

Transportation

# Gov. Terry McAuliffe proposes higher taxes in Northern Virginia to support Metro

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By **Robert McCartney** December 18 at 12:01 AM

Northern Virginians would pay higher taxes on real estate sales, hotel stays and wholesale gasoline to provide Metro with long-sought dedicated funding under a proposal to be announced Monday by Gov. Terry McAuliffe (D).

The new tax revenue of \$65 million a year would be in addition to \$85 million that Northern Virginia would earmark for Metro from funds the region already devotes to transportation, according to the McAuliffe plan.

The total — \$150 million annually — would represent Virginia's share of \$500 million a year in additional, dedicated funds that Metro says it needs to ensure the transit system's safety and reliability.

If approved by the General Assembly, the measure would be a breakthrough for Metro — the only large transit system in the country that does not obtain a significant amount of its funding from a tax or other dedicated source.

The proposal, a description of which, including documents, was obtained by The Washington Post, is part of the budget that McAuliffe will present for the legislative session that begins in January.

The governor promised in September that he would propose dedicated funding for Metro before leaving office next month in hope of breaking the deadlock in the region over how to fund the agency.

The effort is expected to continue under his successor, Gov.-elect Ralph Northam (D), a McAuliffe ally.

As McAuliffe has said previously in previewing his proposal, it sets two conditions. One is that Virginia will provide the money only if the District and Maryland commit to their share of dedicated funding as well.

The other is that the 16-member Metro board must be replaced by a temporary, five-member “reform board” to improve the agency’s governance, as recommended in a recent study by former U.S. transportation secretary Ray LaHood.

The McAuliffe plan is expected to face resistance in the General Assembly, where Republicans have shown no appetite for increasing taxes since raising them in a landmark \$3.5 billion transportation plan in 2013, backed by then-Gov. Robert F. McDonnell (R).

House Majority Leader M. Kirkland Cox (R-Colonial Heights) also said last week that his party would help Metro only if there are significant changes to restrain labor costs and ensure safety. He spoke in favor of enforceable measures that go beyond creating a reform board.

“This is the beginning of the sausage-making,” Virginia Transportation Secretary Aubrey Layne said. “We’ve given a platform here for a deal to be done.”

The McAuliffe administration hopes Republican legislators will show flexibility, because the extra money for Metro would come exclusively from taxes paid in Northern Virginia — which is heavily Democratic. The only tax change that would affect anyone outside the region is the institution of a floor for the wholesale gasoline tax, which would apply in both Northern Virginia and Hampton Roads.

In addition, the plan includes an important sweetener for the rest of the state. It allows the issuing of bonds totaling \$110 million a year to cover a looming shortfall in state transit funding. The impending deficit — dubbed a “fiscal cliff” — threatens county and municipal bus systems and other local transit agencies, including those in many Republican-dominated districts, as well as some funding for Metro.

“We have to get buy-in from the rest of the state,” Layne said. Without solving the transit shortfall, he said, “there would be zero chance of this passing.”

The McAuliffe plan proposes three increases in Northern Virginia taxes, which also were raised in the 2013 package:

- The real estate transfer levy, known as the grantor’s tax, would increase a dime to 25 cents per \$100 of assessed value. That would supply \$33 million for Metro in 2019.
- The hotel levy, or transient occupancy tax, would rise from 2 percent to 3 percent, raising \$15 million annually.
- An existing floor in the state wholesale gas tax would be applied to the regional levies, which are now separate. The state Department of Transportation estimated that if the new tax is passed to retail customers, it would add 2 cents a gallon to the pump price. The change would raise an additional \$17 million in Northern Virginia for Metro, while the Hampton Roads increase would go toward projects there.

To make the real estate and hotel tax changes more palatable to the legislature, McAuliffe set them at levels the General Assembly endorsed at one point in the process of approving the 2013 law. Lawmakers voted for a 25-cent real estate tax and

3 percent hotel tax, but McDonnell reduced them before the final package was approved.

“We’re not asking them to vote for anything they haven’t already voted for,” Layne said.

McAuliffe suggested earlier this month that his plan would not involve a tax increase.

“I have never been a fan of tax increases,” McAuliffe said Dec. 5, when asked at a news conference whether his plan would include higher levies.

But it appears that the governor concluded there was no other way to both cover Metro’s needs and eliminate the statewide fiscal transit deficit without cutting deeply into spending on roads, education, public safety or other priorities.

Most of the dedicated funding for Metro would come by committing revenue that Northern Virginia already is receiving through regional taxes raised in 2013.

The Northern Virginia Transportation Authority (NVTA) receives about \$330 million a year, which goes to both road projects and transit. The McAuliffe plan calls for dedicating \$85 million a year of that to Metro.

The purpose of having dedicated or earmarked funding is to provide a guaranteed stream of revenue that can be used by Metro to support the issuance of bonds. That significantly increases the amount of money that the transit agency can raise, compared with what it gets through its reliance on annual appropriations that must be approved by the jurisdictions that support it.

A potential objection to the McAuliffe plan is that by dedicating the \$85 million to Metro, it reduces the amount available for road projects in Northern Virginia.

Layne said the region should be willing to go along, partly because fixing Metro is its top transportation priority.

In addition, he said, the McAuliffe administration has used public-private partnerships to pump more than \$7 billion into projects in the region including widening Interstates 66, 395 and 95. That has reduced the demands on NVTA funding for roads.

Fairfax County Board of Supervisors Chairman Sharon Bulova (D), who was briefed separately about the McAuliffe plan, welcomed it as a compromise.

“My concern has been shaving some of the funding from NVTA, but on the other hand, funding for Metro is really our major priority right now,” Bulova said. “There is no perfect package. I’m sure there will be some folks who will be disappointed and may have some objections. The bottom line is, I think it’s a pretty good package.”

The Northern Virginia taxes would apply in the jurisdictions that belong to the NVTA. It includes Fairfax, Arlington, Loudoun and Prince William counties, and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.

If Virginia lawmakers approve McAuliffe's dedicated-funding plan, it will increase political pressure on the District and Maryland to go along.

The District has strongly supported dedicated funding, but it wants a uniform regionwide sales tax that Virginia and Maryland have rejected.

Maryland Gov. Larry Hogan (R) has proposed a four-year, \$2 billion funding plan, without committing to a long-term approach. His transportation secretary, Pete K. Rahn, has questioned both the value of a reform board and whether Metro needs as much money over the long term as the agency and others have said.

Maryland Democrats, who control the legislature, support the principle of dedicated funding, but they have not spelled out how it might be achieved.

 **92 Comments**

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Robert McCartney is The Post's senior regional correspondent, covering politics and policy in the greater Washington, D.C area. [🐦 Follow @McCartneyWP](#)

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# Washington Joins Oregon In Pay-By-The-Mile Experiment

By [DEBORAH WANG](#) · DEC 14, 2017



*Oregon Department of Transportation Spokesperson Tom Fuller fills his tank at a gas station in Salem, Oregon.* Beginning early next year, a group of Washington drivers will be keeping close tabs on the number of miles they drive and how much they spend on gas. They will be part of a [pilot program](#) to test out a proposed pay-by-the-mile road tax, similar to what Oregon rolled out in 2015. The Washington State Transportation Commission is recruiting 2,000 people who represent a broad range of drivers—from east and west of the Cascades, and from cities and rural areas. They are looking for people who drive both often and occasionally, and who come from a variety of racial, ethnic and socio-economic groups. “We hear a lot of concern from people across the state about what this program will mean to them,” said Reema Griffith, the executive director of the Washington State Transportation Commission. “We want to have as much representation of different kinds of drivers and to have a richer data set to see how it will impact people.” Pay-by-the-mile is a new idea for Washington state drivers. [Oregon has had a head start](#) examining the

concept and the technologies needed to pull it off.

Right now in Washington drivers pay a 49 cent per gallon state gas tax that goes to fund transportation projects.

But as vehicles become more fuel-efficient, state officials expect the gas tax will soon fall far short of what the state needs to maintain roads, bridges and the ferry system. By 2035, the state estimates gas tax revenue will decline by 45 percent.

With the so-called Road Usage Charge - or RUC - drivers would pay for the number of miles they drive in the state, not the amount of gas they use.

As in [Oregon](#), volunteer study participants in Washington can track their mileage by using GPS devices or by having their odometers checked periodically. Washington's pilot program also offers a new option: a cellphone app that distinguishes between miles driven in state and out of state. Washington will give study participants a choice among five different ways of reporting their mileage.

Washington and Oregon are among seven states that received federal grant money to fund pilot projects. The idea at the federal level is to seed many state level experiments to sort out the most equitable means of paying for transportation infrastructure in the future. The transition date would be a political decision, highly uncertain when for now.

"We all use the roads, so its important that we pitch in to make sure that the roads are there for us in the future," said Griffith.

Washington state's trial program will roll out sometime in late January or early February. Volunteers will not actually pay a road tax, they will just keep track of their mileage and compare the estimated cost with the amount they actually pay at the gas pump. By 2020, the Commission must report its final findings from the pilot program to the governor and the legislature.



**Gridlock**

# Va. governor-elect Ralph Northam names his transportation team

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By **Lori Aratani** December 13 at 4:55 PM

Virginia Gov.-elect Ralph Northam on Wednesday unveiled his transportation team, naming Shannon Valentine secretary of transportation.

Valentine, a member of the Commonwealth Transportation Board, will replace Aubrey Layne.

“A dynamic transportation system is the lynchpin to continuing the progress we’ve made on building the New Virginia Economy,” Northam (D) said in a statement that accompanied the announcement. “If we can unlock our transportation networks for every Virginian, no matter who you are, no matter where you are, the sky is the limit – and I’m committed to tackling the challenges we face and continuing our achievements as the 73rd governor. The selection of these talented public servants speaks volumes about the bar we plan to set when it comes to transportation policy across the Commonwealth.”

Valentine served in the state House of Delegates from 2006-2010, representing Lynchburg and part of Amherst County. While in the General Assembly, she focused on transportation, housing and economic development issues and lead the effort to invest in innercity passenger rail service. She also previously served as co-director of a transition team focused on transportation issues for Northam’s predecessor, Gov. Terry McAuliffe (D). Before being elected to the House of Delegates, Valentine worked as the neighborhood coordinator with the Lynchburg Neighborhood Development Foundation. She worked in non-profit community development and corporate marketing and public relations in the late 1980s and 1990s. Valentine is a graduate of the University of Virginia, where she earned a bachelor’s in economics. She also holds an education for ministry certificate from Sewanee University and is a graduate of the Sorenson Institute for Political Leadership. She lives in Lynchburg.

As secretary, Valentine likely will be focused on many issues affecting Northern Virginia residents, including Metro and the recent implementation of rush-hour toll lanes on Interstate 66. Northam said during his campaign that he supports dedicated funding for Metro — provided it improves its governance, safety and reliability.

Northam also named **Quintin Elliott** deputy secretary of transportation. Elliott, a native of Natural Bridge, served as chief deputy commissioner of the Virginia Department of Transportation (VDOT). He was appointed to that job in January 2014 by McAuliffe. Elliott has decades of experience with VDOT. He previously worked as the district administrator in Fredericksburg,

where he oversaw construction and maintenance of more than 11,500 miles of state-maintained roads in a 14-county region. He was district state asset management division administrator in Culpepper from 2002-2007, and worked as special assistant to the assistant commissioner for operations and the chief engineer in 2002. From 1991 until 2001, he was the Williamsburg resident engineer. Elliott began his career as a transportation engineer trainee with VDOT. He holds Bachelor's degree in civil engineering from the Virginia Military Institute and served with the Virginia Air National Guard, retiring in 2008 as commander of the 192nd Civil Engineering Squadron and the 203rd Red Horse Squadron Heavy Equipment Flight. He earned several decorations including the Meritorious Service Medal for his service during Operation Iraqi Freedom.

**Nicholas Donohue** will continue his work as deputy secretary of transportation and director of the office of intermodal planning and investment. Donohue previously served as policy and legislative director for the Transportation for America Campaign. He also worked as assistant secretary of transportation and special assistant to the secretary of transportation during Gov. Tim Kaine's administration. Donohue has a bachelor of science degree in urban studies and geography from Virginia Commonwealth University.

Northam named **Stephen Brich**, VDOT commissioner. Brich, who is from Hampton Roads, is a vice president with Kimley-Horn and Associates where he focuses on transportation-related matters in Virginia. He has 26 years of experience in the areas of traffic engineering, safety, operations, transportation planning, and research. Brich has previously held several senior roles at VDOT. He was the assistant district urban program manager, the division administrator-operations management, and assistant division administrator – mobility management division. He has successfully led and managed a wide array of transportation-related projects and studies during his tenure with VDOT as well as in a consultant capacity. He was also instrumental in developing policy directives for VDOT related to traffic engineering and transportation system management and operations. He began as an engineering technician in Norfolk. Brich has a bachelor's of science degree in civil engineering from Old Dominion University and a master's in civil engineering from the University of Virginia.

**Jennifer Mitchell**, will continue to serve as director of the Virginia Department of Rail and Public Transportation, a job which she has held since being appointed to the post by McAuliffe in January 2014. Mitchell has 20 years of experience in transit management, transportation funding, policy development and major capital projects. Before joining DPRT, she was an assistant vice president at infrastructure giant Parsons Brinckerhoff, where she managed the company's transit project development and finance practice. She also previously worked as deputy project director for finance at the Metropolitan Washington Airports Authority, and as manager of project finance for the Dulles Corridor Metrorail Project, a position within DRPT. Mitchell has a master's in regional planning from the University of North Carolina – Chapel Hill, and a bachelor's of urban planning from the University of Virginia.

 **1 Comment**

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**Commuter Park and Ride Lot  
at the intersection of  
Route 1 (Jefferson Davis Highway)  
and Commonwealth Drive  
Spotsylvania County**

Design Public Hearing

**Thursday, January 11, 2018, 5 – 7 p.m.**

*Incident weather date: January 16, 2018*

Cedar Forest Elementary School

3412 Massaponax Church Road, Fredericksburg, VA 22408

**Find out** about the proposed commuter park and ride lot at Route 1 (Jefferson Davis Highway) and Commonwealth Drive in Spotsylvania County.

**Stop by** between 5-7 p.m. to review the proposed plans. Project plans are available for review at VDOT's Fredericksburg District Office at 87 Deacon Road, Fredericksburg, VA 22405. Please call 540-899-4288 ahead of your visit to ensure appropriate personnel are available to answer your questions.

Property impact information, relocation assistance policies and tentative construction schedules are available for your review at the above address and will be available at the public hearing.

In compliance with the National Historic Preservation Act, Section 106 and 36 CFR Part 800, information concerning the potential effects of the proposed project on properties listed in or eligible for listing in the National Register of Historic Places is provided in the environmental documentation.

**Give your written comments** at the hearing or submit them by Monday, January 22, 2018, to Byrd Holloway, Project Manager, Virginia Department of Transportation, 87 Deacon Road, Fredericksburg, VA 22405. You may also email your comments to [Fred.Comments@vdot.virginia.gov](mailto:Fred.Comments@vdot.virginia.gov). Please reference "Commuter Park and Ride Lot Project Comment" in the subject line.

VDOT ensures nondiscrimination and equal employment in all programs and activities in accordance with Title VI and Title VII of the Civil Rights Act of 1964. If you need more information or special assistance for persons with disabilities or limited English proficiency, contact VDOT's Civil Rights District Manager Valerie Talley at 540-899-4562 or TDD/TTY 711.

**State Project**

0001-088-281, P101, R201, C501

**UPC:** 109474

## 2018 FAMPO Committee Meetings Calendar

- Deadline for VDOT/DRPT/locality to submit final versions of TIP amendments and adjustment requests
- Citizens Transportation Advisory Group
- Technical Committee
- Policy Committee
- Holiday
- PC Meeting Snow Date

**JANUARY 2018**

S	M	T	W	T	F	S
31	1	2	3	4	5	6
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28	29	30	31	1	2	3

**FEBRUARY 2018**

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25	26	27	28	1	2	3

**MARCH 2018**

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**APRIL 2018**

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**MAY 2018**

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**JUNE 2018**

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**JULY 2018**

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**AUGUST 2018**

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**SEPTEMBER 2018**

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**OCTOBER 2018**

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**NOVEMBER 2018**

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25	26	27	28	29	30	1

**DECEMBER 2018**

S	M	T	W	T	F	S
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