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

Central Virginia Transportation Authority

CVTA TAC Update
07/12/2021
Study Timeline

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

Feb 19, 2021

Phase 2: Transportation District
- Evaluation of a Transportation District

April 30, 2021

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

May 21, 2021

Phase 4: Reporting
- Draft report

June 4, 2021

Phase 4: Reporting
- Revised draft report

June 26, 2021

Phase 4: Reporting
- Final report

July 16, 2021
Overview

1. Study purpose and objective
2. Approach
3. Stakeholder outreach and key governance issues
4. Study findings and recommendations
Background

New Legislation
- 2020 General Assembly of Virginia legislation established the Central Virginia Transportation Authority (CVTA)

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

Objectives

• Evaluate the governance structure of GRTC
• Evaluate the establishment of a transportation district in the Richmond Region
• Provide options related to GRTC and/or the establishment of a transportation district
Study Approach

Peer Analysis
Reviewed a range of governance structures

Transportation District Review
Identified provisions for creating a transportation district
Identified opportunities and threats for establishing a transportation district

Governance Structure
Reviewed GRTC governance structure and conducted stakeholder outreach

CVTA Benchmarking
Reviewed structures of regional authorities and benchmarked against CVTA

Key Issues and Considerations
Synthesized stakeholder engagement feedback and study reviews to identify key issues and path forward
Study Objectives and Identified Governance Issues

Study Objectives:
1. Evaluate the governance structure of GRTC
2. Evaluate the establishment of a transportation district in the Richmond Region
3. Provide options related to GRTC and/or the establishment of a transportation district

Identified Governance Issues:
1. Decision making and accountability
2. Board representation
3. Implications of governance changes for GRTC ownership

Stakeholder Outreach and Key Governance Issues
Key Governance Issues

Decision Making and Accountability
- Role of elected officials in current structure

GRTC Board Representation
- Henrico representation on GRTC Board
- Rural/suburban area board representation and potential for new service
- Equity in decision making considering historical investments

Implications of Governance Changes for GRTC Ownership
- Implications for current shareholders
- Potential implications for future partners
The following mechanisms were identified as ways of ensuring accountability for CVTA transit funding:

- Accountability provided by presence of elected officials on CVTA Board
- Funding oversight and accountability provided through CVTA
- Accountability provided through development of the Regional Public Transportation Plan by GRTC in collaboration with the Richmond Regional Transportation Planning Organization participation (RRTPO)
- Funding oversight and accountability through CVTA Finance Committee
- Funding oversight and accountability through CVTA Technical Advisory Committee

Existing mechanisms are sufficient to ensure accountability of the 15% transit component of the CVTA tax and to involve elected officials in decision making regarding those funds.
GRTC Board Representation

GRTC Board Representation for Henrico County
• Continue dialogue between City of Richmond, Chesterfield County, Henrico County and GRTC needed to determine the specifics regarding board composition and voting
• Unresolved issue of City of Richmond’s financial stake in GRTC

Board composition and voting criteria include:
• Revenue miles and revenue hours of service within each jurisdiction by mode,
• Local funding support for fixed route services, and
• Funding contributions to fixed-route complimentary paratransit services and extended paratransit services.

City of Richmond, Chesterfield County, and GRTC should consider including Henrico County in the current GRTC Board structure
Study findings and recommendations

GRTC Board Rural/Suburban Area Representation

• Dissatisfaction in contributing to GRTC without directly receiving any or enough service
  • CVTA legislation – 15% contributions to be placed in a separate fund for regional purposes
  • Regional Public Transportation Plan – collaborative plan with regional partners
• Concern of potentially subsidizing transit in areas outside their local jurisdictions
  • Regional Public Transportation Plan – review viable markets and appropriate needs and cost for transit service
• Dissatisfaction of not having direct input on the GRTC Board
  • Opt-in clause for areas receiving future service
    • Minimum size, density and/or service need of locality, and
    • Minimum commitment to financial responsibility and stability of the regional system by locality
GRTC Board representation for rural/suburban CVTA member jurisdictions cannot be based solely on CVTA contributions but once future service is established, consider:

- service need
- service viability
- financial commitment

The region should continue to assess possible opportunities as the regional network continues to be developed.
GRTC Board Representation

Implications of Governance Changes for GRTC Ownership

• 50%-50% ownership for City of Richmond and Chesterfield County
• Changes to board structure inevitably have implications on ownership structure
• Collaborative discussions between City of Richmond, Chesterfield County and GRTC are needed to determine ownership amount for new shareholders

Current shareholders, City of Richmond and Chesterfield County should consider either:
(1) change/eliminate GRTC’s shareholder structure or
(2) equate board membership with quantity of shares
Evaluation of Transportation District

Transportation District
• Purpose: implemented where joint action by the political subdivisions is needed for planning and provision of major capital improvements

• Study sought to determine if a transportation district would further enhance the accountability of CVTA funding
  • Would the marginal benefit outweigh the potential challenges?

There was no clear evidence that benefits of creating a transportation district to address the identified transit governance issues would outweigh the alternative strategies proposed for addressing governance issues.
Study Objectives

- Evaluate the governance structure of GRTC • Completed
- Evaluate the establishment of a transportation district in the Richmond Region • Completed
- Provide options related to GRTC and/or the establishment of a transportation district • Completed
Thank you. Questions?