

Our Mission: To provide critical transportation infrastructure to enhance the community's long-term economic and environmental sustainability.

Transportation Capital Fund

The Transportation Capital Fund (TCF) is comprised of two sources described below: the Commercial and Industrial (C&I) Tax and NVTa 30% Local.

- Commercial & Industrial Tax is a source of funding authorized by the General Assembly in 2007 enabling the County to levy an additional real estate tax on industrial and commercial properties for transportation initiatives. In April 2008, the County Board proposed a tax of \$0.125 per \$100 of assessed value for transportation projects. Proceeds of the tax are held in a separate fund and must be used in accordance with the provisions in the state code.
- NVTa 30% Local Funds is comprised of a 0.7 percentage point increase in the local sales tax approved in 2013 by the General Assembly as part of HB 2313 and the Grantor's Tax (regional congestion relief fee), which was reinstated by the General Assembly in 2020 as part of HB 1414/SB 890. The Northern Virginia Transportation Authority (NVTa) receives the proceeds of this tax and retains 70% for funding of projects that are regional in nature. The remaining 30% of this tax is deposited in the Transportation Capital Fund along with the Commercial & Industrial tax.

The Transportation Capital Fund allows the County to make major ongoing investments in multimodal transportation infrastructure and transit service. Together, these funds support improvements to neighborhood streets, as well as ongoing development of Arlington's commercial and mixed-use districts such as the Rosslyn-Ballston Corridor, Crystal City, Pentagon City, Columbia Pike, Langston Boulevard, and Shirlington. These commercial mixed-use districts make up almost 45 percent of the County's tax base, and include most of the County's office, hotel, retail, and multi-family housing stock. TCF also provides the opportunity to leverage outside sources of funding from federal, state, and regional transportation programs as well as private sector partners.

SIGNIFICANT BUDGET CHANGES

The FY 2026 proposed budget for the Transportation Capital Fund (TCF) is \$35,023,123, based on projected current year revenues. The complete spend down plan reflects utilization of current year revenues and fund balance as capital projects are rarely completed in a single year and require carryover of funds to be fully executed. The complete FY 2026 implementation plan compared to the revised FY 2025 plan is shown in the fund statement. The FY 2026 budget reflects:

- ↑ Converting and condensing some contractor roles supporting the Capital Bikeshare program to a County FTE (\$147,162, 1.0 FTE) to realize a net savings of \$85,000 and ensure direct management of County interests in Capital Bikeshare. This recommendation was included in the recently completed Arlington County Commuter Services Strategic Plan.
- ↓ Commercial real estate tax revenues decrease based on commercial real estate assessment projections (\$1,379,637).
- ↑ Northern Virginia Transportation Authority (NVTa) revenues increase based on FY 2026 projections (\$257,096).

PROGRAM FINANCIAL SUMMARY

	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	% Change 25 to '26
Capital Projects	\$124,370,813	\$36,153,059	\$35,023,123	-3%
Total Expenditures	124,370,813	36,145,664	35,023,123	-3%
Revenues	78,707,322	36,145,664	35,023,123	-3%
GASB	(17,529)	-	-	-
Total Revenues	\$78,689,794	\$36,145,664	\$35,023,123	-3%
Change in Fund Balance	(\$45,681,019)	-	-	-

Total Authorized FTEs	41.00	42.50	43.50	2%
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1) A total of 49.0 FTEs support the transportation capital program. 42.5 FTEs are funded by the Transportation Capital Fund and 6.5 FTEs are funded by the Crystal City Tax Increment Fund (TIF). This number will increase to 50.0 FTEs in the Proposed FY 2026 Budget with the proposal to convert and condense some contractor roles supporting the Capital Bikeshare program to a County FTE.

2) This table reflects the FY 2026 spending plan of current year revenues and does not show the use of fund balance for the total projected FY 2026 expenditures. See the Fund Statement for the execution plan.

FY 2026 MAJOR PROJECTS

Complete Streets

- Improvements Outside Major Corridors:
 - Military Road Safety Improvements - Military Road at Nelly Custis Drive: Project will enhance multimodal accessibility and safety at a complex intersection with documented speeding problems near two schools. Planned improvements include a roundabout to continuously control speeds; stormwater and waterline upgrades; utility undergrounding; bioretention; streetlights at crosswalks; new curbs, curb ramps, sidewalks, curb extensions, high-visibility crosswalks, signage, and street trees. Bids recently received, with construction anticipated to start in late FY 2025.
 - South Carlin Springs Road Pedestrian Improvements: Project will expand the sidewalks on both sides of S Carlin Springs between 3rd St S and 6th Rd S. The goal is to install 6-foot sidewalks with a 2-foot buffer. Easement acquisition is essential for the sidewalk expansion. Phase 1 (east side between 5th Road S and S 5th Street) is in design and will start construction in FY 2025. Construction on Phase 2 (the remaining sidewalk improvements) is expected to start in FY 2026.
 - South George Mason Drive, Arlington Boulevard to Columbia Pike: Project will implement the first segment of improvements recommended in the South George Mason Drive Multimodal Transportation Study (completed in 2023) to improve multimodal safety and access along S George Mason Drive. Planned improvements include a separated multi-use trail to improve bike and pedestrian connections, a new signal at 6th Street S, and intersection improvements at 8th Street S. Design phase begins in FY 2025.

- South Walter Reed Drive Complete Streets Improvements, 5th Street South to Columbia Pike: Project will improve safety and accessibility for all modes on a corridor included in Arlington's Vision Zero High Injury Network (HIN). The work will provide enhanced bike facilities, sidewalks, curb extensions, crosswalks, and bus stop improvements. The project will create a safer, more accessible corridor and a new signalized intersection at 9th Street S. This effort is being coordinated with the adjacent Arlington Public School (APS) Career Center project. Design development is complete, and construction will be delivered separately but in coordination with the APS project. Construction is expected to start in FY 2026, focusing first on the new signal at 9th Street S to coordinate its installation with the APS opening in FY 2027.
- South Four Mile Run Drive: The project will implement improvements identified in the Proposed Four Mile Run Valley Area Plan, the Nauck Village Center Action Plan, and recommendations from Vision Zero's safety audit of S Four Mile Run Drive. Multimodal and safety improvements will be provided on this corridor in 3 phases, focusing primarily on installing new sidewalks, crosswalks, and curb extensions. The first phase will address the section from Shirlington Road to Nelson Street. Construction began in FY 2025 and will be completed in FY 2026. Phase 2 will address S Nelson Street to S Walter Reed Drive, and Phase 3 will address S Walter Reed Drive to the Barcroft Community Center. Following extensive public engagement, Phases 2 and 3 will begin design in FY 2026.
- Intersection improvements at Lorcom Lane and Vacation Lane: The project will address safety concerns by redesigning the intersection to reduce vehicle speeds along Lorcom Lane, a Vision Zero high-risk corridor, and improve pedestrian facilities. Design development begins in FY 2025. Construction is expected to start in early FY 2027.
- Pershing Drive Complete Street: The project will implement multimodal recommendations on North Pershing Drive between Washington Boulevard and North Barton Street. The project will improve pedestrian facilities at intersections, enhance the protected bike lanes, and install street tree plantings where feasible. Design development will continue in FY 2025-26. Construction is expected to begin in FY 2027.
- North Sycamore Street – Langston Boulevard to 19th Street North: Project will enhance pedestrian and bike facilities, crossings, and streetscape to improve safety and accessibility for all modes and to implement improvements identified in the East Falls Church Area Plan. Design will be coordinated with the adjacent bus bay expansion project at the East Falls Church Metrorail Station. Design began in FY 2023 and will continue through FY 2026 with construction expected to start in FY 2027.
- Rosslyn-Ballston Corridor Improvements: multimodal street improvements throughout the corridor that meet the planning goals outlined in the Master Transportation Plan (MTP) and area sector plans. These projects will provide significant street and sidewalk safety and functionality improvements. Projects include:
 - Wilson Boulevard Streetscape Improvements – Wilson Boulevard from North Kenmore Street to 10th Street North, and 10th Street North from North Jackson Street to North Ivy Street: Project implements the final phase of streetscape improvements recommended in the Virginia Square Sector Plan, which will improve pedestrian safety and accessibility in a heavily used commercial corridor that is on Arlington's High Injury Network. Planned improvements include travel lane adjustments, new curb and sidewalks, stormwater upgrades, new crosswalks, signal upgrades, streetlights, signage, street trees and paving, and will bury the last remaining overhead utility lines on Wilson Boulevard between Clarendon and Ballston. Currently in design with construction anticipated to start in FY 2026.

- North Rhodes Street & Wilson Boulevard Intersection Improvements: Project will deliver multimodal safety improvements to the Wilson Boulevard & N. Rhodes Street intersection, which is located on a major commercial corridor that is included in the Vision Zero High Injury Network. Work includes signal upgrades, bus stop improvements, and new crosswalks, as well as curb ramps and sidewalks to improve safety and accessibility for people walking, biking, taking transit and driving. Design work began in FY 2023; construction is expected to begin in FY 2026.
- Fort Myer Drive Sidewalk and Intersection Improvements: This project will improve safety at a Vision Zero-identified hot spot intersection and will enhance bike and pedestrian facilities between eastbound and westbound Langston Boulevard to enhance bike and pedestrian safety and connectivity from the Custis Trail into Rosslyn. The project will reconfigure the intersection of Fort Myer Drive and eastbound Langston Boulevard installing ADA compliant curb ramps, curb extensions, utility adjustments, new crosswalks, and new signal equipment. The work is being coordinated with the DPR-led master plan and renovation of Gateway Park. Construction is expected to begin in FY 2026.
- Columbia Pike Multimodal Street Improvements: Multimodal improvements along the entire corridor will increase pedestrian safety and access with consistent and wider sidewalks; provide improved bicycle facilities mostly on adjacent bicycle boulevards; improve traffic flow through the introduction of turn lanes and a consistent cross section; and increase pedestrian safety at intersections. These investments also greatly improve access to local and regional bus transit service along the corridor. This is particularly important given that Columbia Pike is the highest ridership bus corridor in Arlington and one of the highest in the Commonwealth. Construction is well underway on all remaining segments from S Orme Street to S Nash Street (substantial completion expected by early 2025), S Oakland Street to S Wakefield Street (substantial completion expected mid 2025), S Courthouse Road to S Garfield Street (substantial completion expected late 2025), and S Quinn Street to S Courthouse Road (substantial completion expected late 2025).
- Crystal City, Pentagon City, Potomac Yard Street Improvements: Multimodal Street improvements throughout the area that will improve connectivity, access, and enhance private redevelopment opportunities.
 - Eads Street (12th Street to 15th Street) will construct protected bike lanes and intersections along street frontage that will not be addressed with adjacent development projects. Design is complete, and construction is expected to begin in late FY 2025 or early FY 2026.
 - The Army Navy Drive Protected Bike Lane project will resolve missing links in the protected bike lane network along Army Navy Drive west of Joyce Street. The project is currently in design with construction expected to begin in FY 2026.
- Neighborhood Complete Streets (NCS): The NCS program enables County staff to implement projects on non-arterial streets that focus on safety and accessibility. The program gathers nominated locations from the community and prioritizes them based on where a critical need has been identified and justified through objective criteria, established by the Neighborhood Complete Streets Commission (NCSC). The goal of the NCS program is to develop streets that are safe and accessible for all modes through projects that improve walking/bicycling connectivity; upgrade street crossings, particularly within school walking zones; and modify incomplete streets with an aim at providing safer facilities and changing motorist behavior to manage vehicular speeds and minimize conflicts with vulnerable road users. Every year, the NCSC nominates projects to advance to the Arlington County Board for funding approval.

Engagement and design work are underway on four projects. Construction is anticipated to start on one project in FY 2025, two projects in FY 2026, and one in FY 2027.

- **Master Transportation Plan Update:** The Master Transportation Plan is an element of the County's Comprehensive Plan, which is referenced along with other County Proposed plans to develop the CIP. *Arlington's Transportation Future* kicked off in FY 2025. This is the name of the process to refresh the County's aging Master Transportation Plan and bring it current with industry standards and with the community's values. County Staff are working with consultants to conduct a thorough, inclusive process to update the County's guiding document for transportation infrastructure. This effort features an extensive public engagement process. The process will continue through FY 2026.
- **Transportation Systems and Traffic Signals:** This program includes the upgrade and reconstruction of existing aged traffic signals and allows for the implementation of transportation operations and management systems components such as school zone beacons and pedestrian-activated beacons. Typically, the County rebuilds around eight signals per year with varying degrees of intersection-related improvements such as ADA-accessible curb ramps.
- **Intelligent Transportation System (ITS):** This program enables the County to expand ITS system capabilities and conduct critical system upgrades. These projects include upgrading the County's traffic signal system to allow for integration of existing components such as video detection, uninterrupted power supply (UPS), and Polara pedestrian push buttons into the central Traffic Management Center (TMC). In FY 2026, this program will continue to work towards designing and installing new ITS strategies such as data sharing and collection, and security enhancements.
- **Strategic Network Analysis and Planning:** This program supports multimodal traffic data collection and analysis services used for traffic engineering and operations projects including:
 - Traffic volume/speed/classification data collection at intersections and along corridors for all modes of transportation (vehicle, heavy truck, pedestrian, bike) to inform various transportation analyses.
 - Crash data organization and record upkeep, which allows for transportation safety analyses throughout the County and subsequent implementation of safety measures in identified problem areas. This supports the Vision Zero safety initiative.
 - Travel demand model data program to collect/purchase data useful in understanding travel patterns and travel behavior. This data will be used in modeling the impacts of potential infrastructure improvement projects or policy changes on the transportation system.
- **Street Safety Improvements (SSI):** This program supports the Vision Zero Action Plan the County Board adopted in spring 2021 to achieve the goal of eliminating fatal and severe injury crashes. The program supports projects at intersections and streets where safety improvements are needed for pedestrians, bicyclists, transit riders, or motorists as determined through a comprehensive investigation, including crash analysis. It focuses on safety improvements that can be deployed or implemented in a relatively short amount of time with lower capital cost, such as installing Pedestrian Flashing Beacons at certain crosswalks. The program also collects before and after data to establish a baseline of effectiveness, and in turn allow the development of an up-to-date Transportation Safety Toolbox. This program's scope also includes periodic updates of the Vision Zero action plan. The program is funded with a combination of PAYG, TCF, and general obligation bonds, depending on the nature of the work undertaken and location.

Transit

- **Columbia Pike Transit Stations:** The project involves the design and construction of 23 high-quality Transit Stations along Columbia Pike. Transit Stations include transit shelters and platforms with the following passenger amenities: 9.5-inch curb for near-level boarding, detectable warning strips, enhanced lighting, ample seating, real-time bus information, and improved sidewalks. This project is expected to be constructed in phases. Phases 1 and 2, which involved the installation of 8 stations, are completed. The remaining phases of the project will follow completion of the Columbia Pike Multimodal project – Phases 3 and 4 are expected to be installed in FY 2026 and Phase 5 by FY 2027.
- **East Falls Church Bus Bay Expansion:** The East Falls Church Metrorail Station currently has four bus bays that are at maximum capacity. The project will increase bus bay capacity by adding three new bus bays and replacing the existing shelters in the off-street bus loop. The project also includes pedestrian access improvements to and from the station's park-and-ride lot, improvements to accessible parking, and improvements to the crosswalks at the entrance to the existing bus loop on N Sycamore Street. The project is expected to start construction in FY 2025.
- **ART Fleet Equipment Replacement:** This project replaces aging buses that have reached the end of their useful life, which is 12 years. ART has a fleet of 78 buses. All existing buses are heavy-duty low-floor vehicles able to be powered by Renewable Natural Gas (RNG). Eight of these buses will be replaced in FY 2026 with Battery Electric Buses (BEBs).

**TRANSPORTATION CAPITAL FUND
FUND STATEMENT**

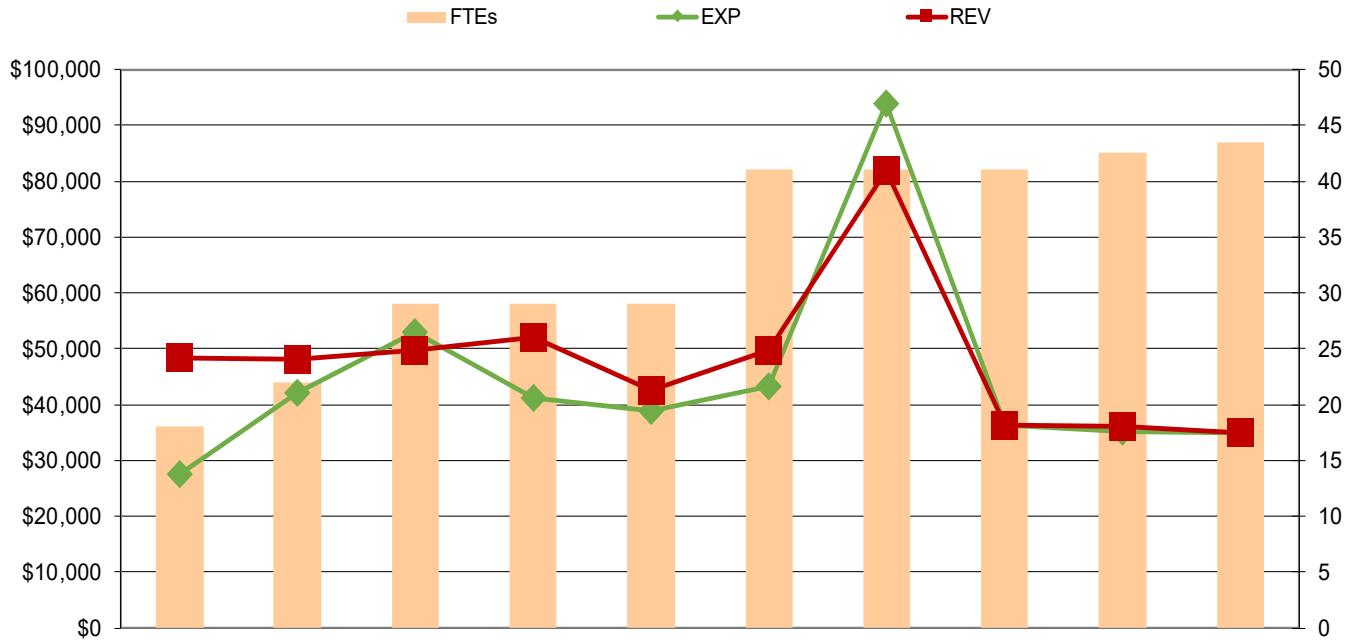
	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 RE-ESTIMATE	FY 2026 PROPOSED
ADJUSTED BALANCE, JULY 1				
Construction Reserve	\$177,171,968	\$148,264,213	\$131,390,948	\$100,492,786
Reserve	3,500,000	3,700,000	3,600,000	3,500,000
TOTAL BALANCE	180,671,968	151,964,213	134,990,948	103,992,786
REVENUES				
Commercial Real Estate Revenues	24,039,334	24,385,828	23,461,042	23,006,191
Capital Bikeshare - User Revenue	710,523	776,000	776,000	799,000
Miscellaneous Revenues	1,560,702	-	-	-
Grant Revenues	40,027,607	49,871,800	54,890,800	37,379,000
NVTA Revenues - Local	12,369,157	11,759,836	11,759,836	12,016,932
GASB	(17,529)	-	-	-
TOTAL REVENUES	78,689,794	86,793,464	90,887,678	73,201,123
TOTAL REVENUE & BALANCE	259,361,762	238,757,677	225,878,626	177,193,909
EXPENSES				
Capital Projects - Current Year	119,706,744	86,800,859	86,051,591	73,201,123
Capital Projects - Carry-Over	-	37,097,949	30,998,162	22,913,691
Transfers to the General Fund	4,664,069	4,836,087	4,836,087	6,294,586
TOTAL EXPENSE	124,370,813	128,734,895	121,885,840	102,409,400
BALANCE, JUNE 30				
Construction Reserve	131,390,948	106,422,782	100,492,786	71,284,509
Reserve	3,600,000	3,600,000	3,500,000	3,500,000
TOTAL BALANCE	\$134,990,949	\$110,022,782	\$103,992,786	\$74,784,509

Notes:

1. Most capital projects span multiple years, from design to construction completion.
2. Ending fund balances reflect that capital project funding is carried forward each fiscal year. Balances fluctuate, reflecting forecasted vs. actual project execution.
3. Transfers to the General Fund cover the operating costs of specific ART routes and ART facilities, such as the new ART Operations and Maintenance Facility completed in the fall of 2024.
4. Balances equivalent to a minimum of ten percent of annual budgeted TCF revenues are held in a reserve in accordance with the County Board's financial and debt policies.
5. Miscellaneous Revenues in FY 2024 reflect a refund from VDOT for the Boundary Channel project (TCF portion of refund).

TRANSPORTATION CAPITAL FUND
TEN-YEAR HISTORY

EXPENDITURE, REVENUE AND FULL-TIME EQUIVALENT TRENDS



	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual*	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget
EXP	\$27,419	\$41,991	\$52,936	\$41,203	\$38,756	\$43,218	\$93,993	\$36,408	\$35,153	\$35,023
REV	\$48,269	\$48,209	\$49,783	\$51,985	\$42,633	\$49,647	\$81,947	\$36,408	\$36,146	\$35,023
FTEs	18.00	22.00	29.00	29.00	29.00	41.00	41.00	41.00	42.50	43.50

* Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

Fiscal Year	Description	FTEs
FY 2017	- Revenues and expenditures increased based on commercial real estate projections (\$79,849), and Northern Virginia Transportation Authority (NVTA) revenue projections (\$471,659). The revenue will be used to support major approved capital projects. - Personnel and non-personnel increased due to the addition of two Design Engineer Team Supervisors in the Engineering Bureau and one Principal Planner for the Neighborhood Complete Streets Program. Other personnel changes are a reallocation of a previously approved 1.0 position in County Attorney's Office to a 1.0 Capital Programs Management Coordinator and reallocation of a previously approved 1.0 position in DES Real Estate to a 1.0 Engineering Design Section Manager.	3.00
FY 2018	- Revenues increased based on commercial real estate projections (\$1,640,387), and Northern Virginia Transportation Authority (NVTA) revenue projections (\$85,559). - Added 4.0 FTEs including a Neighborhood Complete Streets Traffic Engineer position (\$133,000) in the Traffic Engineering & Operations Bureau, a Design Engineer position (\$133,000) in the Engineering Bureau to support the Neighborhood Complete Streets program, a Management & Budget Specialist position (\$113,050) to support the overall transportation capital program, and the transfer of an existing position in the Real Estate Bureau from the Crystal City, Potomac Yard, and Pentagon City Tax Increment Financing Area (TIF) fund.	4.00
FY 2019	- Revenues decreased based on a reduction in commercial real estate assessments (\$1,246,745), and a reduction in Northern Virginia Transportation Authority (NVTA) revenues due to the 2018 General Assembly action to provide dedicated funding to Metro (\$4,307,391). - Added two Engineering positions (\$276,000) in the Traffic Engineering & Operations Bureau; The first FTE will support the Transportation Systems & Traffic Signals and Intelligent Transportation Systems CIP programs. The second FTE will support delivery of the Complete Streets CIP program. - Added one Community Relations Specialist position (\$133,000) to support the overall transportation capital program. - Three positions were transferred from the DES General Fund. The positions include two Budget Analysts and a Transportation Capital Program Manager (\$427,000). A portion of the time for these positions had already been charged to capital projects and the Transportation Capital Fund (net impact \$257,000). - Added a Grants Compliance Specialist position currently charged to the Transportation Capital Fund but previously authorized in the County Manager's Office (1.0 FTE). - As part of the FY 2018 closeout appropriation, revenue and expenses were reduced based on Virginia General Assembly action to dedicate funds to	2.00 1.00 3.00 1.00

Fiscal Year	Description	FTEs
	WMATA (\$4,455,768).	
FY 2020	Revenues increased based on commercial real estate assessment projections (\$1,242,804) and Northern Virginia Transportation Authority (NVTA) revenue projections (\$346,152).	
FY 2021	- Revenues increased based on commercial real estate assessment projections (\$146,644). - Revenues decreased based on Northern Virginia Transportation Authority (NVTA) revenue projections (\$68,362).	
FY 2022	- Five capital project coordinators (5.0 FTEs) were transferred in from the General Fund to Transportation Capital Fund (\$295,015). - Revenues decreased based on commercial real estate assessment projections (\$1,611,257), offset by increased revenue projections for the Northern Virginia Transportation Authority (NVTA) (\$1,210,946). - As part of the Adopted CIP FY 2022 – 2024, an additional 7.0 FTEs were authorized to be funded from Transportation Capital Funds.	5.00 7.0
FY 2023	- The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour. - Revenues increased based on commercial real estate assessment projections (\$225,118). - Revenues increased based on Northern Virginia Transportation Authority (NVTA) revenue projections (\$712,548). - The FY 2023 Adopted Budget includes a total of 47.5 FTEs to support the transportation capital program. 41.0 FTEs are funded by Transportation Capital Fund and 6.5 FTEs are funded by the Crystal City Tax Increment Fund.	
FY 2024	- Commercial (C&I) (\$1,070,739) real estate and Northern Virginia Transportation Authority (NVTA) (\$1,852,858) revenues increased based on FY 2024 projections. - Transfer in of a Project Management Coordinator (1.0 FTE) from DES General Fund to TCF and the elimination of a Senior Procurement Officer position (1.0 FTE). This results in no change to the TCF FTE count.	

TRANSPORTATION CAPITAL FUND
TEN-YEAR HISTORY

FY 2025	▪ Transfer in from the General Fund of a Project Management Coordinator and 50 percent of a Design Team Supervisor (\$160,197). ▪ Commercial real estate tax revenue decreased based on commercial real estate assessment projections (\$1,342,285). ▪ Northern Virginia Transportation Authority (NVTA) revenues increased based on FY 2025 projections (\$113,085).	1.50
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