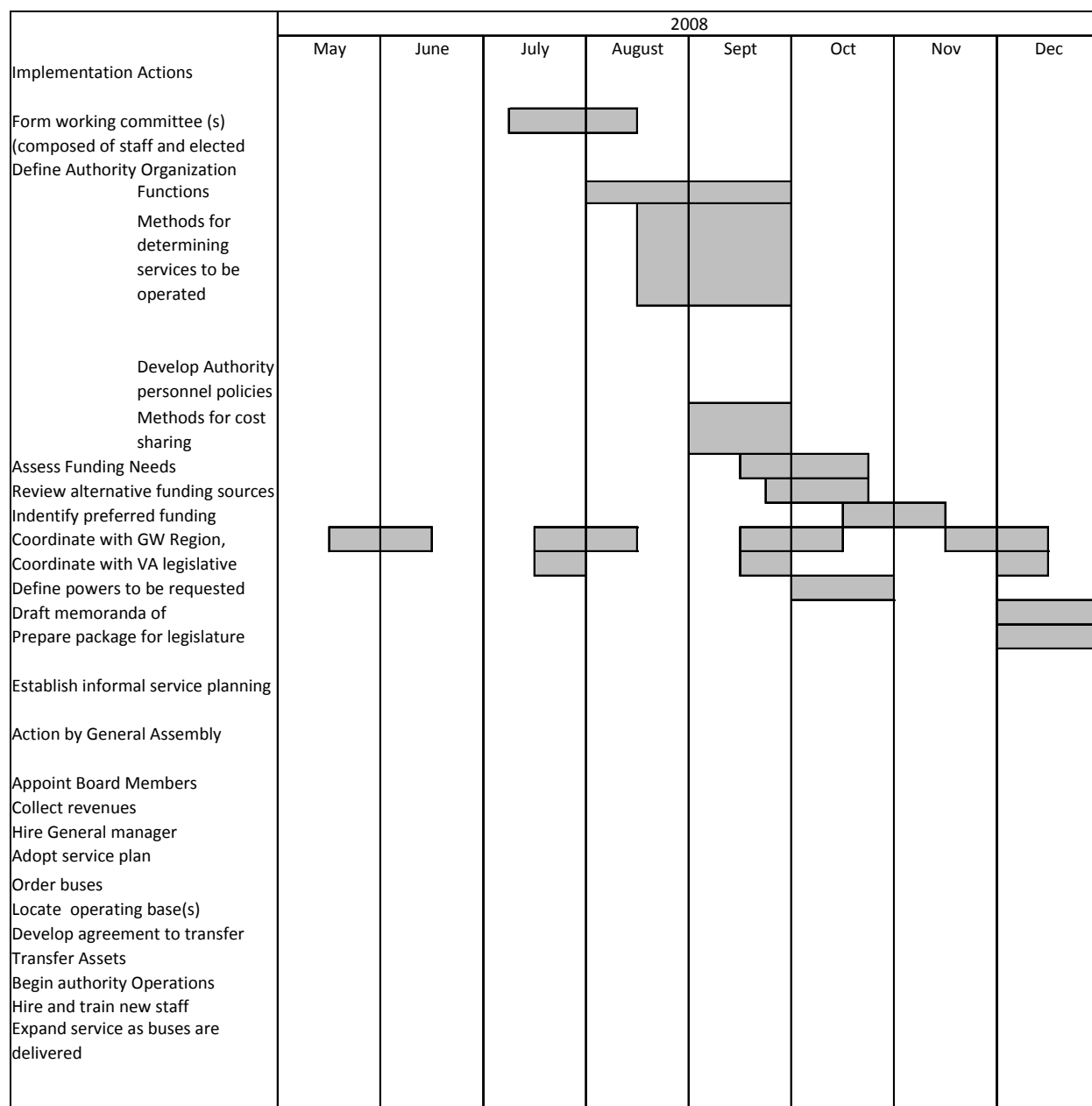
Figure 3: Possible Transition Schedule (2008)

Figure 4: Possible Transition Schedule (2009)

	2009											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Implementation Actions												
Form working committee (s)												
(composed of staff and elected officials of both												
Define Authority Organization												
Functions												
Methods for determining												
services to be operated												
Develop Authority personnel												
policies												
Methods for cost sharing												
Assess Funding Needs												
Review alternative funding sources												
Identify preferred funding source(s)												
Coordinate with GW Region, Richmond re:												
Coordinate with VA legislative representatives												
Define powers to be requested												
Draft memoranda of understanding, review, sign												
Prepare package for legislature												
Establish informal service planning committee												
Action by General Assembly												
Appoint Board Members												
Collect revenues												
Hire General manager												
Adopt service plan												
Order buses												
Locate operating base(s)												
Develop agreement to transfer assets												
Transfer Assets												
Begin authority Operations												
Hire and train new staff												
Expand service as buses are delivered												

Figure 5: Possible Transition Schedule (2010)

	2010											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Implementation Actions												
Form working committee (s)												
(composed of staff and elected officials of both												
Define Authority Organization												
Functions												
Methods for determining												
services to be operated												
Develop Authority personnel												
policies												
Methods for cost sharing												
Assess Funding Needs												
Review alternative funding sources												
Identify preferred funding source(s)												
Coordinate with GW Region, Richmond re:												
Coordinate with VA legislative representatives												
Define powers to be requested												
Draft memoranda of understanding, review,												
Prepare package for legislature												
Establish informal service planning committee												
Action by General Assembly												
Appoint Board Members												
Collect revenues												
Hire General manager												
Adopt service plan												
Order buses												
Locate operating base(s)												
Develop agreement to transfer assets												
Transfer Assets												
Begin authority Operations												
Hire and train new staff												
Expand service as buses are delivered												

Figure 6: Possible Transition Schedule (2011 and Beyond)

	2011						Continuing
	Jan	Feb	March	April	May	June	
Implementation Actions							
Form working committee (s)							
(composed of staff and elected officials of both							
Define Authority Organization							
Functions							
Methods for determining							
services to be operated							
Develop Authority personnel							
policies							
Methods for cost sharing							
Assess Funding Needs							
Review alternative funding sources							
Identify preferred funding source(s)							
Coordinate with GW Region, Richmond re:							
Coordinate with VA legislative representatives							
Define powers to be requested							
Draft memoranda of understanding, review, sign							
Prepare package for legislature							
Establish informal service planning committee							
Action by General Assembly							
Appoint Board Members							
Collect revenues							
Hire General manager							
Adopt service plan							
Order buses							
Locate operating base(s)							
Develop agreement to transfer assets							
Transfer Assets							
Begin authority Operations							
Hire and train new staff							
Expand service as buses are delivered							