

Charlottesville-Albemarle
Regional Transit Authority Plan

Appendix A
Regional Transit Management and Governance

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1 Executive Summary

In August 2006, the City of Charlottesville and County of Albemarle both signed Resolutions of Intent to establish a Regional Transit Authority (RTA) to serve the Charlottesville-Albemarle area. The development of an RTA is intended to:

- Develop a seamless regional transit.
- Potentially develop dedicated funding sources.
- Provide for more effective regional transit planning.
- Provide for more efficient coordination and integration of transit services.
- More effectively address regional congestion and air quality issues.
- More effectively integrate transit and land use.

The development of an RTA is a well established approach for the provision of regional transit service. There are also other types of institutional structures that could produce similar results. Including the development of an RTA, these options include:

1. Legislatively Enabled Regional Transit Authority
2. Continued CTS Operation with a Regional Transit Coordinating Council
3. Joint Powers Agency
4. Joint Powers Board
5. Transportation District
6. Service District

Each of the six options would represent different approaches to the development of a “regional transit entity.” All would be similar in that they all would be able to provide and expand regional transit service. Differences would largely be related to policy representation, the organizations that could be included in the regional transit entity, whether or not new funding could be leveraged, and whether or not enabling legislation would be required. The major features of each option would be as follows (see also Table 1):

- A **Regional Transit Authority (RTA)** would be the most “robust” of the alternatives in that it would provide for the widest range of options and would have the fewest limitations. It would be a true regional entity that could include the city, county, UVa, and other organizations such as JAUNT, and whose sole focus would be the provision of transit service. It would be a legal entity that would have all of the powers necessary to operate and expand transit service and facilities. In a similar

manner as in Northern Virginia and Hampton Roads, an RTA could provide for the development of new dedicated transportation funding sources. The creation of an RTA would require a strong regional consensus and subsequent enabling legislation.

- **Continued operation by CTS in conjunction with a Regional Transit Coordinating Council** would be the easiest of all options to implement, and could include the city, county, as well as UVa and JAUNT. The Regional Transit Coordinating Council would provide a stronger regional perspective than at present, but the Coordinating Council's role would be technically to advise the city rather than to determine policy. As a result, neither the county nor other partners would have the direct policy level involvement. This approach, as with most others, would not provide the opportunity for new revenue sources.
- A **Joint Powers Agency** would be a new legally-recognized agency that would be comprised of the city and the county and could exercise “any power, privilege or authority exercised or capable of exercise by the political subdivisions in the Joint Powers Agency.” For transit, a Joint Powers Agency would have all of the powers necessary to operate a regional transit system. Joint Powers Agencies can only be comprised of political subdivisions, which would exclude UVa and JAUNT. A Joint Powers Agency would not provide any new revenue opportunities, and would not require enabling legislation.
- A **Joint Powers Board** could be a “virtual-RTA” in which the city continued to operate service but, subject to certain protections, permitted CTS to be governed by a regional board. The Joint Powers Board could include the city, the county, UVa, JAUNT, and other organizations and stakeholders. A Joint Powers Board would be relatively easy to set up, but would have no legal standing of its own. As a result, the city and other parties would need to exercise their own powers on behalf of the Joint Powers Board. A Joint Powers Board would not have the ability to generate its own revenues, and would not require enabling legislation.
- A **Transportation District** would be very similar to a Joint Powers Agency. The only significant differences would be that a Transportation District is required to include the Chairman of the Commonwealth Transportation Board (CTB) on its board, and that condemnation powers would be limited to slow-take versus quick-take. A Transportation District could formally include only the city and county (and not UVa or JAUNT), would provide the county with direct policy level involvement, and would be relatively easy to implement. A Transportation District in the Charlottesville-Albemarle area would not provide any new revenue opportunities, and would not require enabling legislation.
- A **Service District** would be similar to a Joint Powers Agency and Transportation District in that it could include only the city and county (and not UVa or JAUNT), would provide the county with policy level involvement, and would be relatively easy to implement. A major difference, however, is that a Service District could generate additional revenue through the ability to levy higher property taxes within the service district. The development of a Service District would not require enabling legislation.

Table 1: Summary of Institutional Options

| | Current | 1. Legislatively-Enabled RTA | 2. Continued Operation by CTS with Transit Coordinating Council | 3. Joint Powers Agency (City and County) | 4. Joint Powers Board (City and County plus Others) | 5. Transportation District | 6. Service District |
|--|---------|------------------------------|---|--|---|----------------------------|---------------------|
| Governance | | | | | | | |
| Policy level representation for both city and county | No | Yes | No | Yes | Yes | Yes | Yes |
| Policy level representation for UVa and JAUNT | No | Possible | No | No | Possible | No | No |
| Policy Input for County | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Policy Input for Others | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Regional Perspective | No | Yes | Better | Yes | Yes | Yes | Yes |
| Powers and Functions | | | | | | | |
| Construct, operate, and maintain transit | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Construct, operate, and maintain other regional transportation modes | No | Yes | Possible | Possible | No | Yes | Yes |
| Condemn property & Issue bonds | Yes | Possible | Yes | Yes | No | Yes | No |
| Creation | | | | | | | |
| Method of creation | NA | Legislation | Agreement | Agreement | Agreement | Ordinance | Ordinance |
| Taxing and Revenue Authority | | | | | | | |
| Potential for new funding | No | Possible | No | No | No | No | Property taxes |
| Reduce reliance on city and county general funds | No | Possible | No | No | No | No | Possible |
| Expenditure & Funding Obligations | | | | | | | |
| Primary Control | City | Board | City | Board | Board | Board | Board |
| Secondary Control | County | Members | TBD | Members | Members | Members | Members |
| Withdrawal | | | | | | | |
| Permits withdrawal | NA | Difficult | NA | Yes | Yes | Yes | Yes |
| Method of withdrawal | NA | Legislation | NA | Agreement | Agreement | Ordinance | Ordinance |

= Advantage
 = Disadvantage
 = Depends upon perspective of individual party

2 Introduction

In August 2006, the City of Charlottesville and County of Albemarle both signed Resolutions of Intent to establish a Regional Transit Authority (RTA) to serve the Charlottesville-Albemarle area. The development of an RTA is intended to bring the region's independent transit agencies together to:

- Develop a seamless regional transit.
- Potentially develop dedicated funding sources.
- Provide for more effective regional transit planning.
- Provide for more efficient coordination and integration of transit services.
- More effectively address regional congestion and air quality issues.
- More effectively integrate transit and land use.

This document describes typical RTA powers, the powers and functions that stakeholders have described as desirable for an RTA, and provides an overview of the institutional structure of existing providers. It then presents initial institutional options for the development of a Regional Transit Authority (RTA), as well as for alternative institutional structures that could produce the desired outcomes.

3 Typical Powers of Regional Transit Authorities

Most transit agencies have all or most of the powers required to operate, maintain, and construct transit services. These powers typically include:

- Construct and acquire transportation facilities.
- Operate or contract for the operation of transportation services.
- Enter into contracts and agreements.
- Issue bonds.
- Provide operating and capital funding for services operated by others (for example, in the Charlottesville-Albemarle area, these could include JAUNT and UVa).
- Acquire land through purchase, lease, gift, condemnation, or otherwise, either for its own use or on behalf of other agencies in connection with an adopted mass transit plan.
- Regulate fares, determine schedules and routes.
- Enter into contracts and agreements with adjoining counties, to provide transportation services to and from those areas, and to operate related facilities.
- Apply for and receive loans and grants of money and property.

Some transit agencies can exercise all of these powers on their own behalf. In other cases, transit agencies must rely on other entities to exercise powers on their behalf. The most common examples include bonding authority or condemnation powers, where many agencies rely on their “parent” organizations to sell bonds or condemn property on the transit systems behalf. This is currently the case with Charlottesville Transit Service (CTS), where CTS cannot sell bonds or condemn property on its own, but where Charlottesville can on CTS’ behalf. Similarly, the new Williamsburg Area Transit Authority will not have the ability to sell bonds, but a “Cooperative Service Agreement” between the participating jurisdictions will provide the equivalent ability, with the participating jurisdictions backing the bonds.

In addition to the above, some transit agencies have the ability to levy taxes and fees to fund their services. In Virginia, the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority were recently granted legislative authority (HB 3202) to levy a large array of local option taxes and fees¹. The jurisdictions that comprise the Northern Virginia Transportation Commission (Arlington County, Fairfax

¹ Note that in the NVTA area, the constitutionality of the taxes and fees is being challenged in court. On August 27, 2007, the Circuit Court of Arlington County upheld the constitutionality of the taxes and fees. That judgment is now being appealed.

County, and the cities of Alexandria, Falls Church, and Fairfax) impose a 2% sales tax on retail motor fuel sales with the proceeds to be used for transportation purposes. The tax is also imposed, by the state enabling legislation, in the jurisdictions comprising the Potomac-Rappahannock Transportation District (Prince William County, Stafford County, and the cities of Fredericksburg, Manassas and Manassas Park). Outside of Virginia, many areas dedicate a portion of the local or state sales tax to transit.

With the development of a new RTA, or another type of regional transit entity, in the Charlottesville-Albemarle area, it will be necessary that the new organization have all of the powers necessary to operate, maintain, and construct transit services. It is also desirable that any new entity have stable and predictable sources of funding. As with other transit entities, these powers could either be held by the new organization, or be provided by other entities on behalf of the new transit organization.

4 Desirable Charlottesville-Albemarle RTA Characteristics

A series of stakeholder meetings were conducted at the beginning of the study with representatives of Charlottesville (including CTS), Albemarle County, the University of Virginia, and JAUNT. There was a large degree of consensus on desired RTA characteristics in many areas:

RTA Composition

- The RTA should be comprised of at least the city and the county.
- The opportunity should be provided for the inclusion of UVa and JAUNT.
- Even if UVa is not an initial member, the option for future inclusion should be maintained.

Regional Transit Service Area

- The RTA's service area should consist of either (1) the city and the county, or (2) the city and the county's designated development areas.

Board Composition

- All RTA members should have direct representation on the board.
- If UVa and JAUNT are not members of the RTA, ex-officio membership on the board could be considered.

Local Control

- The RTA should provide each participating member with a very high degree of control over the services that are provided to its constituents.

Cost Sharing

- Cost sharing among RTA partners should be equitable and should consider the relative levels of service provided in each area.

Financing

- Both the city and the county are healthy financially, and if desired, could likely increase funding for transit.
- If a dedicated funding source for transit is to be developed, most of those who discussed the subject considered a sales tax on gasoline to be the preferred mechanism.
- State and federal subsidies should be shared equitably between the city and the county.

One area in which viewpoints varied significantly was with respect to board composition. There were different perspectives in terms of the size of the board, the relative representation among the participating members, whether or not stakeholders should be included on the board, and whether board members should be elected or appointed members:

- Size of board: Views ranged from a board size as low as four members with only city and county representatives to a large board with stakeholder representation.
- Proportional representation: Views ranged from equal representation between the city and county to proportional representation based on service, ridership, and/or funding.
- Stakeholder participation: Some believed that stakeholders should be included on an RTA board while others believed that they should not, and would be represented through their elected officials. (However, there was general consensus that, at a minimum, there should be an advisory board of stakeholder representatives.)
- Elected versus Appointed Board: Views differed on whether board members should be elected or appointed, and whether or not the participating entities should have the option to appoint either elected or appointed members, or whether one or the other should be required.

Other entities expressed specific issues or concerns that would need to be addressed as part of the development of an RTA or similar regional transit entity:

City of Charlottesville

- The current process for developing county services is cumbersome and could be improved.
- More county involvement would be beneficial, especially as the county continues to grow, and if the county provides additional funding.

Albemarle County

- The current process for developing county services is cumbersome and needs to be improved.
- As the county continues to grow, transit needs will increase. To effectively address these needs, the county needs a more direct role in the development and provision of transit service.
- The county's direct role should be through board level representation.

University of Virginia

- The current system works well for UVa. The University has complete control over its own services; the services work well, and through student fees, the University has

sufficient funds for all desired services. The University is hesitant to make changes to a system that performs well.

- UVa needs to maintain the ability to operate charter/special event service (which cannot be operated with federally-funded buses).

JAUNT

- JAUNT's service area consists of Charlottesville and five counties, and the geographical differences may not mesh well within an RTA consisting of Charlottesville and a single county.
- The splitting of JAUNT into two components—one that serves the RTA's service area and a second that served other areas—would be problematic because of the cross-boundary nature of many trips.
- The current situation under which Charlottesville and Albemarle County contract directly with JAUNT for the provision of paratransit service works well, and could continue with the development of a new RTA.
- Alternatively, the new RTA could contract with JAUNT for paratransit service in the RTA area. However, JAUNT would prefer to continue the direct relationship with the city and the county.

5 Advantages and Disadvantages of an RTA or Similar Entity

Based on the views expressed by the stakeholders and other considerations, the advantages of an RTA, or other similar entity can be summarized as follows:

- Would provide a direct role for the city and county in regional transit decisions and improvements
- Would provide a stronger regional perspective, which could lead to a stronger regional system.
- Would likely streamline planning for service improvements, and replace the current staff level planning process that is considered by many to be cumbersome.
- Could provide for greater coordination with other providers.
- Could provide additional funding for transit, either through the implementation of new funding sources, or increased funding from the county. (This funding could potentially replace existing funding from the city and county.)²

In summary, the development of an RTA or other similar entity will increase the opportunities to improve regional transit and to develop new revenue sources. However, for this to occur, the city and the county will need to be committed to working together to realize these opportunities.

Disadvantages would generally relate to the time and effort that will be required to form the new institution. The city will also have a lesser degree of control, as with an RTA, it would share control with the county and potentially other organizations such as UVa. An additional potential disadvantage would be that if the RTA is primarily dependent upon annual appropriations from the city and the county, then as with the Rivanna Water and Sewer Authority, the annual appropriations process could become more cumbersome.

² Note that the creation of an RTA, in itself, would not produce new sources of revenue. Instead, as in Northern Virginia and Hampton Roads, RTA legislation would need to explicitly authorize the imposition of new revenue sources. However, the state, through DRPT has designated the City of Charlottesville as the designated recipient of federal funds for the area, and this designation could be changed to a new RTA.

6 Existing Transit Governance and Organization

Transit service in Charlottesville and Albemarle County is now provided by CTS, University Transit Service (UTS), and JAUNT. CTS provides transit service to the general public, UTS provides service that is focused on University needs, and JAUNT provides paratransit and limited commuter service from outlying areas.

Charlottesville Transit Service (CTS)

CTS is operated by the Transit Division of Charlottesville's Public Works Department (PWD). The Transit Division Manager reports to the Public Works Director, who reports to the City Manager, who reports to the City Council. The Transit Division Manager effectively acts as the CTS general manager and works with the Public Works Director and the City Manager to prepare and present policy items to City Council, which effectively acts as CTS' policy board. Nearly all interfaces among CTS, Albemarle County, UTS, and JAUNT is at a staff level. There is very little policy level interface between the three entities.

The Transit Division performs most direct CTS-related functions related to operations and vehicle maintenance. However, many non-vehicle maintenance and administrative functions are performed by other city divisions or departments:

- The PWD's Facilities Maintenance Division is responsible for maintaining the new Downtown Transit Station, and assists with maintenance of CTS' operation and maintenance base in the City Public Works yard.
- The PWD's Fleet Division provides fuel for CTS vehicles.
- The PWD's Public Services Division picks up trash at CTS stops within the city.
- The Parks and Recreation Department assists with the cleaning and maintenance of CTS stops at and around the downtown pedestrian mall.
- The Parks and Recreation Department maintains the grounds (mowing and snow plowing) at the Downtown Transit Station and at CTS's stops around the Downtown Pedestrian Mall.
- The City's Human Resources Department provides payroll and personnel services.
- The City's Finance department processes accounts payable and receivable, and audit services.
- The City's Information Technology Department is responsible for CTS computers, its web site, and supports CTS' real-time travel information.
- The City Attorney's Office provides legal services.

University Transit Service (UTS)

UTS service is provided by UVa's Department of Parking and Transportation (P&T), whose Director reports to the University's Associate Vice President for Business Operations, who reports to the Vice President for Finance, who in turn reports to the Senior Vice President and Chief Operating Officer. P&T's Director acts as the UTS general manager, and the Senior Vice President and Chief Operating Officer sets policy. (For UTS, unlike most transit systems, service decisions are considered to be management decisions, and are made by the Director.) A Transportation and Parking advisory committee that includes two students and approximately 11 faculty and staff from both the academic and hospital agency provides policy advice.

UTS is a division and a cost center within P&T. Different UTS functions are performed and charged as follows:

- The UTS division manages UTS service and performs vehicle operation functions, training, and some administrative costs such as customer service. All costs are billed to the UTS cost center.
- Vehicle maintenance is performed by P&T's Vehicle Maintenance Shop, which bills UTS vehicle maintenance costs to the UTS cost center.
- Administrative support, including IT support, procurement, budget, payroll, audit, accounts payable/receivable, procurement, HR, and other administrative services, are provided by P&T's Administrative Division. Administrative costs are split between P&T's six cost centers based on each cost center's proportion of direct costs.
- Planning responsibilities are shared between P&T and the University's Office of the Architect. P&T's Director liaises with CTS' Transit Division Manger on UTS/CTS issues.

JAUNT

JAUNT is a stock corporation that is owned by Charlottesville and Albemarle, Fluvanna, Louisa, and Nelson Counties.³ JAUNT is governed by a Board of Directors appointed by Charlottesville and the four counties. The Board has the responsibility for overseeing the agency, including setting policies and appointing the Executive Director.

In the City of Charlottesville and Urban Albemarle County, JAUNT offers complementary demand-responsive service to people with disabilities in accordance with the Americans with Disabilities Act (ADA). All residents of Albemarle County are eligible to use JAUNT services, but the fare structure benefits seniors and people with disabilities. Transportation is available within Albemarle County transporting the general public in and around their own communities. Service is offered Tuesday and Thursday in the Scottsville/Esmont area and Wednesday in Crozet. Predetermined Routes are

³ JAUNT also serves Buckingham County. However, Buckingham County is not an owner.

available in Crozet, Earlysville, Keswick, Stony Point, Esmont, and Scottsville. JAUNT directly performs major functions related to its services, including vehicle operations, vehicle maintenance, non-vehicle maintenance, and administration.

JAUNT provides complementary paratransit service in Charlottesville and Albemarle County, but does so under contract to the city and county, rather than through CTS. Liaison between JAUNT, CTS, and UTS is generally between JAUNT's Executive Director, CTS' Transit Division Manager, and UVA's P&T Director.

7 Institutional Options

The following sections present five institutional alternatives for the development and operation of expanded transit services in the Charlottesville-Albemarle area. These options are:

1. Legislatively Enabled Regional Transit Authority
2. Continued CTS Operation with a Regional Transit Coordinating Council
3. Joint Powers Agency
4. Joint Powers Board
5. Transportation District
6. Service District

Each option is presented in terms of:

- An overview of its governance.
- Its powers and functions.
- The steps that would be needed to create the new institution.
- Potential taxing and funding powers and opportunities.
- Funding and expenditure obligations for the involved jurisdictions.
- The ability of implementing jurisdictions to subsequently withdraw.
- A summary of advantages and disadvantages of the option.

Each of the options would produce different variations of a “regional transit entity.” Continued operation by CTS with a Transit Coordinating Council (Option 2), would require the lowest degree of change and the lowest level of control for parties other than the city. A Regional Transit Authority (Option 1), would require the greatest degree of change, and would provide the greatest range of powers and abilities, the potential to generate new revenue, and could be configured to include the immediate or future inclusion of UVa and/or JAUNT. It would also require special enabling legislation.

Joint Powers Agencies, Transportation Districts, and Service Districts (Options 3, 5, and 6)—are specifically permitted under existing Virginia Statute and would be very similar with respect to the powers that could be exercised. All could be comprised of only the city and the county (and not UVa or JAUNT). The one major difference is that a Service District could impose additional property taxes within its district specifically to fund transit, while a Transportation District or Joint Powers Agency would not have the ability to generate new revenues.

The “Joint Powers Board” option (Option 4) would consist of the development of a regional policy board that would oversee city operated transit service (and potentially UVa operated transit service). The city would continue to operate regional service, but the city, subject to certain protections, would cede policy control to the Joint Powers Board. This option would not result in the development of a new legal entity but would instead represent the development of a “virtual RTA.” In effect, the city (and possibly the University and/or JAUNT) would agree to perform services on behalf of the joint powers board.

7.1 **Option 1: Legislatively Enabled Regional Transit Authority (RTA)**

A legislatively enabled RTA could provide powers that are tailored to the desires of the implementing organizations, plus the ability to generate revenue from new sources.

To date, the Virginia Legislature has created three Transportation Authorities that have differing powers related to transportation, with the differences in powers generally reflecting the desires of the authorities:

- The Northern Virginia Transportation Authority (NOVA) was created in 2002 to administer new funds that were expected to be generated from a local sales tax for transportation. NOVA was also provided with the power to construct and operate transportation facilities and services. The sales tax failed to pass and NOVA became, in effect, a transportation planning agency. The recently passed transportation bill (H 3202) gives NOVA broad authority to levy a number of new taxes, to implement tolls, program and implement transportation projects, and to issue bonds.
- The Williamsburg Area Transit Authority (WATA) was created in 2006 to merge two existing transit systems, one of which was privately operated. The merger was designed to provide more seamless transit service and to maximize state and federal funding opportunities. The powers granted to WATA are generally the same as those granted to Transportation Districts, with the major difference being that Williamsburg and area counties are permitted to include private institutions in the transportation authority. The parties that formed the WATA did not seek the authority to impose local taxes or fees, and thus WATA does not have this ability.
- The recent transportation bill (H 3202) creates a Hampton Roads Transportation Authority. This authority has “all of the powers given to transportation district commissions,” plus broad powers to levy new taxes and fees, to impose tolls on new and expanded transportation facilities, to issue bonds, and to use revenues for transportation improvements. The Hampton Roads Transportation Authority is, in many respects, a toll road authority, but with broad powers relating to all transportation modes.

The development of a Charlottesville-Albemarle RTA would first require a regional consensus on desired powers and funding authority, followed by the introduction of legislation and legislative approval. Previously granted approval to the three existing transportation/transit authorities in Virginia may set precedents that could frame the development of a Charlottesville-Albemarle RTA.

7.1.1 Composition and Governance

The three existing Transportation Authorities are composed of combinations of cities and counties, and in the case of Williamsburg, private institutions. Their governing boards are comprised of representatives from its members, and except in Williamsburg, DRPT, the House of Delegates, and the Senate:

- The Northern Virginia Transportation Authority is governed by a 16 member Board that is comprised of:
 - The chief elected officer, or designee, from each of the member jurisdictions (i.e., one representative per jurisdiction, irrespective of size).
 - Two members from the House of Delegates.
 - One member from the Senate.
 - Two citizens appointed by the Governor.
 - The Director of DRPT, or his designee (ex-officio).
 - The Chair of the Commonwealth Transportation Board, or designee (ex-officio).
- The Williamsburg Area Transit Authority is governed by one member from Williamsburg, one member from York County, and two members from James City County. In addition, those members may elect up to three members “to represent the interests of higher-education facilities (i.e., College of William and Mary) and nonprofit tourist-driven agencies in the Williamsburg area (i.e., Colonial Williamsburg), provided that such member facilities and organizations contribute significant financial resources to the Authority.” The Williamsburg Area Transit Authority’s Board does not include representatives from DRPT, the House of Delegates, the Senate, or the Commonwealth Transportation Board. By agreement of the RTA members, all board members will be non-elected officials.
- The Hampton Roads Transportation Authority is governed by an 18 member Board that is comprised of:
 - The chief elected officer, or designee, from each of the member jurisdictions (i.e., one representative per jurisdiction, irrespective of size).
 - One member from the Commonwealth Transportation Board who is from the Hampton Roads area.
 - Two members of the House of Delegates.
 - One member of the Senate.

- ❑ Two citizens appointed by the Governor.
- ❑ The Director of DRPT, or designee (ex-officio).
- ❑ The Chair of the Commonwealth Transportation Board, or his designee (ex-officio).

In the Charlottesville-Albemarle area, RTA legislation would need to specifically include the ability for UVa to become a member, if this is so desired. The same would be required for JAUNT to become a member.

7.1.2 Powers and Functions

The three Transportation/Transit Authorities generally have the same powers as Transportation Districts (many or most of which are not exercised), plus additional powers. The powers of Transportation Districts (which are also described below) are generally as follows:

- Prepare transportation plans.
- Construct and acquire the transportation facilities included in the transportation plan.
- Operate or contract for the operation of transportation services.
- Enter into contracts and agreements.
- Issue bonds.
- Provide operating and capital funding for services operated by others (for example, JAUNT, if JAUNT were not part of the RTA).
- Acquire land through purchase, lease, gift, condemnation, or otherwise, either for its own use or on behalf of other agencies in connection with an adopted mass transit plan.
- Regulate fares, determine schedules and routes, and franchising agreements within its boundaries.
- Enter into contracts and agreements with adjoining counties and cities that are within the same Planning District, and with adjoining Transportation Districts, to provide transportation services to and from those areas, and to operate related facilities.
- Apply for and receive loans and grants of money and property.
- Regulate traffic signals and other vehicle control devices.

An RTA could contract for service from an existing transit provider, including the City of Charlottesville/CTS, UTS, and JAUNT. In this manner, an RTA could set regional transit policies and determine services but avoid the need to develop new operational

capabilities. A new RTA could also assume ownership of existing CTS and UTS equipment and personnel, if so desired.

Additional powers, beyond those of Transportation Districts, that have been granted to Authorities include:

Northern Virginia Transportation Authority (NOVA)

- H 3202 provides the ability, following approval by the governing bodies of six of its nine member jurisdictions, to levy a wide range of taxes and fees for transportation purposes. These taxes and sources are described in the “Taxing and Funding Authority” section. (NOVA recently voted to impose these taxes and fees.)
- H 3202 also allows the authority to impose, collect, and set tolls on new or expanded transportation facilities.
- Subject to certain conditions specified in H 3202, to determine the use of the new taxes, fees and toll revenues.
- It is not clear whether the Northern Virginia Transportation Authority has condemnation powers (it has the authority to “construct or acquire, by purchase, lease, contract, or otherwise, the transportation facilities specified in the plan.”)
- H 3202 provides the authority to issue bonds.

Williamsburg Area Transit Authority (WATA)

- WATA has generalized powers for oversight of Williamsburg area programs involving public transit, congestion mitigation, priority setting and advocacy.
- WATA’s enabling legislation does not provide it with the ability to condemn property or to sell bonds. However, a “Cooperative Services Agreement” between the founding parties will provide the ability to sell bonds, with those parties backing the bonds.

Hampton Roads Transportation Authority (HRTA)

- HRTA can acquire, construct and operate highways, bridges, tunnels, railroads, rolling stock, transit and rail facilities and other transportation-related facilities.
- H 3202 provides the Hampton Roads Transportation Authority the same condemnation powers as transportation districts (“slow-take” condemnation).
- H 3202 provides the ability to issue bonds in the same manner as transportation districts.
- H 3202 provides the ability, following approval by the governing bodies of seven of its 12 member jurisdictions that represent 51% of the population, to levy a wide range of taxes and fees for transportation purposes. These taxes and sources are described in the “Taxing and Funding Authority” section.

- H 3202 also authorizes the Authority to impose, collect and set tolls on new or expanded transportation facilities.
- Subject to certain conditions specified in H 3202, determine the use of the new taxes, fees and toll revenues. The conditions, among other things, specify the initial projects to be undertaken.
- It is not clear whether the Hampton Roads Transportation Authority has bonding authority. (Its enabling legislation does not specifically provide it, but other legislation pertaining to authorities may provide the necessary authority).

7.1.3 Creation

The development of each of the three Transportation Authorities described herein was by legislation. Similarly, the creation of a Charlottesville-Albemarle Transit Authority would require legislation. This legislation would define the Authority, its governance and its powers and duties.

7.1.4 Taxing and Revenue Authority

H 3202 provides a number of tax and fee revenue opportunities for the Northern Virginia and Hampton Roads Transportation Authorities. These new sources are listed in Table 2, and differ slightly for the two regions:

Table 2: H3202 Funding Authorizations

| | Northern Virginia Transportation Authority | Hampton Roads Transportation Authority |
|---------------------------------------|--|--|
| Region-wide | | |
| Sales Tax on Gasoline | --4 | 2% |
| Grantor's Tax (property transfer tax) | 40¢/\$100 | 40¢/\$100 |
| Motor Vehicle Rental Tax | 2% | 2% |
| Transient Occupancy Tax | 2% | -- |
| Safety Inspection Fee | \$10 | \$10 |
| Initial Vehicle Registration Fee | 1% | 1% |
| Sales Tax on Auto Repairs | 5% | 5% |
| Regional Registration Fee | \$10 | \$10 |
| Local Option | | |
| Commercial Real Estate | Up to 25¢ | Up to 10¢ |
| Local Registration Fee | \$10 | \$10 |
| Commercial/Residential Impact Fee | TBD | TBD |
| Annual Revenue (millions) | \$200 - \$215 | \$425 - \$445 |

4 A 2% sales tax on gasoline for transportation purposes is already levied in the portions of Northern Virginia that are members of the Northern Virginia Transportation Commission.

- H 3202 authorizes a 2% sales tax on motor fuels in the Hampton Roads region (this tax is already collected in Northern Virginia).
- The bill authorizes a 2% transient occupancy tax in Northern Virginia but not in the Hampton Roads area.
- The commercial real estate tax can be up to 25¢ per \$100 in Northern Virginia, but only up to 10¢ in the Hampton Roads area.

In both regions, the governing bodies of a specified number of local jurisdictions have to vote to impose the new regional taxes. As described above, in Northern Virginia, the approval of six of the region's nine cities and counties is required, and in Hampton Roads the approval of 7 of 12 localities representing at least 51% of the population is required. In both cases, approval by sufficient majorities would mean that the new taxes and fees would be levied in all jurisdictions. For the local option taxes, approval and imposition is on a jurisdiction-by-jurisdiction basis.

In the Williamsburg area, WATA does not have any special taxing authority. The founding parties did not believe that new revenues were necessary nor did they believe that there was sufficient local support to gain legislative approval for local taxes and fees.

For a Charlottesville-Albemarle RTA, if new revenues are desired, the specific new sources that could be available would be specified in the enabling legislation, and would likely be some or all of those authorized in Northern Virginia and Hampton Roads.

7.1.5 Expenditure/Funding Obligations

Expenditure decisions for Transportation Authorities are made by their Boards, which are configured as defined by their enabling legislations. The relationship between a new Charlottesville-Albemarle RTA and participating organizations would likely be determined during formation negotiations and legally defined by the Authority's enabling legislation. This could specify financial commitments and limitations, and could determine whether the individual organizations could withdraw.

7.1.6 Withdrawal

Enabling legislation for the three existing Transportation Authorities creates the Authorities, defines their membership and provides no means for withdrawal. Therefore, withdrawal would likely require new legislation.

7.1.7 Advantages and Disadvantages

The major advantages of an RTA are that it would be a true regional entity that could include the city, county, UVa, and other organizations such as JAUNT, and whose sole

focus would be the provision of transit service. Furthermore, with dedicated revenue sources (if this authority is sought and granted by the legislature), the RTA could operate independently of the city and county, and reduce direct city and county expenditures for transit.

The disadvantages would be that an RTA would be the most difficult of the options to implement, as it would require enabling legislation. It would also lessen the city's level of direct control over service.

7.2 Option 2: Continued Operation by CTS with a Transit Coordinating Council

As described above, CTS is currently the Charlottesville-Albemarle's de-facto regional transit provider. Regional services are currently provided through agreements between Albemarle County and CTS and UVa and CTS. Most local officials believe that this current arrangement meets most current needs, but that a more "robust" institution will be needed to effectively address future transit needs that will occur as the area continues to grow. It may be possible to provide the desired improvements through the development and use of a "Transit Coordinating Council" (TCC).

7.2.1 Governance/Management

At present, all coordination between CTS, the county, UVa, and JAUNT is through the MPO or on an ad-hoc basis. CTS, the county, UVa, and JAUNT staff know each other well, and work well together. All stated during the stakeholder interviews that coordination and joint initiatives were important and desirable, but were often deferred to meet more immediate day-to-day needs. In addition, CTS's planning capabilities are very limited—CTS does not have the staff to perform comprehensive regional transit planning, and as a result, CTS planning efforts are often more reactive than proactive. Potential solutions to these issues could be to:

1. Increase CTS' planning capabilities by hiring a service planner.
2. Develop a Regional "Transit Coordinating Council" (TCC) that would be responsible for the development of regional transit initiatives.

TCC's are used in a number of areas, including Michigan and the San Francisco Bay Area. In the San Francisco Bay, which has dozens of different transit operators, the RTCC is composed of the general managers of the region's largest transit operators and coordinates routes, schedules, fares and transfers among operators, provides input to the MPO on transit policy and funding, and conducts legislative advocacy. The MPO's executive director chairs the panel, and MPO staff provide day-to-day support. In the La Crosse, Wisconsin/La Crescent, Minnesota area, the Transit Coordinating Council was established to study, develop, recommend, and advise the MPO on a wide range of transit related programs and issues. That TCC is comprised of area policy board members, DOT representatives, transit managers, and transit stakeholders.

In the Charlottesville-Albemarle Area, a TCC could be developed to provide a formal mechanism to address, determine, and coordinate regional transit needs and activities. The TCC would include regional representation and would advise the Charlottesville City Council, which would retain its role as CTS' policy board. As at present, once regional initiatives had been developed by the TCC and adopted by the City Council, CTS and the county or UVa (or other entities) would negotiate and execute individual agreements.

7.2.2 Creation

A TCC could be developed through an agreement between participating parties. The agreement would define the role and responsibilities of the council.

7.2.3 Powers and Functions

CTS, as a department of the City of Charlottesville, has at its disposal all the powers available to the city. For the provision of transit services, these include:

- Construct and acquire the transportation facilities.
- Operate or contract for the operation of transportation services.
- Enter into contracts and agreements.
- Issue bonds.
- Provide operating and capital funding for services operated by others...
- Acquire land through purchase, lease, gift, condemnation, or otherwise, either for its own use or on behalf of other agencies in connection with an adopted mass transit plan.
- Regulate fares, determine schedules and routes.
- Enter into contracts and agreements with adjoining counties, to provide transportation services to and from those areas, and to operate related facilities.
- Apply for and receive loans and grants of money and property.

These powers include all of those needed to provide service throughout the Charlottesville-Albemarle area. The city cannot condemn property outside of its borders; however, as necessary, Albemarle County could condemn property within the county on behalf of CTS.

7.2.4 Taxing and Revenue Authority

The development of a TCC would not impact any existing revenue sources, nor would it provide any new revenue.

7.2.5 Expenditure/Funding Obligations

Charlottesville and Albemarle County directly control the services that are provided, and thus the related costs. For the most part, annual expenditure and funding decisions are made on a year-by-year basis (with the exception that city and county would need to fulfill any prior multi-year funding commitments).

7.2.6 Withdrawal

All regional transit services are now operated via agreements between the city and the counties. All parties are free to terminate the agreements at any time.

7.2.7 Advantages and Disadvantages

The advantages of this option are that it would be very easy to implement, would provide an expanded role to the county and to other transit stakeholders. It would thus provide a broader regional perspective than the status-quo. The major disadvantage would be that the involvement of the county via a Transit Coordinating Council would not provide the county with the direct policy level control that it desires. It would also not provide the potential for the development of new revenue sources to fund expanded transit service.

7.3 Option 3: Joint Powers Agency: City and County

Virginia statute (Section 15.2-1300) enables “political subdivisions” to jointly exercise powers, and through this statute, Charlottesville and Albemarle County could establish a Joint Powers Agency. Then, through a “joint exercise of power,” the Joint Powers Agency could exercise any of the powers jointly held by the city and county, which would include all those necessary to operate transit service.

7.3.1 Composition and Governance

A Joint Powers Agency can be comprised of “political subdivisions” which would include Charlottesville and Albemarle County. It could not include UVa or JAUNT.

Governance of the Joint Powers Agency would be as agreed upon by the implementing organizations. As part of the formation agreement, members would determine the policy representation of each party, as well as roles and responsibilities in a similar manner as for a legislatively-enabled RTA.

7.3.2 Powers and Functions

Joint Powers Agencies can exercise “any power, privilege or authority exercised or capable of exercise by the political subdivisions in the Joint Powers Agency.” For transit, the city and the county have all of the powers necessary to operate a regional transit system:

- Construct and acquire the transportation facilities.
- Operate or contract for the operation of transportation services.
- Enter into contracts and agreements.
- Issue bonds.
- Provide operating and capital funding for services operated by others.
- Acquire land through purchase, lease, gift, condemnation, or otherwise, either for its own use or on behalf of other agencies in connection with an adopted mass transit plan.
- Regulate fares, determine schedules and routes.
- Enter into contracts and agreements with adjoining counties, to provide transportation services to and from those areas, and to operate related facilities.
- Apply for and receive loans and grants of money and property.

7.3.3 Creation

The creation of a Joint Powers Agency would require the negotiation and execution of an agreement between the city and county and approval of the agreement by ordinance. The agreement must specify the following:

- Its duration.
- Its purpose or purposes.
- The manner of financing the joint undertaking and for establishing and maintaining budgets.
- Methods to be employed in the case of partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.
- All other necessary and proper matters.

The agreement may also contain:

- Provision for an administrator or a joint board responsible for administering the undertaking. The precise organization, composition, term, powers and duties of any administrator or joint board shall be specified.
- The manner of acquiring, holding (including how title to such property shall be held) and disposing of real and personal property used in the undertaking.
- How issues of liability will be dealt with and the types, amounts and coverages of insurance.

Finally, through a Joint Powers Agreement, the city and county could appropriate funds and may sell, lease, give, or otherwise supply Joint Powers Agency with property, personnel and services.

7.3.4 Taxing and Revenue Authority

A Joint Powers Agency would not have any revenue generating powers of its own, and would need to receive funding through its members. It would be eligible to receive state and federal funding, either directly or through its members.

7.3.5 Expenditure/Funding Obligations

Expenditure obligations for the city and county under a Joint Powers Agreement would be as agreed upon by the two parties and defined in the Joint Powers Agreement. Expenditure decisions would be made by the board of the Joint Powers Agency.

7.3.6 Withdrawal

As described above, withdrawal mechanisms would need to be agreed upon by the city and the county as part of the formation process, and defined in the Joint Powers Agreement.

7.3.7 Advantages and Disadvantages

The major advantages of a Joint Powers Agency would be that it would provide Albemarle County with direct policy level involvement in the provision of CTS transit service, and would be relatively easy to implement.

Disadvantages would be that UVa and JAUNT could not be directly included in a Joint Powers Agency (because they can only include “political subdivisions”), and it could not have any dedicated revenue sources. As with all other options, it would also lessen the city’s level of direct control over service.

7.4 Option 4: Joint Powers Board: City and County plus UVa and/or JAUNT

Virginia law does not provide for the creation of Joint Powers Agencies that include parties that are not “political subdivisions,” such as UVa and JAUNT. However, it may be possible to create the equivalent through the development of a “Joint Powers Board” that directs transit service provided by the City on the board’s behalf. In effect, the city would agree to perform services, cooperate with, or lend its powers to the Joint Powers Board.

Precedents for this type of arrangement exist within Charlottesville and elsewhere in Virginia. In Charlottesville, the Charlottesville Industrial Development Authority (CIDA) has an independent board but is operated by the city’s Office of Economic Development. Other city departments also provide support in a similar manner as for

CTS, but on a contractual basis. In Danville, the Blue Ridge Power Agency is a “Joint Action” Agency that is comprised of eight cities and towns, Virginia Polytechnic Institute and State University, and two electric cooperatives.

7.4.1 Composition and Governance

As with most other options, the composition of the Joint Powers Board would be determined by the participating agencies as part of the formation process. This agreement would define the policy representation of each party, as well as roles and responsibilities in a similar manner as for a Joint Powers Agency.

Once formed, the new board could also operate in a similar manner as with a Joint Powers Agency, except that participating members would need to execute most powers on its behalf. For example, the new board would direct transit activities, and CTS’ Transit Division Manager and staff would report to the Joint Powers Board rather than the City Manager. However, CTS staff would continue to be city employees.

7.4.2 Powers and Functions

A Joint Powers Board would have the powers that its participating members would agree to provide on its behalf. These powers would be defined as part of the formation agreement, and could be provided on an ongoing basis, or on a case-by-case basis.

Through its participating members, a Joint Powers Board could theoretically exercise all of the powers necessary to provide transit. For example, if the city were to continue to provide the actual service, the city could enter into contracts on behalf of the Joint Powers Board. Similarly, city and county could condemn property on the Joint Powers Board’s behalf. They could also sell bonds on behalf of the Joint Powers Board, or via a “Cooperative Services Agreement” as in the case of the Williamsburg Area Transit Authority.

7.4.3 Creation

The creation of a Joint Powers Board would require the negotiation and execution of an agreement between the executing members that set forth the terms of the agreement. These terms would most likely be the same as for a Joint Powers Agency.

7.4.4 Taxing and Revenue Authority

As with a Joint Powers Agency, a Joint Powers Board would not have any revenue generating powers of its own, and would need to receive funding through its members. It would be eligible to receive local, state, and federal funding, either directly or through its members.

7.4.5 Expenditure/Funding Obligations

Expenditure obligations for individual members of a Joint Powers Board would be as agreed upon by the parties and defined in the Joint Powers Agreement. Expenditure decisions would be made by the Joint Powers Board within the authority granted to it by its members.

7.4.6 Withdrawal

As with a Joint Powers Agency, withdrawal mechanisms would be agreed upon by the city and the county as part of the formation process, and defined in the formation agreement.

7.4.7 Advantages and Disadvantages

The major advantages of a Joint Powers Board would be that it could be among the easiest to implement, as CTS would continue to operate all service. It would also provide Albemarle County with direct policy level involvement in the provision of regional transit service. As desired, the Joint Powers Board could also include UVa, JAUNT, and other stakeholders.

Disadvantages would be that the Joint Powers Board would have no legal standing of its own, and the city and county and other involved parties would need to exercise all powers on its behalf. A Joint Powers Board could not have any dedicated revenue sources, and as with other options, it would lessen the city's level of direct control over service.

7.5 Option 5: Transportation District

The Transportation District Act of 1964 provides the authority for local jurisdictions to create Transportation Districts to provide transportation facilities and services. This act could be used to create a new "Transportation Commission" comprised of the city and the county. However, a Transportation District could not include members that are not cities or counties, such as UVa or JAUNT.

7.5.1 Composition and Governance

Transportation Districts can be comprised only of combinations of cities and counties:

- Transportation Districts can be created by a single city or county, or by combinations of cities and/or counties.

- Transportation Districts are governed by a Commission, the composition of which is determined by the participating jurisdictions, plus the Chair of the Commonwealth Transportation Board or his designee.⁵
- The governing Commissions determine an equitable funding allocation among the participating jurisdictions that must take into consideration the cost of facilities in each jurisdiction, population, transportation benefits, and “all other factors.”

7.5.2 Powers and Functions

Transportation Districts can:

- Prepare transportation plans.
- Construct and acquire the transportation facilities included in the transportation plan.
- Operate or contract for the operation of transportation services.
- Enter into contracts and agreements.
- Issue bonds.
- Provide operating and capital funding for services operated by others (for example, VRE).
- Acquire land through purchase, lease, gift, condemnation, or otherwise, either for its own use or on behalf of other agencies in connection with an adopted mass transit plan.
- Regulate fares, determine schedules and routes, and franchising agreements within its boundaries.
- Enter into contracts and agreements with adjoining counties and cities that are within the same Planning District, and with adjoining Transportation Districts, to provide transportation services to and from those areas, and to operate related facilities.
- Apply for and receive loans and grants of money and property.
- Regulate traffic signals and other vehicle control devices.

These powers can extend beyond transit, and could include other types of transportation, such as toll roads. In this case, the development of a broader

⁵ By statute, the names of transportation agencies created under this act are to be the name of the Transportation District, with the term “Commission” appended to the end. In practice, this is not adhered to—for example, neither the Northern Virginia Transportation Commission (NVTC) nor the Potomac and Rappahannock Transportation Commission use the term “district” in their name, and the Transportation District Commission of Hampton Roads uses the term in the middle of its formal name and operates under the name Hampton Roads Transit (HRT).

transportation district could provide additional funding opportunities, such as the use of toll revenues to fund transit.

A new transportation district could contract for service from an existing transit provider, including the City of Charlottesville. In this manner, the transportation district could set regional transit policies and determine services but avoid the need to develop new operational capabilities. A new transportation district could also assume ownership of the existing CTS system and employ existing personnel.

7.5.3 Creation

The Transportation District Act provides local jurisdictions with the authority to create Transportation Districts, without additional legislation. To do so, the governing body of each jurisdiction needs to adopt and file with the Secretary of the Commonwealth an ordinance that:

1. Sets forth the name of the Transportation District.
2. Fixes the boundaries of the Transportation District.
3. Names the cities and counties that are included within the Transportation District.
4. Contains a finding that “the orderly growth and development of the county or city and the comfort, convenience and safety of its citizens require an improved transportation system, composed of transit facilities, public highways and other modes of transport, and that joint action through a Transportation District by the counties and cities which are to compose the proposed Transportation District will facilitate the planning and development of the needed transportation system.”

7.5.4 Taxing and Revenue Authority

Virginia tax code (Section 58.1-1720) levies a 2% sales tax on fuel in every city and county which is a member of certain Transportation Districts, all of which are in Northern Virginia and the George Washington Region:

1. Those with a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus system controlled by the Transportation District.
2. Any Transportation District which is subject to §15.2-4515 C and which is contiguous to the Northern Virginia Transportation District (meaning PRTC and any successors).

As a result, a new Charlottesville-Albemarle Transportation District would not be able to impose the 2% gasoline sales tax without new legislation.

A new Transportation District could be named the designated recipient of federal funds for the Charlottesville area. Such a change would require the mutual agreement between the city and the new Transportation District, and the approval of DRPT.

7.5.5 Expenditure/Funding Obligations

Expenditure decisions for the new transportation district would be made by its board, which would be configured as determined by the jurisdictions forming the district. Expenditure and funding requirements could also be incorporated into the agreements negotiated between the participating jurisdictions during formation of the district, and could incorporate measures of financial and service equity.

7.5.6 Withdrawal

A city or county may withdraw from the Transportation District by resolution or ordinance. As described above, this withdrawal does not relieve the county or city from any obligation or commitment made or incurred while a district member.

7.5.7 Advantages and Disadvantages

The major advantages and disadvantages of a Transportation District would be similar as for a Joint Powers Agency. Significant advantages would be that it would provide Albemarle County with direct policy level involvement in the provision of CTS transit service, and would be relatively easy to implement.

Disadvantages would be that UVa and JAUNT could not be directly included in a Transportation District (because they can only include cities and counties), and Transportation Districts cannot have any dedicated revenue sources. As with most other options, it would also lessen the city's level of direct control over service.

An additional characteristic of a Transportation District is that its governing board must include the Chair of the CTB, or his designee, whereas the board of a Joint Powers Agency would not.

7.6 Option 6: Service District

Virginia Code (§15.2-2400 to §15.2-2405) provides for the creation of "Service Districts" within one or more localities "to provide additional, more complete or more timely service of government than are desired in the locality or localities as a whole." Services that these Districts can provide include transportation and transportation services, such as public transportation and transportation demand management.

7.6.1 Composition and Governance

Service Districts can be created by a single city or county, or by combinations of cities and/or counties. A Service District could not include UVa or JAUNT.

Service Districts are governed by a "development board or other body" which is delegated powers and responsibilities as agreed upon by the participating jurisdictions and set forth in the local ordinances which together create the Service District.

Presumably, UVa and JAUNT, and other parties, could be included on the board, in either an official or ex-officio role, even though they could not be a “member” of the service district.

7.6.2 Powers and Functions

Service Districts can construct, maintain, and operate the facilities and equipment that are necessary to provide a wide range of services. These permitted facilities and services include “transportation and transportation services within a Service District, including, but not limited to: public transportation systems serving the District; transportation management services.”

In more detail, powers include:

- Construct, maintain, and operate facilities and services.
- Acquire facilities, equipment, and real estate.
- Contract for services.
- Enter into contracts and agreements.
- Accept funds and reimbursements from any source, including persons, authorities, Transportation Districts, localities, the State, and the Federal government.
- Employ a workforce.
- Negotiate and contract with others “with regard to connections” to other systems.

Service districts do not have condemnation or bonding authority. To acquire property through condemnation, the city or the county would need to exercise its own condemnation powers on the service district’s behalf.

A service district could serve an area smaller than the entirety of the city and the county. For example, it could be created to serve all of Charlottesville, but just the county’s defined development areas.

7.6.3 Creation

Participating jurisdictions can create Service Districts following duly-advertised public hearings, and the adoption of ordinances that:

1. Set forth the name and describe the boundaries of the proposed Service District and specify any areas within the District that are to be excluded.
2. Describe the purposes of the District and the facilities and services proposed within the District.

3. Describe a proposed plan for providing such facilities and services within the District.
4. Describe the benefits that can be expected from the provision of such facilities and services within the District.

7.6.4 Taxing and Revenue Authority

Service Districts are empowered to levy and collect property taxes (but are not required to do so). There are no limits to the amounts that can be imposed, other than that Service Districts cannot impose property taxes for non-service related expenditures, such as schools, police, or general government expenditures.

7.6.5 Expenditure/Funding Obligations

Expenditure decisions for a Transportation Service District would be made by its Board, which would be configured as determined by the city and the county. As with the development of a transportation district, expenditure and funding requirements could be incorporated into the agreements negotiated between the two during formation of the district. They could also incorporate measures of financial and service equity.

7.6.6 Withdrawal

The Virginia law does not include any language on withdrawal from Service Districts. This implies that a member of a Service District can withdraw at any time. Presumably, a withdrawing Service District member would be responsible for a proportionate share of its debts and obligations incurred during that member's tenure.

7.6.7 Advantages and Disadvantages

In most respects, the advantages and disadvantages of a Service District would be similar as for a Joint Powers Agency or a Transportation District. However, one major difference would be that a Service District could levy higher property taxes within the service district to fund its services, whereas a Joint Powers Agency or Transportation District would not have any similar revenue opportunities. As with a Joint Powers Agency and a Transportation District, a Service District would provide Albemarle County with direct policy level involvement in the provision of transit service, and would be relatively easy to implement.

Disadvantages would be that UVa and JAUNT could not be directly included in a Service District (because they can only include cities and counties). As with most other options, it would also lessen the city's level of direct control over service.

8 Summary

Each of the six options would produce different variations of a “regional transit entity,” and each would have different advantages and disadvantages. Based on the “desirable characteristics of an RTA” that are described at the beginning of this document, an initial assessment of advantages is also provided in Table 2. In summary:

- A Regional Transit Authority (RTA) would be the most “robust” of the alternatives in that it would provide for the widest range of options and would have the fewest limitations. It would be a true regional entity that could include the city, county, UVa, and other organizations such as JAUNT, and whose sole focus would be the provision of transit service. It would be a legal entity that would have all of the powers necessary to operate and expand transit service and facilities. In a similar manner as in Northern Virginia and Hampton Roads, an RTA could provide for the development of new dedicated transportation funding sources. The creation of an RTA would require a strong regional consensus and subsequent enabling legislation.
- Continued operation by CTS in conjunction with a Regional Transit Coordinating Council would be the easiest of all options to implement, and could include the city county, as well as UVa and JAUNT. The Regional Transit Coordinating Council would provide a stronger regional perspective than at present, but the Coordinating Council’s role would be technically to advise the city rather than to determine policy. As a result, neither the county nor other partners would have the direct policy level involvement. This approach, as with most others, would not provide the opportunity for new revenue sources.
- A Joint Powers Agency would be a new legally-recognized agency that would be comprised of the city and the county and could exercise “any power, privilege or authority exercised or capable of exercise by the political subdivisions in the Joint Powers Agency.” For transit, a Joint Powers Agency would have all of the powers necessary to operate a regional transit system. Joint Powers Agencies can only be comprised of political subdivisions, which would exclude UVa and JAUNT. A Joint Powers Agency would not provide any new revenue opportunities, and would not require enabling legislation.
- A Joint Powers Board could be a “virtual-RTA” in which the city continued to operate service but, subject to certain protections, permitted CTS to be governed by a regional board. The Joint Powers Board could include the city, the county, UVa, and other organizations and stakeholders. A Joint Powers Board would be relatively easy to set up, but would have no legal standing of its own. As a result, the city and other parties would need to exercise their own powers on behalf of the Joint Powers Board. A Joint Powers Board would not have the ability to generate its own revenues, and would not require enabling legislation.
- A Transportation District would be very similar to a Joint Powers Agency. The only significant differences would be that a Transportation District is required to include

the Chairman of the Commonwealth Transportation Board (CTB) on its board, and that condemnation powers would be limited to slow-take versus quick-take. A Transportation District could formally include only the city and county (and not UVa or JAUNT), would provide the county with direct policy level involvement, and would be relatively easy to implement. A Transportation District in the Charlottesville-Albemarle area would not provide any new revenue opportunities, and would not require enabling legislation.

- A Service District would be similar to a Joint Powers Agency and Transportation District in that it could include only the city and county (and not UVa or JAUNT), would provide the county with policy level involvement, and would be relatively easy to implement. A major difference, however, is that a Service District could generate additional revenue through the ability to levy higher property taxes within the service district. The development of a Service District would not require enabling legislation.

Table 3: Summary of Institutional Options

| | Current | 1. Legislatively-Enabled RTA | 2. Continued Operation by CTS with Transit Coordinating Council | 3. Joint Powers Agency (City and County) | 4. Joint Powers Board (City and County plus Others) | 5. Transportation District | 6. Service District |
|--|---------|------------------------------|---|--|---|----------------------------|---------------------|
| Governance | | | | | | | |
| Policy level representation for both city and county | No | Yes | No | Yes | Yes | Yes | Yes |
| Policy level representation for UVa and JAUNT | No | Possible | No | No | Possible | No | No |
| Policy Input for County | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Policy Input for Others | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Regional Perspective | No | Yes | Better | Yes | Yes | Yes | Yes |
| Powers and Functions | | | | | | | |
| Construct, operate, and maintain transit | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Construct, operate, and maintain other regional transportation modes | No | Yes | Possible | Possible | No | Yes | Yes |
| Condemn property & Issue bonds | Yes | Possible | Yes | Yes | No | Yes | No |
| Creation | | | | | | | |
| Method of creation | NA | Legislation | Agreement | Agreement | Agreement | Ordinance | Ordinance |
| Taxing and Revenue Authority | | | | | | | |
| Potential for new funding | No | Possible | No | No | No | No | Property taxes |
| Reduce reliance on city and county general funds | No | Possible | No | No | No | No | Possible |
| Expenditure & Funding Obligations | | | | | | | |
| Primary Control | City | Board | City | Board | Board | Board | Board |
| Secondary Control | County | Members | TBD | Members | Members | Members | Members |
| Withdrawal | | | | | | | |
| Permits withdrawal | NA | Difficult | NA | Yes | Yes | Yes | Yes |
| Method of withdrawal | NA | Legislation | NA | Agreement | Agreement | Ordinance | Ordinance |

- = Advantage
- = Disadvantage
- = Depends upon perspective of individual party