

Network for Success

# Local Programs Workshop



## Case Studies in Local Road Funding

**September 25, 2013**

**Peter Ohlms, AICP**

**Research Scientist**

**Virginia Center for Transportation Innovation and Research**

# Funding a Road: The Old Way



Clocks: © 2011 Tom Magliery. Uncle Sam: © 2010 neauthor77. Both used under a Creative Commons Attribution-NonCommercial-ShareAlike license: <http://creativecommons.org/licenses/by-nc-sa/2.0/>. VDOT buildings: © 2007Taber Andrew Bain, used under a Creative Commons Attribution-Generic license: <http://creativecommons.org/licenses/by/2.0/deed.en>.



# Funding a Road: The New Way



## Includes

- 100% locally funded
- Local funds “kick starting” a state or federal project
- Developer contributions (proffers)



# HB 2313: The Way of the Future?



© White, Michaele

© 2013 VCU CNS. Used under a Creative Commons Attribution-NonCommercial-ShareAlike license:  
<http://creativecommons.org/licenses/by-nc-sa/2.0/>.



## Why do we care about this?

- Help other localities that seek to fund roads
- Inform future funding discussions

## How do we know what localities have done?

- Survey
  - 130 responses
  - Over \$500 million spent since 2008
- Follow-up meetings

# How do localities do things now?

- General fund
- Financing
  - General Obligation Bonds
  - Revenue Bonds
  - Virginia Resources Authority bonds
  - Industrial/Community Development Authority borrowing
- Developer proffers
- Service districts
- Impact fees



# Case Studies



- Augusta County
- City of Chesapeake
- City of Fredericksburg
- City of Harrisonburg
- City of Lynchburg
- Prince William County
- Stafford County
- City of Williamsburg

Image from <http://coolrain44.wordpress.com/2009/11/19/amusing-animal-antics>



# Augusta County

- Road serving Augusta Medical Center
- Public-Private Transportation Act
- \$5 million, 15-year loan from Virginia Resources Authority
  - To be repaid with tax revenue from new business

# Augusta County



- Advance acquisition of right-of-way
- McDonald's with a lawn?

# Chesapeake

- City's success with



allowed it to obtain financing for the \$345 million Dominion Boulevard Improvements



# Chesapeake

- Advance acquisition of right-of-way



# Fredericksburg



- Cowan Boulevard
- Regional shopping center
- Service district to repay bonds

# Harrisonburg

- Good debt capacity: bonds
- University-related revenue growth

- Collaboration
  - VDOT
  - James Madison University
  - Rockingham County



# Harrisonburg

- Concurrent phases
  - Right of way: purchase and demolish structures

# Lynchburg

- Careful budgeting and saving
- \$3.6 million, all local funds



# Lynchburg

- Collaboration with Liberty University
- 9 months

- Route 1 project
  - federal construction funds
  - \$10 million of \$68 million
  - Local bonds paid for right of way

# Prince William County

- Big bonds, big growth



# Prince William County

- Proffer guidelines
- Service districts
- Experienced staff



Route 15 Widening  
Proudly Funded By  
*Toll Brothers*  
America's Luxury Homebuilder

# Stafford County

- Countywide impact fees start May 2014
  - \$2,999 per dwelling unit
  - \$900 per 1,000 square feet of industrial use
  - \$7,450 per 1,000 square feet of retail use
  - \$2,800 per 1,000 square feet of office or other use
- Enabling legislation
  - *Code of Virginia* § 15.2-2317 through 2327
- First project is underway using impact fee revenues from previous arrangement



- Small population
- Tourism economy
- Sales taxes to CIP

**Williamsburg**



# Enabling Factors

	Augusta	Chesapeake	Fredericksburg	Harrisonburg	Lynchburg	Prince William	Stafford	Williamsburg
High growth rates			X	X		X	X	
Regional medical centers	X		X	X				
Staff experienced with road construction projects	X					X		
Forward-looking plans and negotiation during land development	X	X				X		
Record of success		X				X		
Collaboration				X	X			
History of careful budgeting					X			X





Virginia Center *for* Transportation  
**INNOVATION**  
& **RESEARCH**

*We bring innovation to transportation.*

# Local Road Funding in Virginia: Lessons Learned

Peter Ohlms, AICP

*Research Scientist*

434-293-1991

[peter.ohlms@vdot.virginia.gov](mailto:peter.ohlms@vdot.virginia.gov)

<http://vtrc.virginiadot.org>

## Project Technical Review Panel

Marsha Fiol (VDOT TMPD)\*

Dan Lysy (Richmond MPO)\*

Jennifer DeBruhl (VDOT LAD)

Ivan Rucker (FHWA)

Terry Short (VDOT Staunton District)

Noah Goodall (VCTIR)

*\*co-champions*