Chapter 8:

Funding and Implementation

Funding and Implementation

The purpose of the Transportation Plan is to create a framework of goals and strategies to help plan for future transportation improvements and policies in Louisa County. The plan identifies a vision for how motorists, bus riders, cyclists, pedestrians and others will get around the county. Furthermore, the Land use chapter of the Comprehensive Plan sets the direction for growth in the County over a five-to-20-year period, and the transportation network has a significant influence on patterns of development.

The Transportation Plan serves as a starting point, but in order to implement these strategies, they each need to be matched with an appropriate funding source and governing body with the authority to carry out the plan. A more in-depth financial plan will be necessary to align implementation strategies and potential funding sources, both local and from outside of the county, with various elements of this transportation plan.

Following the list of tools and funding sources, some general recommendations are provided for how to implement priority projects.

Local Implementation Tools

A major aspect of transportation planning is demand. Whenever a locality approves a new development, there will be additional cars on the surrounding roadways and demand on the overall transportation system. The first step towards managing this system is to assess and, if needed, improve the existing ordinances and plans, which are fundamental in shaping the community and how people move around it.

Corridor Plans

If a community is especially interested in making improvements to transportation along a particular road, it may choose to develop a Corridor Plan. Two studies have examined the Route 250 and Route 15 corridors. The Route 250 East Corridor Study was produced in 2004 for the section of this road between Charlottesville and Zion Crossroads. The study was seen as necessary to prepare for anticipated growth along this corridor, as development spread eastward from Charlottesville. The Northwest Fluvanna/Southwest Louisa Corridor Study (2007) looked at Routes 250 and 15 in the Zion Crossroads area. It included a Framework Plan with specific project recommendations for Zion Crossroads. A Corridor Plan enables a community to look at the relationship between land use and transportation along a road and to set parameters for growth before it happens. The Plan may set the stage for both short-range and long-range projects as funding becomes available.

Zoning Ordinance

Zoning ordinances are typically considered land use tools, but they have an important transportation component as well. Many district regulations set standards for road, sidewalk and path development to be met in accordance with the desired development intensity within a given district. For example, sidewalks could be required on all streets in a PUD, C-2 or R-2 district, where multiple residential and/or commercial projects are often built in close proximity. Off-street paths might be required to link these districts.

At the level of individual sites, zoning codes may require developers to show certain amenities on their plans, including sidewalks, bike lanes, off-street shared-use paths, with appropriate minimum and maximum widths. Additional specifications for sidewalk, lane and path surfaces might include slope and materials to ensure access for people with physical disabilities.

The use of land, which is guided by zoning, is another aspect of this local authority that greatly influences the transportation system. For instance, if a community allows for high density development in an area with limited road capacity, then there is a high likelihood that those roadways will fail. This relationship between transportation and land use is a critical element to consider with any zoning consideration.

Subdivision Ordinance

While the zoning ordinance regulates the use, intensity and bulk of developments, the subdivision ordinance governs how that land is divided. This device was first conceived as a strategy for ensuring that roadways and other infrastructure from new developments were consistent with those in the surrounding community. As a result, the subdivision ordinance may have similar transportation requirements to a zoning ordinance, except that these only go into effect once a parcel has been subdivided. Although the Virginia Department of Transportation sets many road standards in its regulations (e.g. 50-foot ROWs, sidewalk on one or both sides depending on importance of the road, connectivity between parcels, access management, etc.), individual counties are free to generate their own specifications beyond state regulations to tailor road improvements more specifically to the community's vision.

Maintenance Plans

All facilities, including recreation trails and shared-use paths, require regular maintenance to reduce the damage caused over time by the effects of weather and use. Many maintenance issues can be reduced if properly addressed in the planning and design phases before construction even begins. A funding plan should be in place to ensure trails will be maintained over time. In some cases this may be a good opportunity to develop a public-private partnership, so that the County is not the sole entity responsible for maintenance.

Local Funding Sources

While there are several tools and strategies for managing the demand on roadways and the transportation system, the more direct challenge for decision-makers is found with increasing the supply of this infrastructure. Building roads, sidewalks, and trails costs money. Ultimately, local offices must face how to fund and prioritize projects, trying to get the most out of limited resources. The following provides an overview of funding options. None of these options offer a cure-all solution. Each comes with its own costs and benefits, but this catalog presents ideas and a starting point for considering and weighing funding opportunities.

General Revenues

In order to spend general revenues collected within the county on infrastructure, a transportation project must first be included in the 5-year Capital Improvements Projects (CIP) list. Specified projects may be bonded if approved by voters through a referendum. Many assistance programs require local matching funds.

Proffers
Proffers are voluntary payments made by developers to localities during a rezoning process to offset any expected adverse impacts from a proposed development. Proffers may include direct transportation improvements, or they can be cash proffers that are used by the county to improve transportation infrastructure of their own choosing. Developers need not offer proffers for by-right development, and Louisa County currently limits cash proffers to $4,362 per lot for new subdivisions. Although developers may offer any direct transportation improvement, in order for the county to use a cash proffer on a project it must be previously approved as part of a locality's Capital Improvement Plan and must be geared towards mitigating the impacts of the given development. In fiscal year 2006 the largest share of revenue proffered by Virginia localities was allocated to roads and other transportation improvements.

Traffic Impact Fees
Impact fees have a similar purpose as proffers, to offset traffic impacts of development, although they function quite differently than proffers. They are mandatory payments required for both by-right developments and rezonings. The fee schedule is determined by the county beforehand with an ordinance.

In order to implement an impact fee system, the locality must adopt an Impact Fee Service Area as part of the Comprehensive Plan with clear boundaries showing which parcels are included. Secondly, after an assessment of transportation improvement needs the county must adopt a local ordinance to impose the fees. Once an ordinance is in place, fees may be collected upon issuance of a building permit. Fees must be refunded if construction is not completed within a reasonable amount of time. Virginia State Code 15.2-2318 is the current enabling legislation for Traffic Impact Fees.

Special Taxing Districts
Special assessment districts focus a tax assessment on a small, well-defined area within a local jurisdiction for a specific project. A tax may be levied on the property owners in the district if a project is of substantial and primary benefit to this particular district.

Service Districts
One type of assessment district that Louisa may consider is a Service District. These are common throughout the state and are created for a wide range of infrastructure improvements, including transportation. A county can create a service district if it has the approval of over 50 percent of the property owners, and if these are the owners of at least half the property to be served. A tax rate can be set to fund construction, maintenance, and general upkeep of streets and roads. Usually the improvements stimulate private sector development. One of the challenges with a Service District is to set the tax rate high enough to pay for specific projects. Virginia State Code Sec. 15.2-2400 is the enabling legislation for Service Districts.

Tax Increment Financing
A second type of assessment district enables the use of a tool known as Tax Increment Financing (TIF). In this case, before development begins or improvements are made, the property tax rate is frozen. The taxes continue to be paid but the difference between the original assessed tax and the tax on assessed value after the improvements (the increment) is deposited into a special account that is used to pay off the bonds that were sold to finance the improvements. This money can also be leveraged for more

improvements in the district. Forty-six states, including Virginia, authorize TIF. To date, the tool has been used primarily in urban areas of Virginia.

There are risks of using TIF. It may divert property tax revenue from other potential uses while the bonds are being paid off, and the financing depends upon a future increase in assessed value of the property. If development does not occur to the degree anticipated the county would lose revenue through the investment. Virginia State Code Sec. 58.1-3245 is the enabling legislation for Tax Increment Financing.

Community Development Authorities

Community Development Authorities (CDAs) can be authorized and created by a local governing body upon petition by at least 51% of the land owners within the proposed CDA boundaries. A CDA can span across multiple jurisdictions if each body adopts an ordinance to create it.

CDAs are authorized and created for the purpose of providing public infrastructure associated with the development or redevelopment of an area. A CDA is empowered to issue tax-exempt bonds for many different kinds of infrastructure improvements, including roads. Any bonds issued by the CDA are repaid through special assessments levied upon all the property owners within the boundaries of the CDA district. Such special assessments cannot exceed .25 dollars per $100 dollars of assessed value unless every property owner in the CDA agrees to a higher special assessment. Most CDAs are commercial or mixed-use, giving them access to more taxing options than a strictly residential development. Virginia State Code Sec. 15.2-5155 is the enabling legislation for CDAs.

Recordation Tax Revenues

An additional means by which the County might raise tax revenue would be through fees paid when deeds, plats or other legal documents are recorded. Many communities around the United States have used their transfer tax on real estate transactions to raise funding for affordable housing trust funds. The same type of fees might be used for transportation funding. Virginia State Code Sec. 58.1-802 is the enabling legislation for Recordation Tax levies.

User Fees

Although it is uncommon for rural localities in Virginia to levy user fees for transportation infrastructure, this is an available option. This would be in the form of tolls collected to use roadways.

Volunteer Labor

Sometimes county governments are able to leverage significant local volunteer labor for transportation projects. Often transportation enhancement projects such as multi-use trails or roadside beautification can generate the community support necessary to draw volunteers. Organization will often be accomplished through a partnership with local groups. Volunteer labor may sometimes be counted, depending on the program, toward a local match for assistance funds.

State and Federal Level Resources

Virginia Department of Transportation (VDOT) Maintenance Funds
Roads that meet Virginia Department of Transportation's (VDOT) acceptance criteria for either primary or secondary roads are eligible to receive state maintenance funds. The most recent criteria became effective in July, 2009. Often developers petition for inclusion of new roads for VDOT maintenance, but existing roads can also be added to the state list through action by the Board of Supervisors.

VDOT Rural Additions Funds
VDOT allows eligible counties to use 5% of allocated Secondary Street Funds to improve rural roads that do not currently meet VDOT's acceptance criteria for state maintenance and that have been in service since before 1992.

Rural Rustic Road Program
Rural roads already accepted into VDOT's Secondary road network are eligible for funds to allow paving or widening. An application must be initiated by the county Board of Supervisors.

Highway Safety Improvement Program
The Highway Safety Improvement Program (HSIP) is a federal program established in 2005 to help reduce traffic fatalities and injuries nationwide. HSIP disperses $220 million a year to improve the safety of railway crossings and another $90 million for the High Risk Rural Roads program. Bicycle and pedestrian safety grants are also awarded. VDOT administers these funds and accepts applications from localities. Preference is given to projects with low costs that target high crash sites.

Transportation Enhancement Program
The Transportation Enhancement Program (TEP) is intended to encourage alternative transportation projects, such as bicycle and pedestrian facilities, beautification projects, and environmental mitigation. Funds are administered through VDOT as a reimbursement to localities for up to 80% of eligible project costs.

Safe Routes to School
The Safe Routes to School (SRTS) program exists to "enable and encourage children, including those with disabilities, to walk and bicycle to school." Funding is distributed by VDOT for both a preliminary planning phase and a secondary implementation phase. Projects can be program-based or include infrastructure improvements. Eligible projects must be located within a certain distance of a school.

VDOT Revenue Sharing Program
VDOT accepts applications from localities for additional state funds to match local funds for specific transportation projects. Construction, reconstruction, or improvement projects can be submitted by the county Board of Supervisors for evaluation. Each locality may request up to $1 million per year. All approved funds for FY 2010 included a match of at least 50% by the locality.

Rail Enhancement Fund
This fund, administered by the Commonwealth Transportation Board (CTB), supports freight or passenger rail improvements. Industrial Access Grants are available through the Fund to serve railroad

tracks or facilities that serve industrial or commercial sites. Specifically, the grants help localities that want to provide freight rail service between a commercial facility and common carrier railroad tracks.

Virginia Recreational Trails Fund

The Virginia DCR (Department of Conservation and Recreation) administers federal highway funds set aside specifically for trails or trail facilities. The fund is used for motorized or non-motorized trails, although the largest portion is allocated to multi-use trails. Up to 80% of the costs incurred by the County for trail construction or maintenance are eligible for reimbursement by DCR. The primary purpose is to promote recreational trails, but there may be a secondary transportation function.

Transportation Infrastructure Finance and Innovation Act (TIFIA)

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects, typically ones that are large-scale and complex. Public or private entities seeking to finance, design, construct, own, or operate an eligible surface transportation project may apply for TIFIA assistance. Examples of such entities include state departments of transportation, local governments, and transit agencies.

Federal Transit Administration (FTA) grants

The FTA manages several grant programs, many of which may be dispersed directly to local governments. Relevant programs may include but not be limited to Rural and Small Urban Areas, Bus and Bus Facilities, Rural Transit Assistance Program, the New Freedom Program for persons with disabilities, and Rail and Fixed Guideway Modernization. Application procedures are different for each grant.

Federal Earmark Funds

A Virginia Representative of the U.S legislature may be able to secure funds for a specific transportation project within a congressional bill. Often funds for the Transportation, Community, and System Preservation (TCSP) program are secured through congressional earmarks.

Private Grants

Many non-profit 501(c)(3) organizations can assist to fund certain elements of transportation projects in accordance with their mission. Regional and national foundations work to support many transportation causes, including providing options for persons with disabilities, sustainability, social equity in transportation access, and safety.

Recommendations

Financial Plan

- Develop and implement a responsible financial plan that identifies existing and new funding mechanisms, including funding initiatives (such as bonding authority, transportation Service Districts, recordation tax revenues, etc.) to achieve the county's transportation system objectives.

Revenue Sharing

- Continue offsetting the cost of projects by utilizing the Virginia Department of Transportation Revenue Sharing program.

Public-Private Partnerships

- Encourage the development community to mitigate the financial burden associated with increased demand on transportation facilities through public-private partnerships and other voluntary means.

State and Federal Funding

- Apply for all available State and Federal assistance through appropriate funding programs, including those identified in this chapter.