Evaluation of the Governance Structure of Transit Service in the Richmond Region and the Establishment of a Transportation District

Central Virginia Transportation Authority

Steering Committee Update
06/4/2021
1. Review of study purpose and objective
2. Review of approach
3. Discussion of key issues and considerations for further study
1. **New Legislation**
   - 2020 General Assembly of Virginia legislation established the Central Virginia Transportation Authority (CVTA)

2. **Authority Membership**
   - Counties and cities in Planning District 15
     - Regional sales and use tax
       - 0.7%
     - Wholesale gas tax
       - 7.6 cents per gallon of gasoline
       - 7.7 cents per gallon of diesel
     - Transit component
       - 15% provided for transit
       - Local maintenance effort for transit of at least 50% of
Background

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Purpose

- Review effectiveness of existing mechanisms to ensure accountability and proper spending of regional transit funds

Objective

- Review governance structure of existing transit service
- Evaluate possibility of creating a transportation district
Focus Areas

Study Approach

1. Governance Structure
   - Reviewed existing GRTC governance structure
   - Conducted stakeholder outreach
   - Identified key issues and opportunities

2. Peer Analysis
   - Reviewed five peer agencies to identify range of possibilities for transit governance

3. CVTA Benchmarking
   - Reviewed structure of NVTA and HRTAC
   - Benchmarking against CVTA structure

4. Transportation District
   - Reviewed provisions for the establishment of transportation district
   - Identified opportunities and potential threats to transit governance in the region

5. Key Issues and Considerations for Further Study
   - Decision Making and Accountability for CVTA funding
   - GRTC Board Representation and implications for ownership
Study Progress

Phase 1: Strategic Assessment
- GRTC Governance Structure Assessment
- Peer Study
- CVTA Benchmarking

Feb 19, 2021

Stakeholder Interviews
- GRTC
- Jurisdictions
- DRPT
- Legislature
- CTB

April 30, 2021

Phase 2: Transportation District
- Evaluation of a Transportation District

May 21, 2021

Phase 3: Governance Strategies
- Evaluation of GRTC Governance relative to peer agencies
- Options for potential GRTC governance strategies

June 4, 2021

Phase 4: Reporting
- Draft report
- Final report

June 25, 2021
## Key Governance Issues

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<th>Implications for GRTC Ownership</th>
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| • Representation of elected officials in current structure | • Henrico representation  
• Rural/suburban representation  
• Decision equity considering historical investments | • City of Richmond and Chesterfield 50%/50% share  
• Marginal benefit for maintaining shareholder structure | • Appropriate level of service for CVTA members  
• Determining appropriate amount and full cost of service |
Decision Making and Accountability for CVTA Funds

- CVTA Bylaws:
  - “15% distribution to GRTC to provide transit and mobility services in Planning District 15”
- Previous discussions
  - Pros and cons and elected officials on transit governing boards
  - Existing involvement of elected officials in decisions regarding CVTA funds
  - Process for changes to governance structure

1. Representation on CVTA Board
   - Representation from member jurisdictions
     - Elected officials
     - Support staff
   - Virginia House of Delegates
   - Senate of Virginia
   - Commonwealth Transportation Board
   - Non-voting members (ex-officio)
     - Virginia Department of Rail and Public Transportation
     - Virginia Department of Transportation
     - Greater Richmond Transit Company
     - Richmond Metropolitan Transportation Authority
Decision Making and Accountability for CVTA Funds

2. Funding Oversight and Accountability by CVTA
   • Elected officials have input on decision making through regional transportation planning process
   • Development of Regional Public Transportation Plan to annually prioritize regional transit projects and spending (15%)

3. Finance Committee Oversight
   • Elected officials have oversight through Finance Committee
   • Representation by CTB member and elected officials from:
     • Chesterfield County Board of Supervisors
     • Hanover County Board of Supervisors
     • Henrico County Board of Supervisors
     • City of Richmond, Mayor
   • CVTA Bylaws
     • Advise Authority on all financial matters
     • Oversee financial activities undertaken by Authority
     • Review GRTC’s expenditure of funds received through the Authority on a quarterly basis
Decision Making and Accountability for CVTA Funds

2. Technical Advisory Committee
   - 14 members
     - One technical representative employed by each CVTA member (9)
     - Non-voting members
       - VDRPT
       - VDOT
       - GRTC
       - RMTA
       - RRTPPO
   - Reviewing, commenting on, and recommending GRTC’s annual plan for expenditure of regional public transportation funds received through the Authority

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Key Issues and Considerations for Further Study
GRTC Board Representation

3. Key Issues and Considerations for Further Study

1. Decision Making Equity and Historical Investments
   • Further study by GRTC Board and component governments into historical contributions to GRTC

2. Henrico representation on board
   • Official request from Henrico County to join GRTC Board
   • Internal dialogue between City of Richmond, Chesterfield County, GRTC and Henrico County may consider
     • Existing service and past contributions
     • Potential for closer collaboration and dialogue for service within jurisdictions

3. Rural/suburban representation
   • Existing representation for CVTA contributions through CVTA board
   • Further study on regional service types and levels warranted across member jurisdictions
   • Further study to determine full cost of any such new service
   • May consider future opt-in clause where appropriate and stipulate potential thresholds considering:
     1) minimum size, density and/or service need
     2) minimum commitment to financial responsibility and stability of regional system
GRTC Ownership/Shareholder Structure

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Board Membership and Shareholders
• Board changes can be implemented without changes to ownership structure
• Changes made by board must be ratified by the City and Chesterfield

Considerations for further study:
1. Determine value of GRTC shares
2. Determine marginal benefit of shareholder structure
3. Benefit of potentially allocating shares on basis of board representation only
Transportation Districts

Key Issues and Considerations for Further Study

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- Legislative provisions for the creation of transportation districts
- Precedent set from establishment of governing commission by legislature:
  - Northern Virginia Transportation District and Commission
  - Potomac and Rappahannock Transportation Commission (PRTC)
  - Transportation District Commission of Hampton Roads (TDCHR)
- General powers and authority
- Factors for consideration:
  - Existing mechanisms for joint regional planning and delivery of transportation improvements (e.g., CVTA, RRTPO, and PlanRVA)
  - Time needed for CVTA policies and procedures for regional collaboration on transit improvements to be implemented
  - Desire of localities to participate in a transportation district
  - Ability and willingness to fund any new regional service
  - Need for action by legislature for any new funding
Further Analysis and Study

1. Collaboration by GRTC board and respective component governments to further analyze historical financial investments including useful life of past capital investments
2. Further analysis on types and levels of regional service warranted across CVTA member jurisdictions
   • Further analysis to determine full cost of any new service
3. Further analysis into GRTC shareholder structure
   • Determine value of GRTC shares
   • to determine marginal benefit of shareholder structure
   • Benefit of potentially allocating shares on basis of board representation only
Next Steps

Draft report review and approval
1. June 7th - TAC Review
2. June 14th - TAC Meeting
3. AECOM revisions as needed
4. June 25th - CVTA Action
Thank you. Questions?