



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine.
Chairperson

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COMMONWEALTH TRANSPORTATION BOARD WORKSHOP AGENDA

Norfolk Waterside Marriott
Hampton V1-V11 Ballroom
235 East Main Street
Norfolk, VA 23510
October 29, 2018
10:00 a.m.

1. Skiffes Creek Connector Location Study
Scott Smizik, Virginia Department of Transportation
2. Revenue Sharing Policy
Julie Brown, Virginia Department of Transportation
3. VTrans Kick-off
Nick Donohue, Deputy Secretary of Transportation
Jitender Ramchandani, Office of Intermodal Planning and Investment
4. Vital Infrastructure Report Overview
Garrett Moore, Virginia Department of Transportation
John Lawson, Virginia Department of Transportation
5. Fiscal Update
John Lawson, Virginia Department of Transportation
6. SMART SCALE At Risk Projects
Stephen Brich, Virginia Department of Transportation
7. I-81 Update
Nick Donohue, Deputy Secretary of Transportation
8. Director's Items
Jennifer Mitchell, Virginia Department of Rail & Public Transportation
9. Commissioner's Items
Stephen Brich, Virginia Department of Transportation

Agenda
Meeting of the Commonwealth Transportation Board
Workshop Session
October 29, 2018
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10. Secretary's Items
Shannon Valentine, Secretary of Transportation

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SKIFFES CREEK CONNECTOR (SCC) LOCATION STUDY

Scott Smizik, Environmental Division

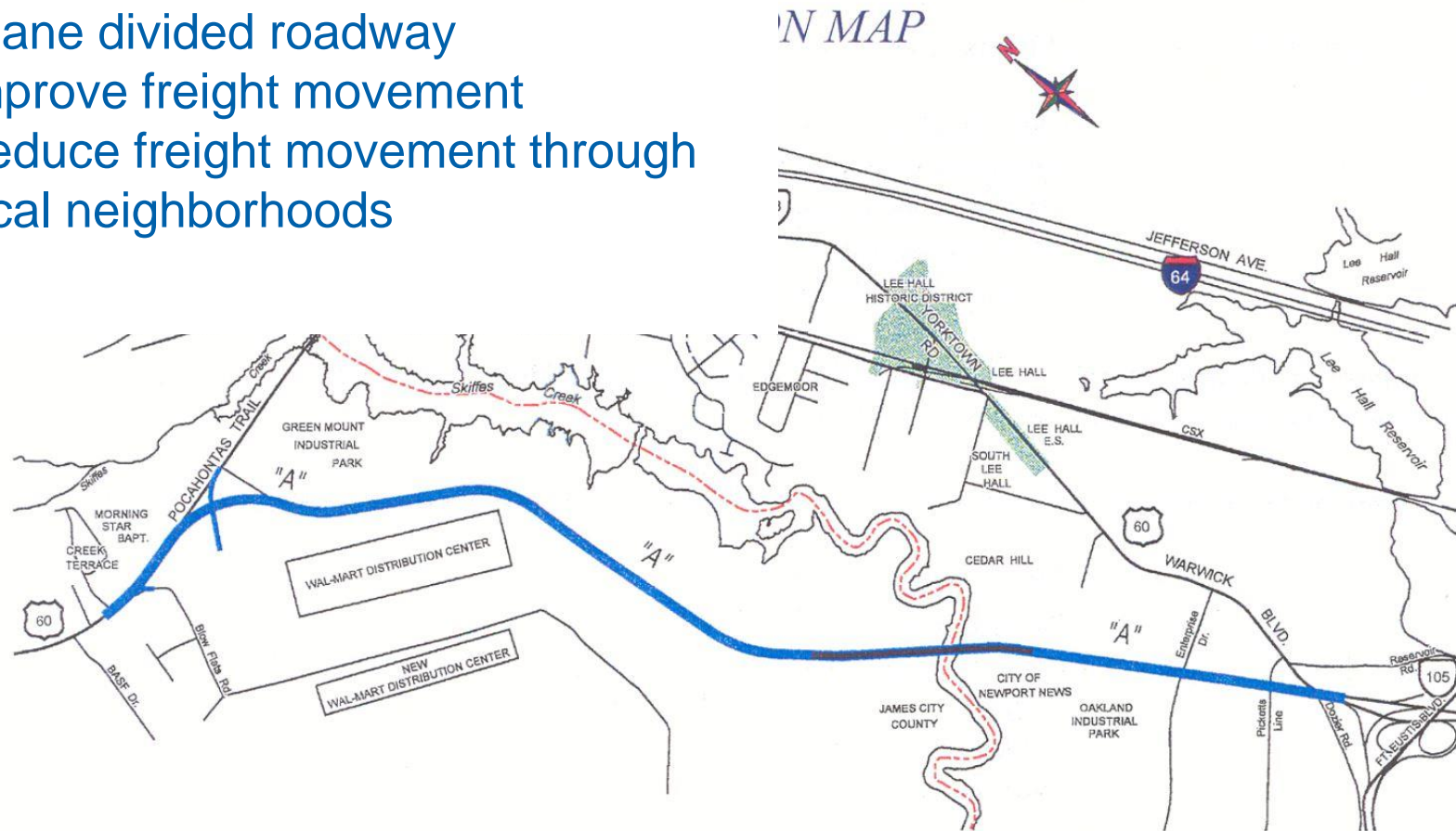
October 29, 2018

Project History

- **Location study/Environmental Assessment (EA) initiated in 2012**
- **In early 2013, FHWA determined that the SCC and the Route 60 Relocated projects did not have independent utility**
- **Both projects were put on-hold until they were funded, combined, or prioritized**
- **In 2017 James City County was awarded Smart Scale funding to advance the SCC and the Route 60 Relocated project was closed**
- **The project is not a regional priority project; however, it is included in the LRTP, TIP, and STIP**

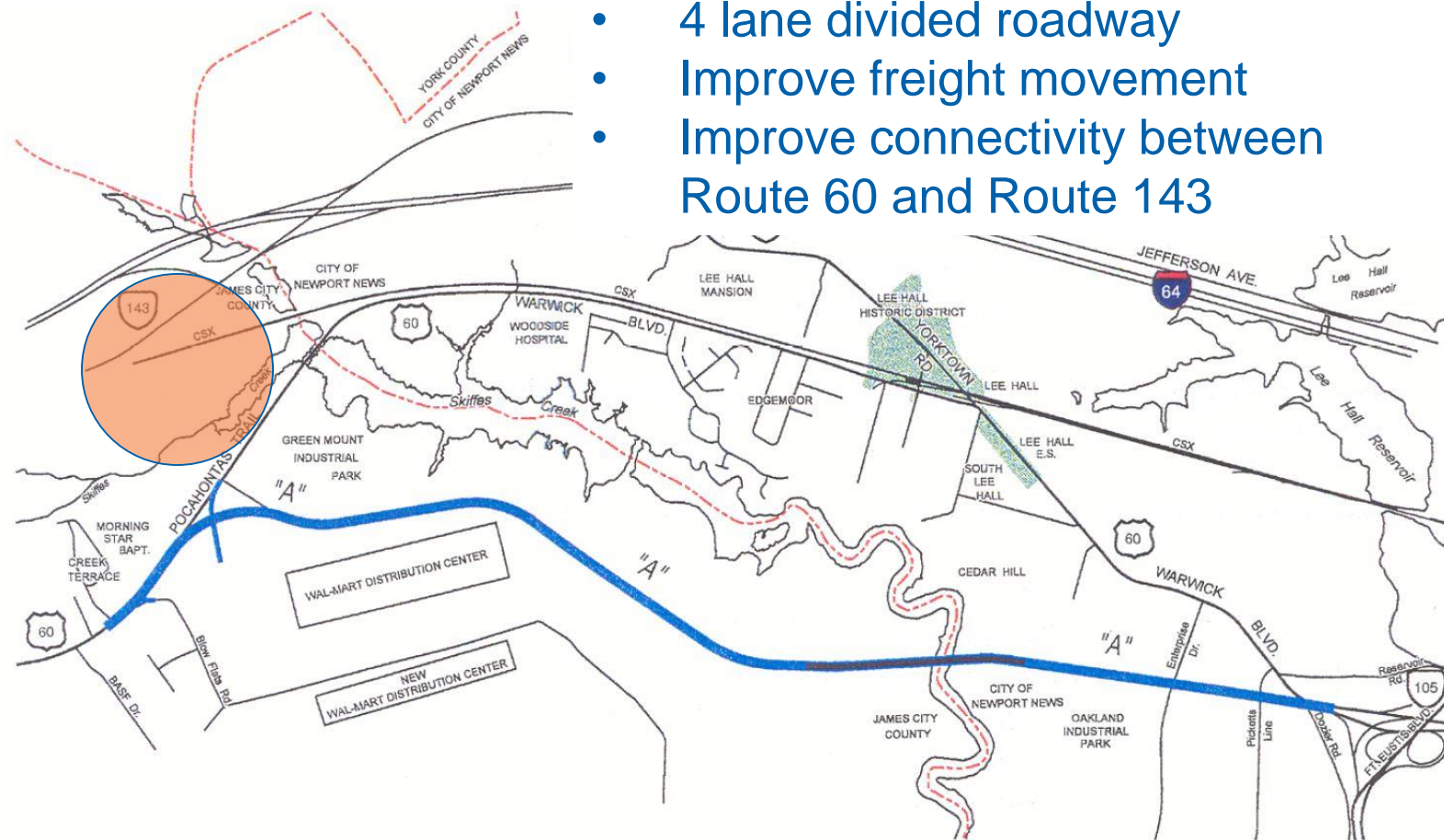
Route 60 Relocated

- 4 lane divided roadway
- Improve freight movement
- Reduce freight movement through local neighborhoods



Skiffes Creek (2013)

- 4 lane divided roadway
- Improve freight movement
- Improve connectivity between Route 60 and Route 143



PROJECT LOCATION



Purpose and Need

The purpose of the SCC is to create efficient local connectivity between US 60 and VA 143, in the area between VA 199 and VA 238, in a manner that improves safety, emergency evacuation, and the movement of goods along the two primary roadways. The SCC would address the following needs:

- Improved local connectivity – there is inadequate and or inefficient connectivity points between these two primary routes;
- Provide efficient connectivity for local truck movement – there are known truck destinations along the corridors; and
- Emergency evacuation capability – connectivity between identified evacuation routes should be enhanced to support connectivity and efficiency.



Range of Alternatives

- Under the merged process, the study considered 14 options to meet the purpose and need
- The options were developed through coordination with the merged process agencies and presented to the public for input
- 12 of the 14 options were found to be duplicative and/or not meet the Purpose and Need
- 2 alternatives were retained for analysis



Alternatives Refinement

2012



Four-lane divided freeway facility that was anticipated to tie into other projects (225 - foot Limit of Disturbance)

2017



Two-lane divided facility that maintains freeway design speed (140 - foot Limit of Disturbance)

2018



Two-lane divided facility with a reduced design speed (140 - foot Limit of Disturbance)

Results of Alternatives Refinement

		2012: 4-Lane LOD at 50 mph	2017: 2-Lane LOD at 50 mph	2018: 2-Lane LOD at 35 mph
Alternative 1	Wetlands (acres)	2.69	1.73*	0.85*
Alternative 2		1.62	1.07*	0.95*
Alternative 1	Streams (linear feet)	1,542	1,214*	673*
Alternative 2		318	188*	365*
Alternative 1	Cost	\$80,332,240 [^]	\$50,453,145 ^{^^}	\$41,716,243 ^{^^}
Alternative 2		\$61,292,606 [^]	\$52,787,100 ^{^^}	\$49,459,732 ^{^^}

* - Does not assume bridging in impact calculations

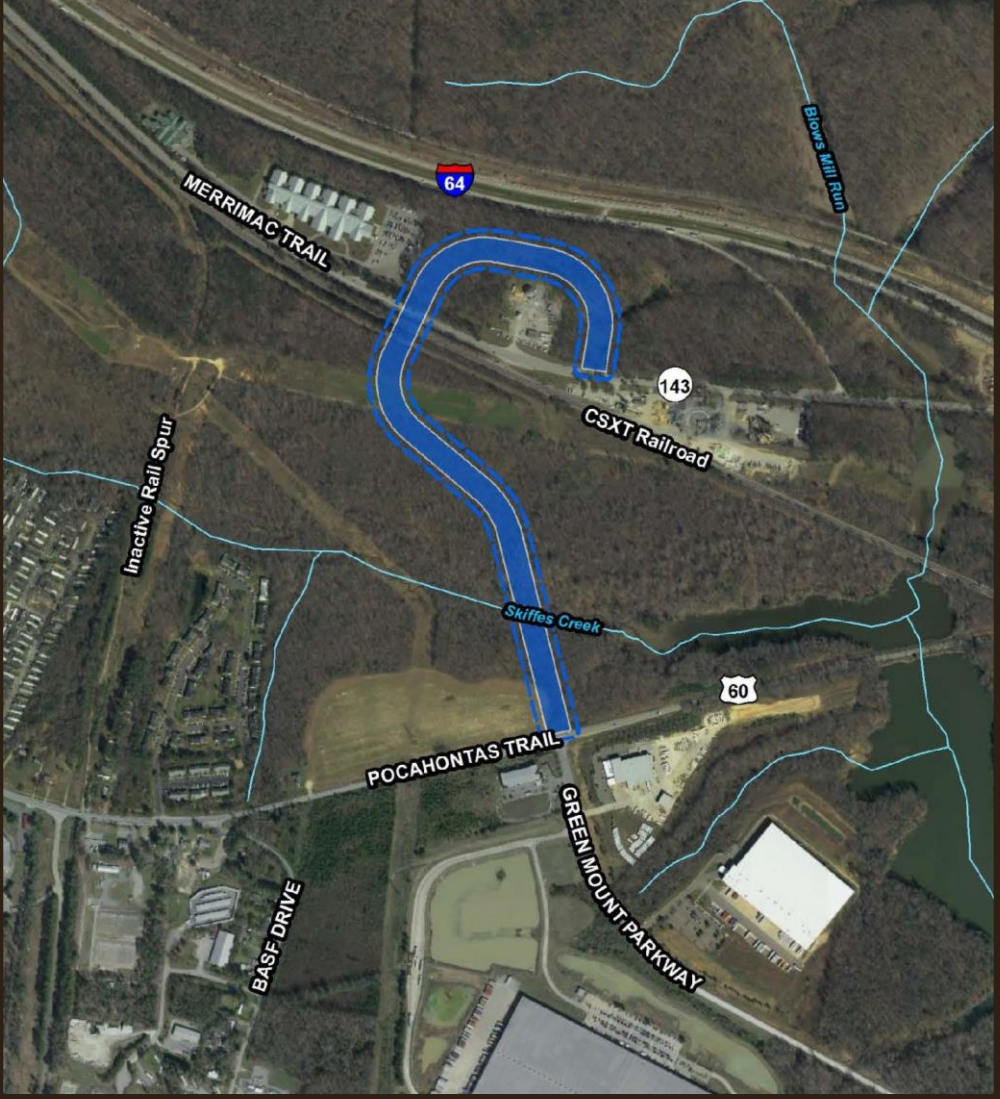
[^] - Costs calculated using VDOT's Planning Level Cost Estimate Worksheet

^{^^} - Costs calculated using VDOT's Project Cost Estimating System

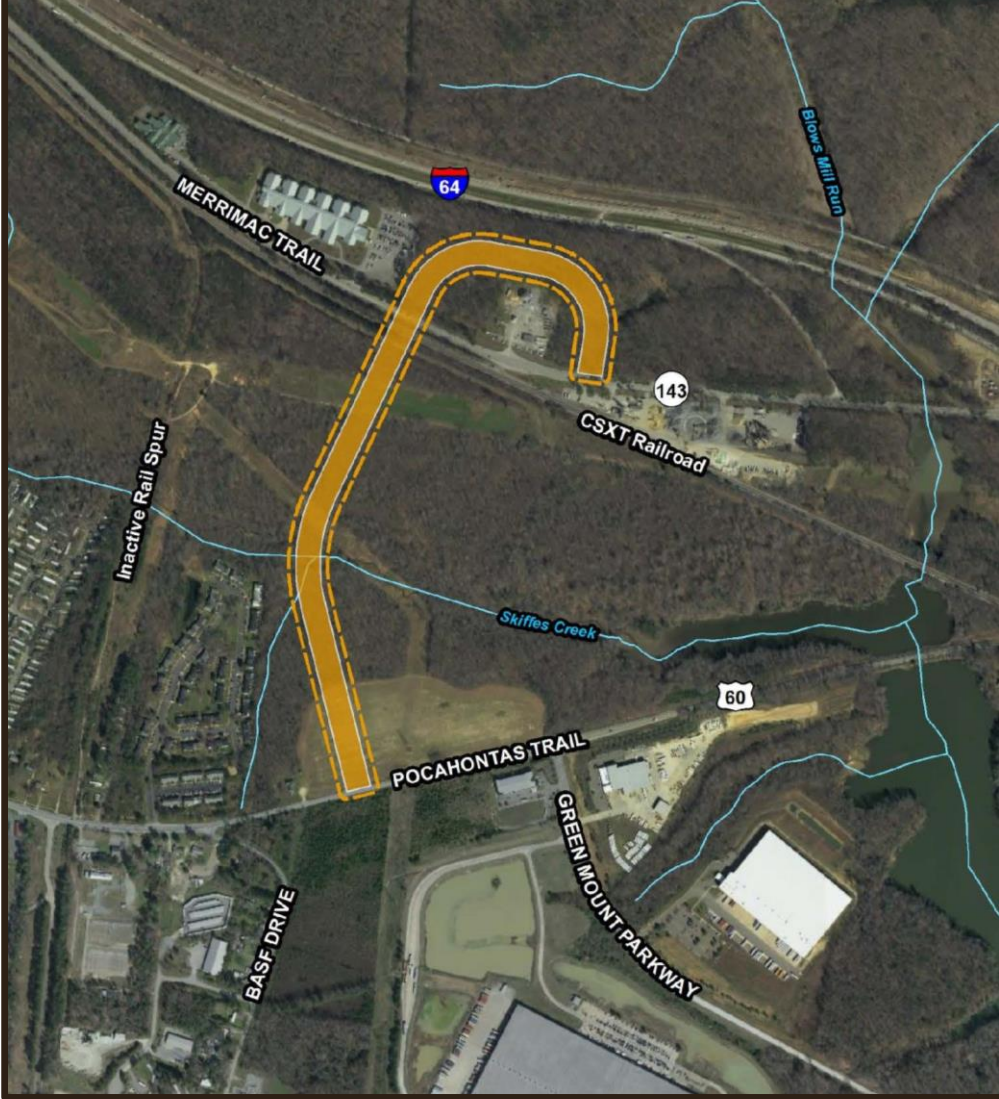
ALTERNATIVES RETAINED FOR ANALYSIS



Build Alternative 1



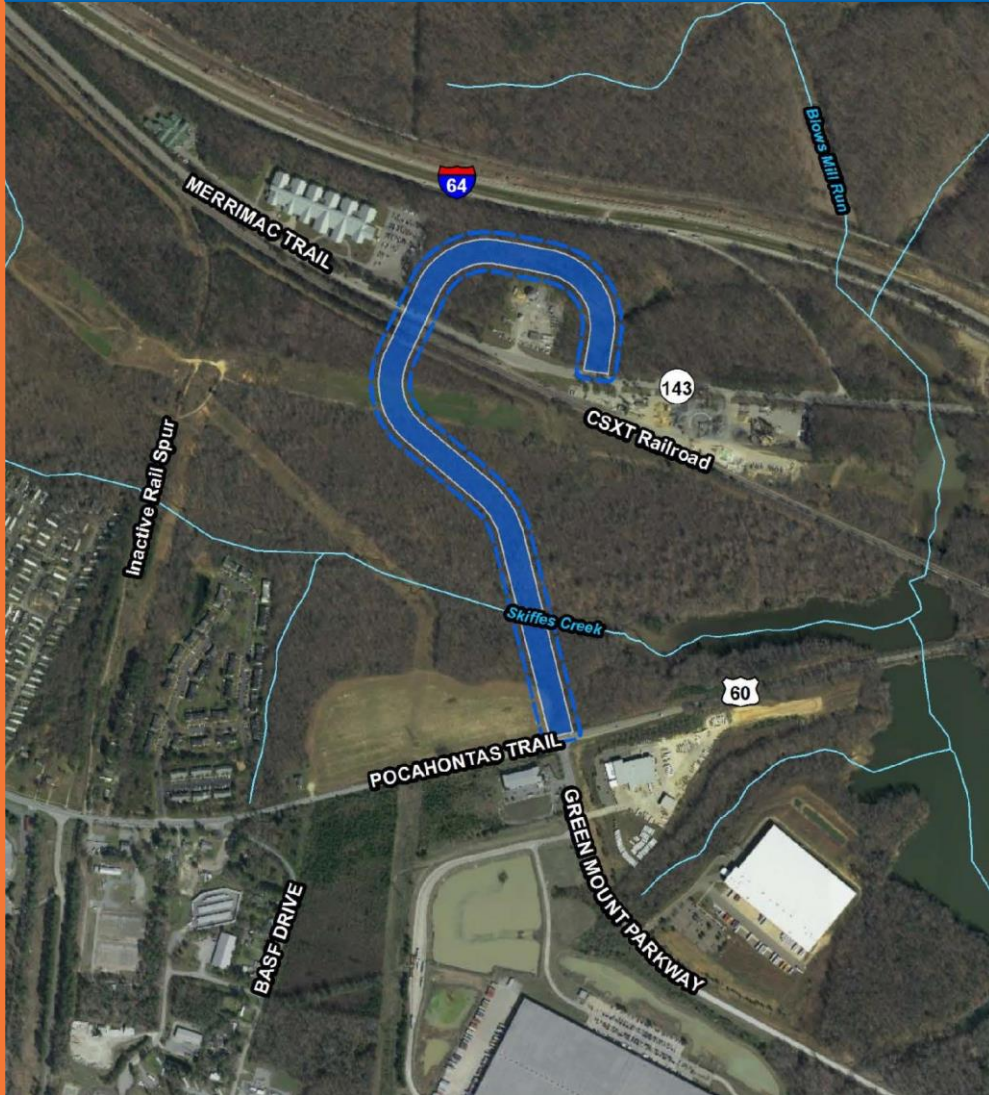
Build Alternative 2



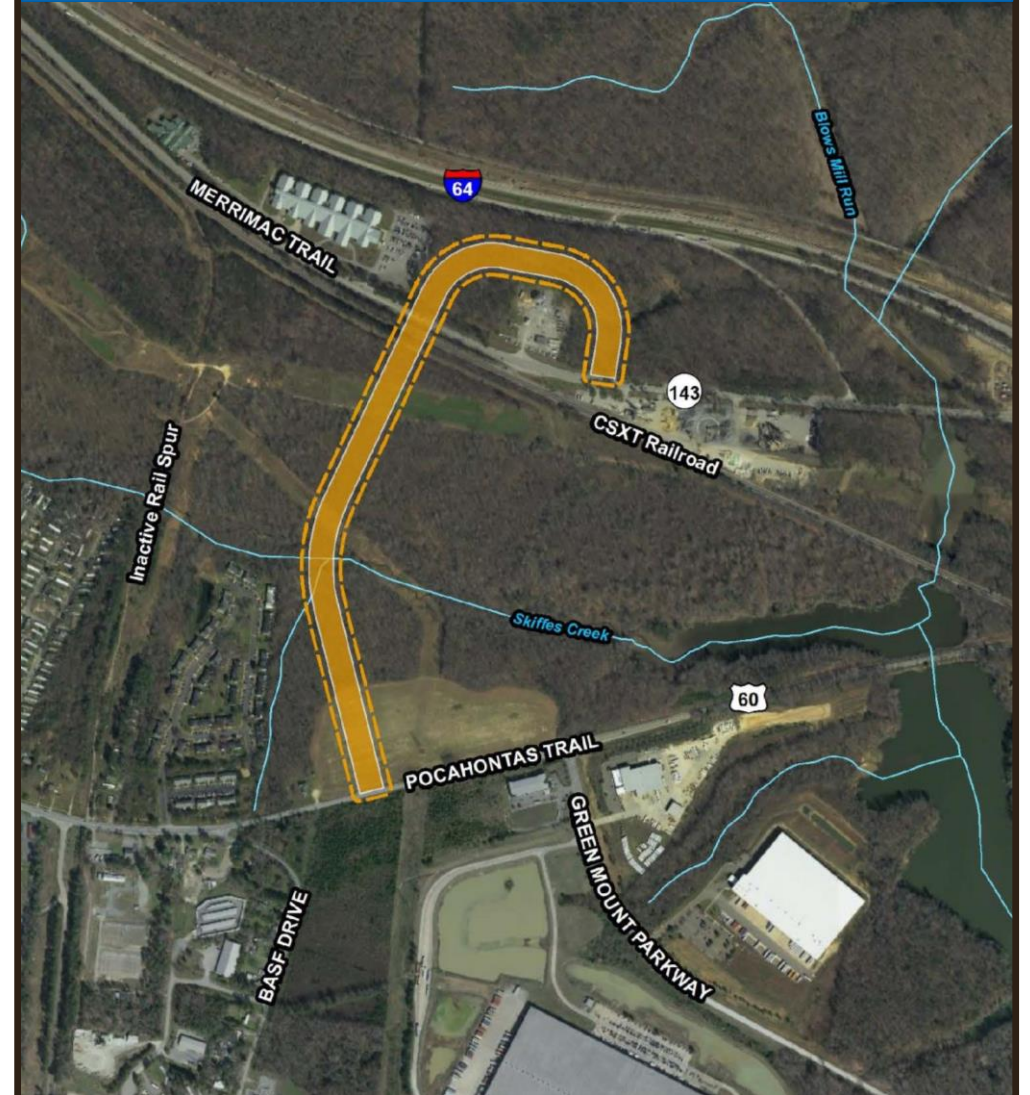
RECOMMENDED PREFERRED ALTERNATIVE



Build Alternative 1



Build Alternative 2



Basis for Recommendation

- **Best meets Purpose and Need**
- **Provides best operational improvement for freight and local traffic**
- **Less wetland impacts than Alternative 2**
- **Consistent with local plans and endorsed by James City County**
- **U.S. Army Corps of Engineers and U.S. Environmental Protection Agency support the recommendation**



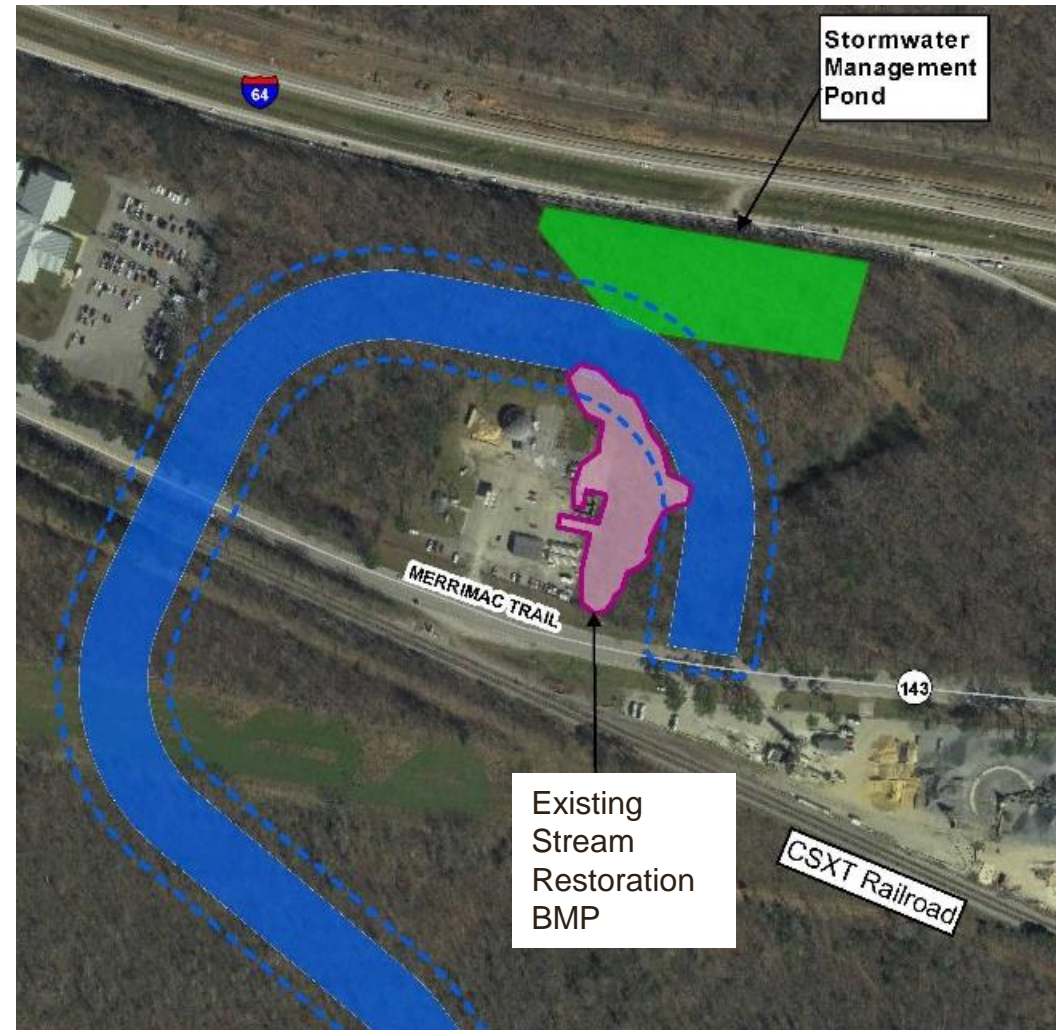
Impact Estimates

Resource	Alternative 1	Alternative 2
Relocations	0	0
Right of Way Acquisition	14.6 acres	14.9 acres
Archaeological Resources*	1 site	2 sites
Anticipated Sound Barriers	0	0
Wetlands	0.85 acres	0.95
Streams	673 linear feet	365 linear feet

* - Ongoing coordination with DHR to plan future excavations

Planning Level Impacts to Existing BMP sites

- Existing Stormwater management practices in the vicinity of the project.
- Impacts to these practices could require mitigation to the VDOT MS4 Program under its pollution reduction requirements.



Public Review

Two Citizen Information Meetings (11/9/2017 & 2/15/2018)

- Public supported the needs of the study and did not offer additional need elements not already addressed in the study
- Public support for the two alternatives retained for analysis

Location Public Hearing (7/18/2018)

- All respondents supported Alternative 1 at the Location Public Hearing
- James City County supported Alternative 1
- Wal-Mart supportive of Alternative 1 as the best means to address freight movement in the study area without creating greater congestion

Next Steps

- **December 2018 – CTB action on location decision**
- **Early 2019 – FHWA NEPA decision**
- **February 2019 –Request for Qualifications**
- **June 2019 – Request for Proposals**
- **April 2020 – Notice to Proceed**



Revenue Sharing Policy and Guidelines Update

 Julie Brown, Local Assistance Division Director

October 29, 2018

CTB Revenue Sharing Policy, July 2017 Revisions (Refresher)

- Reduce the maximum a locality can apply for each fiscal year from \$10M to \$5M (\$10M max per biennium)
- Establish a lifetime allocation maximum of \$10M (state match) per project, including transfers to the project
- Surplus funds from a completed project can continue to be transferred administratively to an existing revenue sharing project (District CTB member concurrence will be required as part of documentation)
- Surplus funds from a cancelled project will be deallocated and go back to the statewide revenue sharing account; these funds can only be reallocated by the CTB

Chapter 828 of 2018 Acts of Assembly

- **Codified maximum annual locality allocation to \$5M**
- **Limited Maintenance Allocation to \$2.5M**
- **Eliminated the minimum Revenue Sharing allocation (previously \$15M)**
- **Eliminated the prior maximum Revenue Sharing allocation from \$200M to the greater of \$100M or seven percent of subsection D of § 33.2-358**
- **Changed threshold to consider allocation of over \$100M from current Policy**

CTB Revenue Sharing Policy & Guidelines Update

Policy and Guidelines require updating to reconcile differences

- **Modify Threshold to Consider Increase in Revenue Sharing Allocations**
 - Revenue Sharing Policy, Approved July 19, 2017: *“BE IT FURTHER RESOLVED that the Board should consider increasing the funding provided to the Revenue Sharing Program over a two year period should biennial funding for SMART Scale exceed \$1.2 billion.”*
 - Change to Language in Chapter 828: *“Total Commonwealth funds allocated by the Board under this section shall not exceed the greater of \$100 million or seven percent of funds available pursuant to subsection D of § 33.2-358 prior to the distribution of funds pursuant to this section, whichever is greater, in each fiscal year.”*
- **Replace Limit of \$5M for Maintenance to \$2.5M**

CTB Revenue Sharing Policy & Guidelines Update

Impact of the Differences

- **Threshold for Considering Allocation Increase Over \$100M**
 - **Current Policy:** Provides for consideration of annual allocations exceeding \$100M when SMART Scale Funding exceeds \$1.2B over two year cycle (\$600M annually)
 - **New Code Language:** Provides for annual allocations exceeding \$100M when SMART Scale and State of Good Repair funding exceed \$1.42B annually (seven percent of \$1.42B = \$100M), which is approximately \$785M annually of SMART Scale funding Only.
- **Localities Maximum Request \$2.5M (annually) for Maintenance**

CTB Revenue Sharing Policy & Guidelines Update

Recommended Updates

- **Update Policy to mirror amended Code Language**
- **Update Revenue Sharing Guidelines to reflect Code Language changes**
- **Update Language in Revenue Sharing Guide to address proposed pre-application Process**
- **Various administrative modifications in the Revenue Sharing Guidelines (remove outdated Appendix, clarifying need for supporting documentation in application)**

NEXT STEPS

- **CTB approval of updated Policy (December 2018)**
- **CTB approval of updated Revenue Sharing Guidelines (December 2018)**
- **Communicate updated Guidelines to localities in advance of next application cycle**



Revenue Sharing Program Guidelines



For further information, contact

Local VDOT Manager
or

Local Assistance Division
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219
(804)786-2746



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VDOT GOVERNANCE DOCUMENT

VIRGINIA DEPARTMENT OF TRANSPORTATION
LOCAL ASSISTANCE DIVISION

REVENUE SHARING PROGRAM GUIDELINES

This revised document provides a comprehensive summary of the Revenue Sharing Program as established by the *Code of Virginia* and as governed by the policies of the Commonwealth Transportation Board (CTB). It is intended to serve as a reference for local jurisdictions and VDOT staff in preparation and disposition of applications for program funding guidance.

This document defines eligible projects, summarizes funding limitations, and describes the roles of the parties involved in the application and approval process. The appendices in this publication include the enabling legislation, the Commonwealth Transportation Board's policy, associated forms, and procedural information for the convenience of the user.

The [Locally Administered Projects Manual](#) (LAP) provides guidance on project administration for all locally administered projects. The provisions applicable to state funded projects are noted throughout the LAP Manual. Projects funded solely with Revenue Sharing funds do have specific streamlining opportunities as highlighted in Chapter 5 of the LAP Manual.

These guidelines reflect policy approved by the Commonwealth Transportation Board (CTB) and are modified only by an affirmative vote from the CTB. Occasionally modifications to these Guidelines may be necessary to adjust for changes in Departmental procedures. Where those modifications fully comport with Virginia Code and CTB Policy, they may be made administratively without further approval of the CTB. The CTB will be advised of any administrative updates.

All previous instructions regarding administrative procedures for revenue sharing projects are hereby superseded.

REVENUE SHARING PROGRAM GUIDELINES

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I. Definitions

The following words and terms, when used in this document, shall have the following meanings, unless the context clearly indicates otherwise.

Eligible Project means work including construction, reconstruction, improvement, or maintenance and eligible street additions for which Revenue Sharing Program funds are available. Work must be on roadways that are currently maintained by VDOT or on roadways that are currently maintained by a locality and for which the locality is receiving maintenance payments from VDOT or roads meeting new road or rural addition qualification. For funding purposes, a single construction project is defined as a project with termini that are both logical and independent. Projects cannot be segmented in order to qualify for additional Revenue Sharing allocations.

- **Construction Projects** are those projects that change or add to the characteristics of a road, facility or structure to provide a new or significantly modified transportation facility.
- **Reconstruction Projects** are those projects that completely replace an existing facility or significantly improve the functionality of an existing facility. (Examples: replacement through the sub-base of a pavement structure, complete replacement of bridge, or widening a road or bridge).
- **Improvement Projects** are those projects that facilitate or control traffic or pedestrian flow, such as intersection improvements, turn lanes, channelization of traffic, traffic signalization and installation of new sidewalks, upgrading sidewalks to meet ADA standards, trails, curb & gutter, any new installation that will enhance traffic flow or safety, or projects that alleviate roadway drainage issues (replacement or repair of existing drainage assets is considered maintenance).
- **Maintenance Projects** are those projects that involve work in preserving or restoring the roadway facility, sidewalk, or structure to its original condition as nearly as possible. This includes the removal and replacement of a pavement course or a sidewalk.

Local VDOT Manager means the department employee responsible for the administration of the Revenue Sharing Program for that locality. Unless otherwise indicated, the local VDOT Manager for counties is usually the Residency Administrator and for urban localities it is the urban liaison in the VDOT District office. The District Administrator will designate the employee responsible if different from above.

Locality Capital Plan means any plan utilized by the locality that identifies, prioritizes or allocates funding for eligible projects in that locality.

Matching Allocations means funds provided by the Commonwealth which are allocated to eligible items of work in participating localities to supplement, on a dollar-for-dollar basis to match the locality's contribution for eligible projects, within the limits established by the CTB.

Maintenance Needs Analysis means a systematic approach of identifying maintenance needs based on an asset management approach. Condition assessment reviews are conducted on

pavements and bridges maintained by VDOT on a regular basis based on established guidelines to determine when those assets are deficient and potentially in need of some corrective action.

Maintenance Performance Target means a desired level of performance for a set of assets (such as pavements and bridges) within the infrastructure network, as established and defined by VDOT. The target is usually expressed as a portion or percentage of the infrastructure network which meets or exceeds a threshold or benchmark rating. Only assets falling below the benchmark rating (target) for bridges and pavements will be considered eligible for priority maintenance projects.

Revenue Sharing Program Fund means the designation given to the fund used to finance the specially funded program. Projects are proposed by the local government in coordination with the Department of Transportation and must be approved by the Commonwealth Transportation Board.

Rural Addition means any subdivision street used as such by the date established under ~~§ Section~~ 33.2-335 of the *Code of Virginia* and eligible for addition into the secondary system by resolution of the County Board of Supervisors.

Six-Year Improvement Plan means either the Six-Year Improvement Program for Interstate, Primary, and Urban Systems, developed by VDOT and the Commonwealth Transportation Board; or the Secondary Six-Year Plan, the official listing of improvements to be constructed on the secondary system, which is developed jointly by the Virginia Department of Transportation (VDOT) and the county governments (~~§ Section~~ 33.2-332 of the *Code of Virginia*).

State Transportation Plan means the comprehensive review of statewide transportation needs as adopted and updated by the Commonwealth Transportation Board in accordance with § 33.2-353 of the *Code of Virginia*, commonly known as VTRANS.

II. Purpose

The “Revenue Sharing Program” provides additional funding for use by a county, city, or town to construct, reconstruct, improve or maintain the highway systems within such county, city, or town and for eligible rural additions in certain counties of the Commonwealth. Locality funds are matched, dollar for dollar, with state funds, with statutory and Commonwealth Transportation Board Policy limitations on the amount of state funds authorized per locality.

The program is administered by the Department of Transportation, in cooperation with the participating localities, under the authority of ~~§ Section~~ 33.2-357 of the *Code of Virginia* ([Appendix A](#)) and the Commonwealth Transportation Board’s Revenue Sharing Program Policy ([Appendix B](#)).

Recognizing the legislative intent, history, and the nature of the Revenue Sharing Program, a CTB Revenue Sharing Program Study Committee established by the Secretary of Transportation in 2017, established a statement on the general purpose and priorities of the Revenue Sharing Program as guidance when establishing Policy, Guidelines, and administrative procedures. The Study Committee also provided their Priorities and Program Recommendations moving forward. The entire document is contained in [Appendix C](#).

An annual allocation of funds for this program is designated by the Commonwealth Transportation Board.

III. Eligible Work

The Revenue Sharing Program may be used to finance eligible work on highway systems within a locality, and may include sidewalks, trails, and other facilities that accommodate pedestrian and/or bicycle access along the highway network. The Revenue Sharing Program is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. Larger new projects may also be considered, provided the locality identifies any additional funding needed to implement the project. Revenue Sharing Program funds are generally expected to be used to finance project costs in the same fiscal year and these projects should be in active development that is leading to their completion within the near term. Additional information about time limits for spending funds is addressed under Timely Implementation of Projects (Section VII.C.).

Below is a list of types of work that will be considered eligible for Revenue Sharing Program financing. All eligible work is then reviewed based on priority criteria identified under Funding Limitations (Section IV.).

A. Supplemental Funding for Projects Listed in the Adopted Six-Year Plan

When additional allocations are determined to be necessary to completely finance a project listed in the adopted Six-Year Improvement Plan, the locality may request that the anticipated deficit be financed by the Revenue Sharing Program. This includes, but is not limited to, such work as signalization, additional preliminary engineering, or acquisition of additional right-of-way. This procedure may be utilized to accelerate the funding of a project and thereby permit its completion earlier than otherwise would have been possible.

B. Construction, Reconstruction or Improvement Projects not included in the Adopted Six-Year Plan

When the designated local VDOT Manager concurs that the proposed work may be eligible for program funding, the locality may request one half of the funds, subject to CTB Policy limitations, to construct a project not currently in the Six-Year Plan. However, in such cases the locality funds, together with the state matching funds, must finance the entire estimated cost of the project within the fiscal year involved. If funds are approved the project will subsequently be adopted by the CTB in the Six Year Plan.

C. Improvements necessary for the Acceptance of Specific Subdivision Streets Otherwise Eligible for Acceptance into the Secondary System for Maintenance (Rural Additions)

Revenue Sharing Program funds may be used to fund the improvements (widening, surface treating, etc.) necessary for the acceptance of certain subdivision streets otherwise eligible under [§ Section 33.2-335, Code of Virginia](#). This section does not authorize the use of Revenue Sharing funds to improve roads in cities and towns so as to render them eligible as additions to the urban system.

D. Maintenance Projects Consistent with the Department's Operating Policies

Eligible types of maintenance work include, but are not limited to, plant mix overlays, bridge or culvert rehabilitation, guardrail replacement, sidewalk repairs, and curb & gutter repair. In order to appropriately evaluate a request for a priority maintenance project with pavement or structure ratings below the Department's maintenance performance targets, the locality is responsible for ~~indicating providing appropriate documentation to confirm the pavement or structure deficiency with on the detailedits application submission that appropriate documentation is available to confirm the deficiency. This documentation is to be provided by the application submittal deadline.~~

E. New Hardsurfacing (Paving)

The first-time paving of a previously unpaved roadway, usually composed of a multiple course asphalt surface treatment, may be funded by the Revenue Sharing Program. Only roads in the state secondary system are eligible to use Revenue Sharing Program funds for new hardsurfacing. If a project is funded solely with revenue sharing funding, there is no minimum vehicle per day requirement. Urban system roads in cities and towns are not eligible.

F. New Roadway

Revenue Sharing Program funds may be used to establish a new facility to be part of the system of state highways or part of the road system in the locality that is eligible to receive maintenance payments from VDOT pursuant to [§ Section 33.2-319 of the Code of Virginia](#). In order for a new roadway to be eligible for Revenue Sharing Program funding, it must be a part of a locally adopted plan such as the locality's Comprehensive Plan and must be expected to divert sufficient traffic from existing public roads so that those roads will not need to be improved in the foreseeable future. Projects may also need to be included in the regional Constrained Long Range Plan in air quality non-attainment areas. Qualifying projects should provide an immediate benefit to the overall transportation network with a connection between two existing major

public roads, based on current transportation needs. Projects that exclusively serve private developments or commercial establishments are not eligible.

G. Deficits on Completed Construction, Reconstruction or Improvement Projects

When a project in the CTB's Six-Year Improvement Plan is completed with a deficit, the locality may request that the deficit be financed by the Revenue Sharing Program.

IV. Funding Limitations

~~The total funds available each fiscal year will be determined by the Commonwealth Transportation Board. The maximum allocation the CTB may make to the Revenue Sharing Program is \$200 million annually. The minimum allocation the CTB may make to the Revenue Sharing Program is \$15 million annually. The total amount allocated each year by the Commonwealth Transportation Board under the Revenue Sharing Program cannot exceed \$100 million or seven percent of funds available for distribution according to subsection D of § 33.2-358 of the Code of Virginia, whichever is greater.~~

A locality may apply for a maximum of \$5 million in matching allocations per fiscal year (\$10 million per biennial cycle) and the maximum lifetime matching allocation per project is limited to \$10 million in matching allocations. This limitation includes any allocations transferred to the project. Up to ~~\$5-2.5~~ million of these requested funds may be specified for maintenance projects. In accordance with Virginia Code requirements, priority will be given first to construction projects that have previously received Revenue Sharing funding. After funding those requests, priority will be given to projects that meet a transportation need identified in the Statewide Transportation Plan (VTRANS) or to projects that can accelerate advertisement of a project in a locality's capital improvement plan. After these projects have been funded, projects that address pavement resurfacing and bridge rehabilitation where the maintenance analysis determines the infrastructure does not meet the Department's maintenance performance target will be funded. The condition ratings that define the Department's maintenance performance targets are described in detail in [Appendix D](#) of these Guidelines. In order to appropriately evaluate a request for a maintenance project with pavement or a structure below the Department's maintenance performance targets, the locality is responsible for providing the appropriate documentation to confirm the deficiency. This documentation is to be provided by the application submittal deadline.

Construction and maintenance projects will be evaluated and prioritized for funding as follows:

Priority 1 – Construction Projects that have previously received Revenue Sharing funding as part of the Program application process *

- Locality requests up to a total of \$1 million will be evaluated first and funded first.
- Locality requests over \$1 million and up to \$5 million per fiscal year (\$10 million per biennial cycle) will be evaluated next and funded next

Priority 2 – Construction Projects that meet a transportation need identified in the Statewide Transportation Plan (VTRANS) or when funding will accelerate advertisement of a project in a locality's capital improvement plan

- Locality requests up to a total of \$1 million will be evaluated first and funded first

- Locality requests over \$1 million and up to \$5 million per fiscal year (\$10 million per biennial cycle) will be evaluated next and funded next

Priority 3 – Projects that address deficient pavement resurfacing and bridge rehabilitation (as described in [Appendix D](#)).

- Locality requests up to \$1 million will be evaluated first and funded first.
- Locality requests over \$1 million up to ~~\$5~~2.5 million per fiscal year (~~\$10~~5 million per biennial cycle) will be evaluated next and funded next.

Priority 4 – All other eligible projects (projects not meeting priority criteria described above)

- Locality requests up to \$1 million will be evaluated first and funded first
- Locality requests over \$1 million will be evaluated and funded next

Notes: If funds are depleted prior to completely funding all projects within a priority, any remaining funds may be pro-rated within that priority or allocated as otherwise directed by the Commonwealth Transportation Board.

Also, in any fiscal year that all priority categories were not funded, transfers affecting those fiscal year allocations can only be made to projects meeting the same priority selection criteria that received funding originally.

*Any project established as a revenue sharing project outside of the application process will not be recognized as an existing Revenue Sharing project for allocation prioritization purposes during the next application cycle.

V. Application for Funds

Applications for Revenue Sharing funding are accepted on a biennial basis through VDOT’s SMART Portal as described in [Appendix E](#). ~~Pre-application form also submitted through VDOT’s SMART Portal, which contains the information necessary to complete a SMART Portal application, can be found in Appendix F. Review of the Pre-application form prior to submittal through SMART Portal is strongly encouraged.~~ Establishment of the pre-application for each anticipated project request is a required step to ensure coordination between the locality and local VDOT office staff regarding the project concept prior to progressing to the application stage.

A resolution from the governing body which identifies the allocation request, provides the locality’s commitment to fully fund the project(s), and provides signatory authority to an authorized local officer, is also necessary to apply for program funding. An example of an acceptable resolution can be found in ~~Appendix H~~[Appendix F](#).

A locality may request funds for a project located within its own jurisdiction or in an adjacent jurisdiction, with concurrence from the governing body of the other locality. Regardless of where the project may be located, the funding limitations for each locality outlined in the previous section apply. Towns not maintaining their own streets may not directly apply for Revenue Sharing Program funds but may include their requests as part of the package submitted by the county in which they are located. After an affirmative vote, the Commonwealth Transportation Board allocates project funding through an approved resolution.

Requested funds should cover the entire cost of the project or the application must indicate ~~where the source of any~~ additional funds ~~are coming from~~necessary to fully fund the project. Indicating “future revenue sharing funds” is not acceptable, even if the intent is to reapply in future application cycles for additional Revenue Sharing allocations. The Revenue Sharing Program is approved on a biennial basis and Program funding for specific projects in future years should not be expected and cannot be guaranteed.

Note:

The Locality must commit to their matching allocations at the time their application for funding is submitted. A resolution from the Locality which includes their commitment to fully fund the project is also required.

Projects may be administered by either the Locality or by VDOT; however VDOT will evaluate the locality’s ability to administer the project during the application process if the locality requests to administer the project. If the locality is requesting that VDOT administer the project, the locality needs to coordinate with the local VDOT Manager during the application process on the project’s scope, schedule, and estimate.

VI. Approval

During the on-line application submittal process, the designated local VDOT Manager will review the on-line application from each locality for eligibility and accuracy. Once the localities’ requests are found to be eligible, the Local Assistance Division will develop the recommended statewide Program allocation for submission to the Commonwealth Transportation Board for approval. The Local Assistance Division will review and coordinate with other divisions as necessary and appropriate.

The Commonwealth Transportation Board approves the statewide Revenue Sharing Program, including allocations to specific projects in consideration of each locality’s request. The Commissioner of Highways, or his designee, may approve transactions, such as locality/state agreements, for Revenue Sharing Program projects prior to Commonwealth Transportation Board approval; however, no project work should be conducted for which reimbursement from the requested Revenue Sharing Program funds is expected prior to approval of Revenue Sharing Program allocations by the CTB and prior to the beginning of the fiscal year for which the funding is approved.

Note: Any work done prior to CTB approval is done so at the locality’s risk.

VII. Implementation

Upon Commonwealth Transportation Board approval of the statewide program, development of the individual projects begins. The state matching funds for the approved projects are reserved and allocated, accordingly, to each of the approved projects. Projects may be developed and constructed by VDOT or by the locality under an agreement with the Department.

A. VDOT Administered Work

After approval of the annual statewide Program allocation, [at the request of the locality](#), VDOT will provide an invoice to the locality for its share of the estimated cost of work to be performed. The local matching funds must be collected prior to the beginning of work. For projects exceeding \$500,000 in total estimated cost, VDOT and the locality may enter into an agreement so that the local match may be provided by project phase (i.e., preliminary engineering, right of way, or construction). VDOT may agree to a payment schedule for the Construction phase when the construction estimate exceeds \$5 million. The locality must request such a payment schedule prior to advertisement and any agreement must be modified to address the revised payment schedule. After the project is completed, the Local VDOT Manager will review the actual costs incurred to determine if there is a surplus or deficit. If a deficit exists, the locality may request surplus funds from other Revenue Sharing projects be transferred to cover the deficit and, if necessary, request a final billing for its share. Additional funding can also be transferred from other VDOT fund sources as applicable. If the locality's share of the actual cost is less than the amount received from the locality, the difference will be refunded to the locality upon written request or the locality may request transfer all the remaining funds to another existing Revenue Sharing project as noted in the section describing transfer of funds (Section VIII.) [Appendix IAppendix G](#) provides the steps for initiating project funding and invoicing. Surplus funds should be addressed within six (6) months following project completion to ensure funds do not become de-allocation candidates, thereby limiting transfer options.

If a local government wishes to cancel a project begun under the Revenue Sharing Program during the Preliminary Engineering (PE) or Right of Way (RW) phases but prior to the Construction (CN) phase, it may do so by resolution of the local governing body. The Department retains the sole option to require reimbursement by the locality of all state matching funds spent from the time the project was begun until it is canceled. Reimbursement will be required for any project cancelled after the construction plans have been approved unless an exception is granted by the Commissioner.

B. Locally Administered Work

VDOT has published the Locally Administered Projects (LAP) Manual that provides general guidance for locally administered projects, which includes provisions for Revenue Sharing and other state funded projects. This guide is available on the Local Assistance Division webpage: http://www.virginiadot.org/business/resources/LAP_Guide.pdf. The Local Assistance Division, working with the designated local VDOT Manager will prepare the appropriate locality/state agreement that governs the performance of work administered by the locality. In addition to CTB approval, an agreement must be executed by both the locality and VDOT prior to incurring any cost to be financed from Revenue Sharing Program funds. If the project is funded entirely with Revenue Sharing funds and local funds, a streamlined process is available. Should the locality opt to utilize this streamlined process for state-aid (only) projects, the locality will submit the completed state certification form ([Appendix JAppendix H](#)) to the local VDOT Manager prior to advertisement but no later than prior to project award. This document should be uploaded into VDOT's Integrated Project Manager (iPM) system by the Project Coordinator or designee.

Once the project begins, the locality ~~may-should~~ submit, no more frequently than monthly and no later than 90 days after incurring eligible project expenses, invoices to VDOT for eligible costs incurred. After all work is completed, the locality makes a final billing to VDOT for VDOT's share of the actual eligible costs incurred. If the actual cost is less than anticipated in the agreement, the locality may request that the remaining VDOT share of Revenue Sharing Program funds to be transferred (along with the remaining local share) to another existing project as noted in the section describing transfer of funds (Section VIII.) or, if the locality desires, returned to VDOT's statewide fund for the Revenue Sharing Program. ~~Appendix I~~Appendix G provides the steps for initiating project funding and invoicing.

If a local government wishes to cancel a locally administered project begun under the Revenue Sharing Program before it is completed, it may do so by resolution of the local governing body. The Department retains the sole option to require reimbursement by the locality of all state matching funds spent from the time the project was begun until it is canceled. Reimbursement of any state funds expended will be required for any project cancelled after the plans have been approved unless an exception is granted by the Commissioner.

C. Timely Implementation of Projects

All requests for Revenue Sharing funding are expected to be for viable projects with work anticipated in the near future. Any project having funds allocated under this program shall be initiated where at least a portion of the Revenue Sharing funds have been expended within one year of allocation. Localities are advised to give careful consideration in applying for Revenue Sharing funds, particularly if the project has other VDOT managed funds, to ensure that at least a portion of the Revenue Sharing funds can be expended within one year of allocation. For any project that has not been initiated within one year, the Board has the discretion to defer consideration of future allocations until the project moves forward. If Revenue Sharing Program funds are allocated for a project and that project is not initiated within the two fiscal years subsequent to allocation, the funds may be reallocated at the discretion of the Commonwealth Transportation Board.

Local Assistance Division has developed a de-allocation process to address funding that may be removed from a project under certain conditions. The following outlines the criteria to identify projects that may be subject to deallocation.

- Project completed with allocations remaining and no activity for six (6) months
- Project which has not been initiated within two (2) fiscal years of its allocation.
- Project which is on-going, where, for 24 months, no portion of allocated revenue sharing funds has been expended or project has been inactive.

No funds will be de-allocated without a notification to the locality. The administrative process for deallocating these projects is explained in ~~Appendix K~~Appendix I. Any project that is new or on-going, where no portion of allocated revenue sharing funds have been expended within one (1) year of allocation, will receive notification and may not be eligible for future allocations until the project moves forward.

VIII. Transfer of Funds

Revenue Sharing funding is allocated to specific projects through an application process and the allocations are generally not intended to be transferred to supplement other Revenue Sharing projects or become a revenue source for other projects which have not received Revenue Sharing allocations. However, under limited circumstances as outlined below, Revenue Sharing allocations may be transferred to other projects:

1. Surplus Revenue Sharing funds from a completed project may be transferred to an existing revenue sharing project within the same locality with the concurrence of the District Commonwealth Transportation Board member.
2. Surplus funds from a cancelled project must be deallocated and returned to the statewide Revenue Sharing program account; these funds can only be reallocated by the Commonwealth Transportation Board.
3. All other Revenue Sharing transfers must meet the conditions of the deallocation process, which limits transfers to projects which need the additional funding to meet an advertisement date or award date within one (1) year of the transfer request, or that addresses an existing deficit on a completed project. The following requirements also apply:
 - When a transfer is requested to another existing Revenue Sharing project, concurrence from the District Commonwealth Transportation Board member is required.
 - When a transfer is requested to a non-Revenue Sharing project, approval from the Commonwealth Transportation Board is required. Any non-Revenue Sharing project that receives Revenue Sharing allocation outside the application cycle will not be considered an existing Revenue Sharing project for allocation prioritization purposes.

[Appendix K](#)[Appendix I](#) provides administrative procedures to complete each transfer.

When, as a condition of allocation transfer, the locality is required to advertise or award a project within 12 months, the Department may deallocate the transferred funding after consultation with the District CTB Member, if the advertisement or award is not complete. If a locality fails to meet any other conditions established for any transfer of Revenue Sharing funds, those funds may also be de-allocated after consultation with the District CTB Member.

Notes: Any project established as a revenue sharing project outside of the application process will not be recognized as an existing Revenue Sharing project for allocation prioritization purposes during the next application cycle.

Transferring funds between construction and maintenance projects should not be assumed but will be evaluated on a case-by-case basis. In any fiscal year that all priorities were not funded, transfers for those fiscal years can only be made to projects in that priority that received funding.

Localities may not submit funding applications or otherwise transfer other Revenue Sharing funding to replace allocations that have been transferred from a Revenue Sharing project.

IX. Supplemental Allocations

For any fiscal year in which less than the full program allocation has been allocated, those localities requesting the maximum allocation may request an additional allocation subject to the discretion of the Commonwealth Transportation Board.

The CTB may also elect to provide supplemental allocations, within the policy's guidelines, during non-application years should additional or deallocated funding become available.

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APPENDIX A

§ 33.2-357 OF THE CODE OF VIRGINIA

§ 33.2-357. Revenue-sharing funds for systems in certain localities.

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, reconstruction, or maintenance of the systems of state highways, the Board may make an equivalent matching allocation to any locality for designations by the governing body of up to \$10 million for use by the locality to improve, construct, or reconstruct the highway systems within such locality with up to \$5 million for use by the locality to maintain the highway systems within such locality. After adopting a resolution supporting the action, the governing body of the locality may request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located in another locality or between two or more localities or to bring subdivision streets, used as such prior to the date specified in § 33.2-335, up to standards sufficient to qualify them for inclusion in the primary or secondary state highway system. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. In allocating funds under this section, the Board shall give priority to projects as follows: first, to projects that have previously received an allocation of funds pursuant to this section; second, to projects that (i) meet a transportation need identified in the Statewide Transportation Plan pursuant to § 33.2-353 or (ii) accelerate a project in a locality's capital plan; and third, to projects that address pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure does not meet the Department's maintenance performance targets.

C. The Department shall contract with the locality for the implementation of the project. Such contract may cover either a single project or may provide for the locality's implementation of several projects. The locality shall undertake implementation of the particular project by obtaining the necessary permits from the Department in order to ensure that the improvement is consistent with the Department's standards for such improvements. At the request of the locality, the Department may provide the locality with engineering, right-of-way acquisition, construction, or maintenance services for a project with its own forces. The locality shall provide payment to the Department for any such services. If administered by the Department, such contract shall also require that the governing body of the locality pay to the Department within 30 days the local revenue-sharing funds upon written notice by the Department of its intent to proceed. Any project having funds allocated under this program shall be initiated in such a fashion that at least a portion of such funds have been expended within one year of allocation. Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Board.

D. Total Commonwealth funds allocated by the Board under this section shall be no less than \$15 million and no more than \$200 million in each fiscal year, subject to appropriation for such purpose. For any fiscal year in which less than the full program allocation has been allocated by the Board to specific governing bodies, those localities requesting the maximum allocation under subsection A may be allowed an additional allocation at the discretion of the Board.

E. The funds allocated by the Board under this section shall be distributed and administered in accordance with the revenue-sharing program guidelines established by the Board.

2006, c. 827, § 33.1-23.05; 2008, c. 608; 2011, cc. 830, 868; 2012, cc. 729, 733; 2014, c. 805; 2015, c. 684.

§ 33.2-357. Revenue-sharing funds for systems in certain localities.

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, reconstruction, or maintenance of the systems of state highways, the Board may make an equivalent matching allocation to any locality for designations by the governing body of up to \$5 million for use by the locality to improve, construct, maintain, or reconstruct the highway systems within such locality with up to \$2.5 million for use by the locality to maintain the highway systems within such locality. After adopting a resolution supporting the action, the governing body of the locality may request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located in another locality or between two or more localities or to bring subdivision streets, used as such prior to the date specified in § 33.2-335, up to standards sufficient to qualify them for inclusion in the primary or secondary state highway system. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. In allocating funds under this section, the Board shall give priority to projects as follows: first, to projects that have previously received an allocation of funds pursuant to this section; second, to projects that (i) meet a transportation need identified in the Statewide Transportation Plan pursuant to § 33.2-353 or (ii) accelerate a project in a locality's capital plan; and third, to projects that address pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure does not meet the Department's maintenance performance targets.

C. The Department shall contract with the locality for the implementation of the project. Such contract may cover either a single project or may provide for the locality's implementation of several projects. The locality shall undertake implementation of the particular project by obtaining the necessary permits from the Department in order to ensure that the improvement is consistent with the Department's standards for such improvements. At the request of the locality, the Department may provide the locality with engineering, right-of-way acquisition, construction, or maintenance services for a project with its own forces. The locality shall provide payment to the Department for any such services. If administered by the Department, such contract shall also require that the governing body of the locality pay to the Department within 30 days the local revenue-sharing funds upon written notice by the Department of its intent to proceed. Any project having funds allocated under this program shall be initiated in such a fashion that at least a portion of such funds have been expended within one year of allocation. Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Board.

D. Total Commonwealth funds allocated by the Board under this section shall not exceed the greater of \$100 million or seven percent of funds available for distribution pursuant to subsection D of § 33.2-358 prior to the distribution of funds pursuant to this section, whichever is greater, in each fiscal year, subject to appropriation for such purpose. For any fiscal year in which less than the full program allocation has been allocated by the Board to specific governing bodies, those localities requesting the maximum allocation under subsection A may be allowed an additional allocation at the discretion of the Board.

E. The funds allocated by the Board under this section shall be distributed and administered in accordance with the revenue-sharing program guidelines established by the Board.

2006, c. 827, § 33.1-23.05; 2008, c. 608; 2011, cc. 830, 868; 2012, cc. 729, 733; 2014, c. 805; 2015, c. 684; 2018, c. 828.

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

APPENDIX B

Commonwealth Transportation Board REVENUE SHARING PROGRAM POLICY
(December 5, 2018~~July 19, 2017~~)

**RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD**

July 19, 2017~~December 5, 2018~~

MOTION

**Made By: Seconded By:
Action:**

Title: Policy and Guidelines for the Revenue Sharing Program (Revision)

WHEREAS, § 33.2-357 of the *Code of Virginia* (1950), as amended, specifically stipulates that the Commonwealth Transportation Board (Board) shall establish guidelines for the purpose of distributing and administering revenue sharing program funds allocated by the Board; and

WHEREAS, on July 19, 2017 the Commonwealth Transportation Board adopted a revised policy and approved revised guidelines, for the Revenue Sharing Program (Revenue Sharing Policy and Revenue Sharing Program Guidelines, respectively); and it is the sense of the Board that the existing Revenue Sharing Program Policy and the program guidelines should be amended to provide additional clarification in administration of the revenue sharing program.

WHEREAS, amendments made by the 2018 session of the General Assembly to §33.2-357 of the Code of Virginia (1950) pursuant to HB 765 (Chapter 828) are inconsistent with the Revenue Sharing Policy as revised on July 19, 2017; and

WHEREAS, modification to the Revenue Sharing Policy is necessary to eliminate inconsistencies with § 33.2-357 of the Code of Virginia (1950), as amended by the 2018 General Assembly; and

WHEREAS, the Revenue Sharing Program Guidelines also require modification to ensure consistency with the Revenue Sharing Policy as modified to conform to the changes to § 33.2-357 pursuant to Chapter 828 and to account for proposed program process changes recommended by the Virginia Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the following revised Revenue Sharing Policy to govern the use of revenue sharing funds pursuant to § 33.2-357 of the *Code of Virginia* (1950), as amended by the 2018 General Assembly:

1. The Revenue Sharing Program shall provide a matching allocation up to \$5 million to any county, city or town for projects designated by the locality for improvement, construction, maintenance or reconstruction of highway systems within such locality with up to \$2.5 million for use by the county, city or town for maintenance projects for highway systems within such county, city or town. The maximum total matching allocation, including transfers, that the Board may approve per project shall not exceed

\$10 million.

2. Revenue Sharing funds shall be prioritized and allocated in accordance with the provisions of § 33.2-357 B of the *Code of Virginia* and, then, as further outlined in the Revenue Sharing Program Guidelines.
3. Application for program funding must be made by resolution of the governing body of the jurisdiction requesting the funds. A locality may request funds for a project located within its own jurisdiction or in an adjacent jurisdiction, with a supporting resolution from the governing body of the adjacent locality. Towns not maintaining their own streets are not eligible to receive Revenue Sharing Program funds directly; their requests must be included in the application of the county in which they are located. All requests must include a priority listing of projects.
4. Funds may be administratively transferred by the Department of Transportation from one revenue sharing project to another existing revenue sharing project. Upon request of the locality, VDOT will review a requested transfer for eligibility and then seek concurrence by the respective VDOT District Board member. If approved by the Board, revenue sharing funds may also be transferred to an existing project in the Six Year Improvement Program or Secondary Six Year Plan if needed to meet an advertisement or award date scheduled within one year of the request or to address a completed project which is in deficit. The Department may deallocate the transferred funds if the project has not been advertised or awarded within one year. The Department will establish deallocation procedures. Requests for all transfers must be made in writing by the County Administrator or City/Town Manager. All requests must include the reasons for the request and the status of both projects. Funds from a cancelled project will be returned to the statewide Revenue Sharing Program account and these funds can only be reallocated by the Board. Any funds transferred away from a project cannot be backfilled by future allocation requests or transfers.
5. The Revenue Sharing Program is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. Larger new projects may also be considered; however, if the estimated project cost exceeds the Revenue Sharing Program funding request, the locality must identify other funding sources and commit locality funding amounts as necessary to complete the project. Projects receiving revenue sharing funds shall be initiated and at least a portion shall be expended within one year of the allocation. For any project that has not been initiated within one year, the Board has the discretion to defer consideration of future allocations until the project moves forward. If a project having funds allocated under this program has not been initiated within two subsequent fiscal years of allocation, the funds may be reallocated at the discretion of the Board.

BE IT FURTHER RESOLVED that the Board approves the Revenue Sharing Program Guidelines as revised and attached hereto.

BE IT FURTHER RESOLVED that the Board will reevaluate this Policy and the approved guidelines after two Revenue Sharing application cycles and prior to five years from the effective date of this Policy.

BE IT FURTHER RESOLVED that the Board supports funding the Revenue Sharing Program at a minimum of \$100 million annually and supports funding in greater amounts to the extent permissible under subsection D of § 33.2-357, which provides that, subject to appropriation, the total Commonwealth funds allocated by the Board for the Revenue Sharing Program shall not exceed the greater of \$100 million, or seven percent of funds available for distribution pursuant to subsection D of § 33.2-358 prior to the distribution funds for revenue sharing.

~~**BE IT FURTHER RESOLVED** that the Board should consider increasing the funding provided to the Revenue Sharing Program over a two year period should biennial funding for SMART Scale exceed \$1.2 billion.~~

BE IT FURTHER RESOLVED that, effective immediately upon approval, the Revenue Sharing Policy adopted herein shall become effective and all revenue sharing program policies previously adopted and guidelines previously approved by the Board governing the use of revenue sharing funds shall be rescinded, provided however, that nothing herein is intended to invalidate any actions previously taken pursuant to those policies or guidelines the above policy shall become effective August 1, 2017, and all revenue sharing program policies previously adopted heretofore by the Board governing the use of revenue sharing funds shall be rescinded simultaneously.

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APPENDIX C

**STATEMENT OF PURPOSE, PRIORITIES AND RECOMMENDATIONS
for the Revenue Sharing Program**

CTB Revenue Sharing Program Study Committee

Statement of Purpose, Priorities and Recommendations for the Revenue Sharing Program

The Revenue Sharing program is implemented in accordance with requirements established in Virginia Code. Within that framework, the Commonwealth Transportation Board (CTB) establishes policies to support the most effective and equitable use of Revenue Sharing funds, as well as the most effective and expeditious administration of the Program. As stated in the CTB Revenue Sharing Policy, the Revenue Sharing Program is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. Larger new projects may also be considered, provided the locality commits to any additional funding needed to implement the project within limits of Policy.

General Priorities of the Program:

- Provide funding support for projects of local importance where allocations are expended as set out by the Code of Virginia and projects are completed in a relatively short period of time.
- Provide funding to support projects that focus on immediately needed improvements and will be completed in a relatively short period of time.
 - Provide funding to leverage other projects that support Regionally or Statewide significant projects;

Committee's Priorities for Program Recommendation

- Recommend policies that emphasize fair and equitable distribution of funds, whether initial allocations or subsequent transfers of existing allocations, which support the priorities of the program.
- Recommend policies that, to the best degree possible, provide a high level of funding predictability and certainty for all stakeholders.
- Recommend policies that, as allowable by the Code of Virginia and other State policies, allow Revenue Sharing allocations to be used as financial leverage for other transportation funding programs.
- Recommend policies to ensure the effective use of Revenue Sharing allocations and expeditious completion of Revenue Sharing projects.
- In accordance with the Code of Virginia, policies and processes established by the Board shall be developed with the understanding that allocations are provided to localities for specified projects and are not allocations to localities for their general use on other transportation projects thereafter.

Other Recommendations

- The Study Committee recommends the Board re-evaluate the Policy changes after two subsequent application cycles. This recommendation is included in the updated CTB Policy.
- The Study Committee also recommends that every two years the CTB should evaluate the appropriate funding level of the Revenue Sharing Program. Further, the Committee recommends that should the biennial funding for SMART Scale exceed \$1.2 billion, an appropriate percentage of the increase should go to funding the Revenue Sharing Program; however, the Study Committee recommends that the Revenue Sharing Program should be funded annually at a minimum of \$100 million irrespective of the SMART Scale funding.

APPENDIX C -1

SUMMARY OF 2017 REVENUE SHARING PROGRAM POLICY CHANGES

SUMMARY OF 2017 REVENUE SHARING POLICY CHANGES

Policy Topic	2017 Policy Revision	Impact / Purpose
Initial Allocation from Application		
<ul style="list-style-type: none"> Locality Allocation Request Limitation 	\$5M per locality annually (\$10M per biennial application cycle).	Provide immediate impact of reducing Priority 1 requests allowing more localities and additional projects to receive Revenue Sharing allocations.
<ul style="list-style-type: none"> Project Allocation Limitation 	\$10M per project (statewide match) lifetime, including transfers.	Provide long-term benefits by ensuring very large projects do not continue to exhaust limited Revenue Sharing funding at the disadvantage of smaller projects.
Transfer of Revenue Sharing Funds		
<ul style="list-style-type: none"> Surplus funds from a completed project to existing Revenue Sharing Project 	Recipient project must be viable and in the current Six Year Improvement Plan with concurrence of District CTB Member.	Provide additional oversight but with minimal delay. Provide some benefit of successfully completing project under budget and reduce future need on existing projects.
<ul style="list-style-type: none"> Transfer from on-going Revenue Sharing project to on-going Revenue Sharing project 	Must meet deallocation process requirements: recipient project must be viable and in the current Six Year Improvement Plan; transfer can only go to a project which needs funding to go to advertisement or award within the next 12 months or to address a deficit on a completed project; District CTB member must provide concurrence.	Ensure transfers are made only to projects with an immediate need and minimizes the ability to use Revenue Sharing program as funding source for projects which have not gone through application process. Ensure additional transparency and oversight with minimal delay.
<ul style="list-style-type: none"> Surplus funds from a completed project to non-Revenue Sharing project 	Must meet deallocation process requirements: recipient project must be viable and in the current Six Year Improvement Plan; transfer can only go to a project which needs funding to go to advertisement or award within the next 12 months or to address a deficit on a completed project; approved by CTB action.	Ensure transfers are made only to projects with an immediate need and minimizes the ability to use Revenue Sharing program as funding source for projects which have not gone through application process.
<ul style="list-style-type: none"> Transfer from on-going Revenue Sharing project to non-Revenue Sharing project 	Must meet deallocation process requirements: project must be viable and in the current Six Year Improvement Plan; transfer can only go to a project which needs funding to go to advertisement or award within the next 12 months or to address a deficit on a completed project; approved by CTB action.	Ensure transfers are made only to projects with an immediate need and minimizes the ability to use Revenue Sharing program as funding source for projects which have not gone through application process.
<ul style="list-style-type: none"> Surplus funds from a cancelled project 	Surplus funds must be returned to Revenue Sharing Program Balance Entry; Funds may be reallocated only by CTB action.	Ensures funding which is no longer needed for an approved project returns to the Revenue Sharing Program balance.
<ul style="list-style-type: none"> Miscellaneous Provisions 	Clarification that a Locality may not request additional funds during application cycle to replace funds transferred off a Revenue Sharing project.	Prevent misuse of transfer process eliminating the replacement of funds that have been transferred to other projects; ensures localities plan and estimate for funding provided during application cycle.
Other		
<ul style="list-style-type: none"> Deallocation process - Surplus funds after project completion 	Project subject to deallocation 6 months after projects is completed.	Ensure timely reallocation of surplus funds.
<ul style="list-style-type: none"> Timely expenditure of funding; requirement to expend funds within one year of CTB allocation 	The CTB will have discretion to defer future project allocations when a project has not expended a portion of their Revenue Sharing Funds within one year of CTB allocation.	Ensure timely implementation of projects.

APPENDIX D

CRITERIA FOR MAINTENANCE PRIORITY PROJECTS

Criteria for Maintenance Priority Projects

~~[A locality may apply for a maximum of \\$5 million in matching allocations per fiscal year \(\\$10 million per biennial cycle\) and up to \\$2.5 million \(\\$5 million per biennial cycle\) of these requested funds may be specified for maintenance projects. A locality may apply for up to \\$10 million in matching allocations with up to \\$5 million of these requested funds may be specified for maintenance projects.](#)~~ The criteria for determining if a pavement resurfacing or bridge rehabilitation project meets the priority is described below and is based on the Department's performance targets.

Pavement Resurfacing Projects

Any proposed pavement maintenance project to address a pavement section that was rated as "deficient" (Critical Condition Index (CCI) below 60 or comparable criteria) is eligible for consideration as a maintenance priority project. Any proposed bridge maintenance project to address a poor rating (General Condition Rating (GCR) of 4 or below) on a VDOT or locality maintained bridge or structure is eligible for consideration as a maintenance priority project.

It will be the responsibility of the requesting locality to indicate on the detailed application if a project for which funds are requested meets the priority criteria. VDOT will provide the condition data to verify that determination for all VDOT maintained facilities. For locally maintained facilities, the locality will submit their condition rating data to the local VDOT Manager for review. Any questions about the condition assessment data and whether a project qualifies for priority funds will be determined by the District Maintenance Engineer.

Pavement condition assessments are based on the surface distresses, such as roughness, cracking, patching, rutting, potholes, etc. The detailed findings are summarized into a CCI rating which is based on a scale of 0 to 100, with 100 being assigned to a pavement section with no visible distresses. Any pavement section receiving a CCI rating below 60 is termed "deficient" and can potentially be considered for maintenance activities. The type of maintenance activity is usually selected based on the extent and the severity of distresses present. Any pavement with a CCI rating below 60 can qualify for the established priority criteria.

Bridge Rehabilitation Projects

Bridge Condition Assessments are based on the condition of structures as defined by GCRs that are assigned to each structure during regularly scheduled inspections. These inspections are required by VDOT policy and by the federally mandated National Bridge Inspection Program. For each bridge or culvert, GCR are used to describe the existing, in-place structure as compared to its as-built condition. Evaluations are provided for the physical condition of the deck, superstructure, and substructure, or culvert components of a structure (therefore bridges will usually have three GCR and culverts have one). General Condition Ratings are based on a scale of 0 to 9, with 0 being the worst condition and 9 being the best condition. Virginia categorizes the structure inventory into three categories of Good, Fair, and Poor. They are defined as:

- Good – lowest GCR is greater than or equal to 6. Structures in this category are typically in need of preventive maintenance work such as bridge cleaning, deck sealing, sealing joints, thin deck overlays, and spot/zone painting.
- Fair – lowest GCR is equal to 5. Structures in this category are typically in need of restorative maintenance actions such as deck patching, rigid deck overlays,

reconstructing/closing joints, substructure repairs, fatigue retrofitting, over-coating or re-coating, scour repairs, cathodic protection and electrochemical chloride extraction.

- Poor – lowest GCR is less than or equal to 4. Structures in this category are typically in need of rehabilitation work actions such as deck replacements, superstructure replacements, and culvert rehabilitation, or complete structure replacement.

Virginia performs an annual needs assessment of the structure inventory in order to determine the resources required to address the structures in each condition category. Bridges and culverts that are in the poor condition category can qualify for the established priority criteria, providing the items deemed as poor are being addressed. While bridges and culverts that are in the fair and good condition categories do not meet the primary criteria for priority consideration, maintenance projects are encouraged for these structures as system preservation activities, and these projects would qualify for Revenue Sharing funding.

The requesting locality is responsible for indicating on the application if the project meets the priority criteria. VDOT will provide the condition data to verify that determination for all VDOT maintained facilities. For locally maintained facilities, the locality submits its condition rating data to the local VDOT Manager for review. Any questions regarding the condition assessment data and whether a project qualifies for priority funding will be determined by the District Maintenance Engineer (DME). If a secondary pavement condition assessment is several years old (with latest assessment above deficient determination) the DME will determine if a new assessment can be added to the current review schedule. Interim bridge ratings will not usually be considered and the latest regularly scheduled rating should be the basis for evaluation of the priority criteria. Failure to provide the rating documentation will result in the roadway or bridge ~~project request being determined to being classified as not deficient and would not meet~~ priority 3 selection criteria.

APPENDIX E

REVENUE SHARING APPLICATION PROCESS

APPLICATION PROCESS

The application process generally begins with an announcement or invitation letter, from the Director of Local Assistance, via email and other announcements, to County Administrators and City/Town Managers to participate in the upcoming biennial application cycle. The announcement will include a timeframe in which applications will be accepted through VDOT's SMART Portal.

[A pre-application submittal for each project is required through the SMART Portal in order to be considered for funding during the open application period. This will provide an opportunity for the local VDOT Project Manager to review the eligibility, scope and estimate prior to the final application submittal.](#)

After determining that it will participate in the program, the locality should coordinate closely with their local VDOT Manager to review potential projects. The local VDOT Manager will provide support regarding eligibility, estimates, and scheduling. If the locality is requesting VDOT administration of the project, the locality must coordinate with the local VDOT Manager to obtain the Department's concurrence with the project's scope, schedule, and estimate.

~~[A Pre-Application Coordination Form is provided in Appendix F so that the locality may ensure that it has all the information necessary for the SMART Portal application. The locality is encouraged to review the Pre-Application Form early and familiarize themselves with the SMART Portal during the application process.](#)~~

When submitting multiple project applications, localities will be required to prioritize the applications.

A resolution from the governing body, indicating their desire to participate in the Revenue Sharing program, their commitment to fully funding the projects, and providing appropriate signatory authority, is also required as part of the application process. A sample resolution is provided in [Appendix H](#).

Applications submitted late or left in pending status will not be accepted.

There is no limit on the amount of funds the locality may contribute; however, the locality may receive no more than the maximum amount of state Revenue Sharing funding allocation stipulated by statute or by Commonwealth Transportation Board Policy. Funding provided through other VDOT Programs cannot be used to match Revenue Sharing Program funds. If the locality uses other non-VDOT grant funds as match, the locality must determine if the work being performed is eligible under those non-VDOT programs and the locality is required to meet the requirements of those programs.

During the application process or after final submittal, the designated local VDOT Manager will review the SMART Portal application to make an initial project eligibility determination. If locally administered, the local VDOT Manager will also make an initial determination regarding the ability of the locality to effectively complete the project. Please note that this review also takes the place of the Request to Administer (RtA) Project form used for most other projects and

represents VDOT's concurrence with the locality administering the project, if applicable. While an RtA is not required, it is highly recommended that any locality submitting an application that exceeds \$5 million in construction cost should use the self-evaluation form in the LAP Manual to assist in assessing their ability to manage a more complex transportation project. If federal funds are added to the project, the typical RtA process as outlined in Chapter 10 of the LAP Manual must be followed. For questions regarding eligibility on maintenance performance targets or general condition ratings the designated VDOT Manager should contact the District Maintenance Engineer (DME). If a pavement condition assessment is several years old (with latest assessment above deficient determination) the District needs to work with their DME to see if a new assessment can be added to the review schedule. Bridges have regularly scheduled inspections, but if the condition of the bridge has degraded since the last regularly scheduled assessment the District should contact the DME to see if a new assessment can be requested ahead of schedule. All documentation related to deficient roadways and bridges must be received by the prescribed deadline ~~or the in order for the roadway or bridge roadway or bridge will be classified as not deficient project request to be determined to meet Priority 3 selection criteria.~~

~~The local VDOT Project Manager may reach out to the locality for additional information during this initial review process and may make modifications to the locality's application, with the locality's concurrence. The Local VDOT Project Manager is responsible for reviewing the application to confirm the project scope, estimate is and funding is accurate eligible, meets required criteria, all funding is accurate, and supporting documents are submitted.~~

VDOT's Local Assistance Division will review the final applications and will notify the designated local VDOT Manager of the amount of state matching funds available for use on specified projects in their localities, subject to the approval of the Commonwealth Transportation Board.

After the Local Assistance Division has reviewed the submitted detailed applications, the Local Assistance Division will request the designated local VDOT Manager to enter the data from the detailed application into VDOT's Project Pool and obtain the permanent UPC. A permanent UPC is required for all projects being recommended for approval by the CTB. The District office is responsible for ensuring that the correct scheduling template is chosen when establishing the project in the Department's Project Pool.

~~APPENDIX F~~

~~PRE-APPLICATION COORDINATION FORM~~

REVENUE SHARING PRE-APPLICATION COORDINATION FORM

A SEPARATE FORM SHOULD BE COMPLETED REPRESENTING EACH PROJECT TO BE CONSIDERED FOR ALLOCATION

A locality's combined total request cannot exceed \$5M per year.

Projects receiving funding under this program are to be initiated and a portion of the Revenue Sharing funds expended within one year of allocation
Please use mouse or the 'Tab' key to move to the next field in filling in information (do not use 'Enter' key)

Locality Applicant: >select< of _____	District: >select<
# of Applications Locality is submitting this application cycle: _____	

PROJECT INFORMATION: (Please TAB from field to field)

Locality's Priority #: _____	Route #: _____	and local road name, if available: _____
Has project previously received Revenue Sharing funding? >select< If "Yes", indicate Fiscal Year(s) _____		
State Project Number: _____	UPC #: _____	
Does project meet a transportation need identified in CTB's Statewide Transportation Plan (VTrans)? >select<		
Is project in Locality's capital improvement plan and only by receipt will these funds advance the project advertisement date? >select< If "Yes", indicate date of Current Advertisement: _____ and date of Advanced Advertisement: _____		
Is project work for pavement resurfacing or bridge rehabilitation where the maintenance analysis determines the infrastructure does not meet the Department's performance guidelines? >select< If "Yes", supporting documentation must be included with application. <i>Requests for pavement resurfacing or bridge rehabilitation (maintenance) lacking this documentation will not meet the higher priority selection criteria.</i>		
Scope of Work: >select one<		
Description of work: _____		
Length: _____ (miles)	From: _____	To: _____

PROJECT ESTIMATES (Please TAB from field to field) (cursor on & right click on \$ 0 & select "Update Field" to calculate Total)
Please note that all project work items may not be eligible under the Revenue Sharing Program. Please refer to the [Revenue Sharing Program Guidelines](#) for guidance in considering projects to be developed utilizing Revenue Sharing Program funding.

PHASE	Anticipated Schedule Start Date	Estimated Project Cost	Projects administered by the locality may require some VDOT oversight; please coordinate with your local VDOT office for an estimate of this amount.	
			Estimated VDOT Project Costs	
PE		\$ 0	\$ 0	Estimated VDOT charges, if applicable, must be included as part of the Estimated Project Cost for each phase of the project.
RW		\$ 0	\$ 0	
CN		\$ 0	\$ 0	
TOTAL		\$ 0	\$ 0	

PROJECT TO BE ADMINISTERED BY - >select<- If "Locality", please note below:

Indicating any phase of project work to be administered by the locality and reimbursed using Revenue Sharing Program funding constitutes a "Locally Administered Project". Submission of this application represents the locality's request to administer (RtA) the project work. The RtA form is not required – however, for an application for a project exceeding \$5M estimated construction costs it is recommended that the locality use the [project delivery self-evaluation form](#) in the [Locally Administered Projects Manual](#) to assist in assessing its ability to manage a complex project. Local administration of a complex project will be at VDOT's discretion.

PROJECT FINANCIAL INFORMATION (Please TAB from field to field) (cursor on & right click on >SELECT< or \$ 0 below & select "Update Field")

Revenue Sharing (state) matching funds requested for this Project for FY >select<:	\$ 0
Revenue Sharing (state) matching funds requested for this project for FY >select<:	\$ 0
Revenue Sharing matching TOTAL (state) allocation to be requested this biennial application cycle :	\$ 0
Total Locality Match corresponding to TOTAL (state) allocation requested this biennial application cycle:	\$ 0
Total of other state / federal / local funds (enter amount to the right to include previously approved state & local revenue sharing funds):	\$ 0
Total of all previous funding and this application cycle's Revenue Sharing Program funding to be programmed on Project (this amount should equal TOTAL Estimated Project Cost amount indicated in Project Estimates section of application)	\$ 0
If amount above is less than the TOTAL Estimated Project Cost, the locality must commit to funding this balance	\$ 0

Applicant Locality Representative

I certify this information is accurate and the locality is prepared to commit to providing the required funding to match the amount being requested, if approved, and any balance necessary to fully fund the project.		
<input type="text" value=">name of locality official<"/>	<input type="text" value=">title of locality official<"/>	<input type="text" value="(date)"/>

VDOT Reviewer

<input type="checkbox"/>	The pre- application project information is accurate and project work meets eligibility requirements under the Revenue Sharing Program.
<input type="checkbox"/>	The locality has or will establish that this request meets a need in VTrans, or
<input type="checkbox"/>	The locality has or will sufficiently document that the requested project is in its capital improvement plan and receipt of the requested state match funding, together with the locality's matching funds, will advance the project's advertisement date, or
<input type="checkbox"/>	The locality has or will establish that maintenance analysis has determined that the [pavement or bridge] does not meet the Department's performance guidelines and the requested project will address this deficiency.
<input type="text" value=">name of VDOT official<"/>	<input type="text" value=">title of VDOT official<"/>
<input type="text" value="(date)"/>	

Revised June 2017

APPENDIX G

SUMMARY OF PROJECTS FORM

APPENDIX [HF](#)

SAMPLE RESOLUTION

SAMPLE RESOLUTION

Please note that specific language regarding the locality’s commitment to the funding is a requirement on all resolutions.

At a regularly scheduled meeting of the [name of locality (City/Town Council or County Board of Supervisors)] held on [month & day], 20_____, on a motion by [name of Council or Board member], seconded by [name of Council or Board member], the following resolution was adopted by a vote of [#] to [#]:

WHEREAS, the [name of locality (City/Town Council or County Board of Supervisors)] desires to submit an application for an allocation of funds of up to [enter amount locality intends to provide as its match] through the Virginia Department of Transportation Fiscal Year 20xx-xx, Revenue Sharing Program; and,

WHEREAS, [enter amount locality intends to provide as its match] of these funds are requested to fund [description of work], [termini]; and,

WHEREAS: The [name of locality (City/Town Council or County Board of Supervisors)] hereby supports this application for an allocation of [enter amount locality intends to provide as its match] through the Virginia Department of Transportation Fiscal Year 20xx-xx Revenue Sharing Program.

NOW THEREFORE BE IT RESOLVED, that the Council/Board of Supervisors of the City/Town/County of _____ hereby commits to fund its local share of preliminary engineering, right-of-way and construction (as applicable) of the project(s) under agreement with the Virginia Department of Transportation in accordance with the project financial document(s).

BE IT FURTHER RESOLVED, that the (City/Town Manager/County Administrator/or other named position designee) is authorized to execute all agreements and/or addendums for any approved projects with the Virginia Department of Transportation.

ADOPTED this [day] day of [month year].

A COPY ATTEST

[name] [title]

APPENDIX IG

IMPLEMENTATION PROCESS

IMPLEMENTATION PROCESS

VDOT's Local Assistance Division coordinates with the Infrastructure Investment Division to program the state matching funds for the approved specific revenue sharing projects.

VDOT Administered Projects

1. Prior to proceeding with the development of the project, the locality and VDOT will coordinate the project schedule. The appropriate designated local VDOT Manager will request payment from the locality for its share of the estimated cost of work to be performed prior to work commencing. The locality is required to provide their match prior to project initiation. The local VDOT Manager will send a request to the Revenue Sharing Program Manager with the appropriate information for billing the locality. For projects with an estimated cost of over \$500,000, the locality can request to be invoiced by phase. It will be up to the local VDOT Manager to track when additional billings should be sent. Full payment of the phase is required prior to opening the phase.
2. After the project is completed, the Local VDOT Manager will review the actual costs incurred to determine if there is a surplus or deficit. If a deficit exists, the locality may request surplus funds be transferred from other Revenue Sharing projects or request a final billing for its share. A transfer of other VDOT managed funds (if applicable) may also be requested to cover the deficit. If the locality's share of the actual cost is less than the funding received, the difference may, if desired by the locality, be refunded to the locality or transferred to another existing project as noted in the section describing Transfer of Funds in this guide. The local VDOT Manager must coordinate with the Revenue Sharing Program Manager in order to return any surplus local funding to the locality or to transfer the funds. Any unused matching funds that will be refunded to the locality need to be coordinated with the Revenue Sharing Program Manager prior to processing.
3. Upon completion of a project the District should follow their prescribed close-out procedure. Any surplus revenue sharing funds should be transferred to another qualifying project only in accordance with CTB Policy and these Guidelines (as outlined in [Appendix KAppendix I](#)) to prevent the funds from becoming a candidate for de-allocation.

Locally Administered Projects

1. VDOT has published a [Locally Administered Projects \(LAP\) Manual](#) that provides general guidance for locally administered projects, including those being funded through the Revenue Sharing program. The LAP Manual is available on the Local Assistance Division webpage on the VDOT website.
2. For those projects identified as being locally administered and funded solely with Revenue Sharing funds, VDOT will draft the Programmatic Project Administration Agreement, Appendix A, and Appendix B that governs the performance of work administered by the locality and will cover all projects being administered by the locality. The agreement must be executed by the locality and VDOT prior to incurring any cost to be financed from the Revenue Sharing Program. Any costs incurred prior to the agreement being executed will not be eligible for reimbursement. Note that a Standard Project Administration Agreement can be used instead if the locality prefers a separate agreement for each project. The Request to Administer (RtA) form is not required, since the application identifies whether or not the project is to be locally administered. It is highly recommended that a locality submitting an application that exceeds \$5 million in construction cost should use the Self-

Evaluation form in the LAP Manual to assist in assessing their ability to manage more complex transportation projects. Although uncommon, VDOT may deny a locality's request to administer a project. Please refer to Chapter 2 of the LAP Manual for further explanation.

3. Upon execution of the agreement, and at the request of the District, the project will be opened for a minimal time for VDOT to perform SERP, scoping or inspection if applicable and as provided in the agreement. As invoices are received for payment, the proper phase will be opened for a minimal time to allow the invoice to be processed. Locally administered projects are not opened for extended periods of time.
4. As part of the streamlined process for locally administered projects, prior to award, the locality will forward to the designated Project Coordinator the State Certification Form (for projects funded solely with Revenue Sharing Funds), indicating all applicable laws and regulations pertaining to locally administered state funded projects has been met.

The designated Project Coordinator will provide a letter or email to the locality giving their approval to proceed with the award process. Note that Local Assistance Division will not open the construction phase of a project until the State Aid Certification form has been received and is uploaded into VDOT's Integrated Project Manager (iPM) system.

5. Once the project begins, a project level invoice, accompanied by supporting documentation, should be submitted to the VDOT Project Coordinator no more frequent than monthly, but within 90 days of incurred costs. The supporting documentation should include copies of invoices paid by the locality and a to-date project summary schedule, tracking payment requests and any adjustments. In lieu of copies of invoices paid by the locality, a one-page summary of what documentation the locality has on file may be used, provided that the locality's Director of Finance or (equivalent official) similar position signs it. A request is then forwarded to Local Assistance Division from the local VDOT office requesting the phase opened and the funds authorized for payment. No invoice should be processed for payment without authorization from Local Assistance Division. After all work is completed the locality makes a final billing to VDOT for its share of the actual eligible costs incurred. If the actual cost is less than that provided by the agreement, the difference may be transferred to another revenue sharing project in the locality, or, if the locality desires, refunded to the VDOT Revenue Sharing Program Fund.
6. Any updates to the project's status, schedule, or estimate shall be done by the designated local VDOT Manager or Project Coordinator during the course of the project.
7. Upon completion of a project the District should follow its prescribed close-out procedure. Any surplus revenue sharing funds should be transferred to another qualifying project (as outlined in [Appendix K](#)~~Appendix I~~) to prevent the funds from becoming a candidate for de-allocation. Surplus funds may be transferred only in accordance with CTB Policy and these Guidelines

APPENDIX JH

CERTIFICATION FORM FOR STATE FUNDED PROJECTS

Certification Form for State Funded Projects

Project Number: _____

UPC: _____

This certification form is to be used to certify adherence to all applicable laws and regulations pertaining to locally administered state funded projects. This certification form will not be used for projects utilizing any federal funds. The signature at the bottom will certify that **>INSERT LOCAL GOVERNMENT NAME<** has met the following requirements for state funded projects. VDOT may perform project audits to verify compliance with this certification. False or inaccurate statements identified by VDOT or other state regulatory agencies may result in the requirement to return state aid and/or other penalties as allowed by State law.

Initials	Certification Statement
	Check applicable statement: <input type="checkbox"/> For highways maintained by the LPA, project plans have been designed in accordance with AASHTO standards and signed and sealed by a Virginia registered P.E. in accordance with DPOR; OR <input type="checkbox"/> For highways which will be operated and maintained by VDOT, project plans have been designed in accordance with VDOT Standards and that VDOT has reviewed the plans in accordance with the agreed upon schedule and all necessary design variances/waivers have been attained and the plans have been signed and sealed by a Virginia registered P.E. in accordance with DPOR.
	All required regulatory agency coordination has been made and applicable permits or approvals have been acquired.
	Where VDOT will operate and maintain the highway, that the LPA has performed appropriate due diligence to identify environmental hazards on new right of way and to the best of our knowledge, any existing environmental hazards have been identified and mitigated or a plan for mitigation during construction has been made.
	Project was developed in accordance with State laws and regulations governing public involvement so that adequate and appropriate public notice and opportunity for public comment was provided.
	All right of way has been obtained and that the LPA has legal right of entry onto each and every parcel for the advertisement and construction of the referenced Project.
	The LPA has complied with the Code of Virginia requirements pertaining to relocations and the acquisition of real property.
	All affected utilities have been relocated or companies authorized to relocate their facilities. If not, they are included as in-plan work to be performed by the road contractor.
	The project was advertised in accordance with the Virginia Public Procurement Act and that the advertisement package included all appropriate EEO provisions.
	All environmental regulations as are applicable to local government capital improvement projects and as required by State or federal laws applicable to non federal-aid projects have been met or provisions to meet continuing requirements during construction have been made.

>INSERT LOCAL GOVERNMENT NAME< acknowledges that failure to fulfill its legal obligations associated with those requirements identified in this certification may result in project delays and/or delays or forfeiture of State reimbursements. **>INSERT LOCAL GOVERNMENT NAME<** further acknowledges that obligations associated with those requirements identified in this certification may be subject to audit by VDOT or State oversight agencies.

 Local Government Manager (City Manager, County Administrator, City Engineer or County Director of Public Works or designated authority to sign)

 Date

cc: Project file
 VDOT Project Coordinator
 VDOT Local Assistance Director

(Please refer to the [Locally Administered Projects \(LAP\) Manual](#) for the most current form)

APPENDIX KI

**REVENUE SHARING PROGRAM
PROJECT TRANSFER AND DEALLOCATION PROCESS**

REVENUE SHARING PROGRAM PROJECT TRANSFER AND DEALLOCATION PROCESS

Revenue Sharing funding is allocated to specific projects through an application process and the allocations are generally not intended to be transferred to supplement other Revenue Sharing projects or become a revenue source for other projects which have not received Revenue Sharing allocations. However, under limited circumstances Revenue Sharing allocations may be transferred to other projects in accordance with the following procedures:

1. Surplus funds from a completed project may be transferred to an existing Revenue Sharing project within the same locality that needs funds to meet an advertisement or award date within 1 year of request or to meet a deficit on a completed project with approval of the Commonwealth Transportation Board District member.

- Within six months of project completion, the locality's County Administrator or City/Town Manager, as applicable, must submit a request, in writing, requesting such a transfer to their local VDOT Manager.
- The local VDOT Manager will notify the Local Assistance Division (LAD) Revenue Sharing Program Manager of such request to ensure that funding is available to be transferred and that no outstanding issues exist that would preclude such a transfer. The LAD Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with the Infrastructure Investment Division). The LAD Revenue Sharing Program Manager also verifies that there are no restrictions applicable to the particular fiscal year's funding which would disallow the requested transfer.
- After receiving concurrence from LAD, the local VDOT Manager will request written concurrence from the District Commonwealth Transportation Board (CTB) member. The local VDOT Manager will forward the concurrence to LAD Revenue Sharing Program Manager, along with a complete IID-24.
- The LAD Revenue Sharing Program Manager will review the IID-24 and forward to the Infrastructure Investment Division for processing in PAM and Cardinal and record the transfer in the Revenue Sharing database.
- An email is then sent to the designated local VDOT Manager indicating that the transfer of funding has been completed. If applicable, project agreements are modified (or request made of project manager to do so) and are transmitted with the transfer approval letter.

2. Surplus funds may be transferred to an existing non-Revenue Sharing Project in the Six Year Improvement Program or Secondary Six Year Plan that needs funds to meet advertisement or award date within 1 year of request or to address a deficit on a completed project, with the approval of the Commonwealth Transportation Board.

- Within six months of project completion, the locality's County Administrator or City/Town Manager, as applicable, must submit a written request for a transfer to their local VDOT Manager.
- The local VDOT Manager will notify the LAD Revenue Sharing Program Manager of such request to ensure that funding is available to be transferred and that no outstanding issues exist that would preclude such a transfer. The LAD Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to

determine amount available for transfer (in coordination with the Infrastructure Investment Division). The LAD Revenue Sharing Program Manager also verifies that there are no restrictions applicable to the particular fiscal year's funding which would disallow the requested transfer.

- After receiving concurrence from LAD, the local VDOT Manager will ensure that the District CTB member is aware of the pending request.
- The Revenue Sharing Program Manager will coordinate with the local VDOT Manager to prepare a CTB Resolution and decision brief and will present the request at the next possible CTB Meeting for CTB action.
- If concurrence is provided by the CTB, the local VDOT Manager will prepare an IID-24 and provide to the Revenue Sharing Program Manager. After review, the Revenue Sharing Program Manager forwards the IID-24 to the Infrastructure Investment Division for processing in PAM and Cardinal and records transfer in Revenue Sharing database.
- An email is sent to the designated local VDOT Manager indicating the transfer of funding has been completed. If applicable, project agreements are modified (or request made of project manager to do so) and is transmitted with the transfer approval letter.

3. Surplus funds from a cancelled project must be deallocated and returned to the statewide Revenue Sharing program account; these funds can only be reallocated by the Commonwealth Transportation Board.

- After receiving an email from the locality that a project is to be cancelled, the LAD Revenue Sharing Program Manager prepares an IID-24 that is transferring funds from the cancelled project to the Revenue Sharing Balance Entry account, and forwards to the Infrastructure Investment Division for processing in PAM and Cardinal financial systems.
- The LAD Revenue Sharing Program Manager records the transfer in Revenue Sharing database.

4. All other transfers must meet the conditions of the deallocation process, which limits transfers to projects which need the additional funding to meet an advertisement date or award date within one (1) year of the transfer requests, or that addresses an existing deficit on a completed project. The following requirements also apply as necessary:

- When a transfer is requested to another existing Revenue Sharing project, concurrence from the District CTB member is required.
- When a transfer is requested to a non-Revenue Sharing project, approval from the CTB is required. Any non-Revenue Sharing project that receives a Revenue Sharing allocation outside the application cycle will not be considered an existing Revenue Sharing project for allocation prioritization purposes.

The transfer process is outlined in paragraphs 1 and 2 above, as applicable.

For any transfer to a project which requires advertisement or award within one (1) year of request or CTB approval, the LAD Revenue Sharing Program Manager will notify the locality of the upcoming deadline, in writing, at least two months prior to the advertisement or award deadline, if advertisement or award has not yet been completed. The LAD Revenue Sharing Program Manager will copy the local VDOT Contact and the District CTB member. If locality cannot meet the deadline, the LAD Revenue Sharing Program Manager will initiate deallocation unless an exception is provided.

If the terms of the transfer, including the requirement to advertise or award the project, cannot be met by the locality, the locality may request to retain their funding. Such request must be submitted to the Director of Local Assistance, in writing, by the County Administrator or City/Town Manager at least 15 business days prior to the deadline. The request must include reasons for the inability to meet the transfer terms, including actions taken to meet the terms of the transfer and when the terms will be met.

Coordination with the local VDOT Manager regarding the request is strongly recommended. The Director of Local Assistance will consult with District CTB Member prior to the final decision to approve the locality request or to deallocate, as pertinent. The final decision will be provided to the locality and the local VDOT Manager in writing, with a copy to the District CTB Member.

De-allocation

Identification of Projects Subject to De-allocation:

- § 33.2-357 was modified in 2008 to include a provision establishing timeframes for the expenditure of funds with an additional modification made in 2012. The language indicates that any project having funds under the revenue sharing program shall be initiated in such a fashion where at least a portion of the funds have been expended within one year of allocation. Any revenue sharing funds for projects not initiated after two subsequent years of allocations may be reallocated at the discretion of the Commonwealth Transportation Board. Criteria for identifying projects for potential de-allocation:
 - Project completed with allocations remaining and no activity for 6 months
 - Project which has not been initiated within two (2) fiscal years of allocation
 - Project which is on-going, where for 24 months no portion of allocated revenue sharing funds has been expended or project has been inactive.

Process for de-allocation:

- At the end of each fiscal year, the Revenue Sharing Program Manager will obtain from the Revenue Sharing database a list of revenue sharing projects that received allocations for that fiscal year and have had no project expenditure activity.
- The Revenue Sharing Program Manager will discuss these projects with the local VDOT PIM and determine which projects have not yet been initiated. Once those have been identified, the Revenue Sharing Program Manager will send a letter to the locality advising the of the potential that project funding may be de-allocated if the project is not initiated within the next twelve (12) months and of the possibility that no additional funds may be allocated by CTB until the project is initiated.
- Each spring, the Revenue Sharing Program Manager reviews a list of revenue sharing projects obtained from the Revenue Sharing database that have had no activity in past 24 months [and projects that have been completed for 6 months or more with surplus funds](#), for the formal de-allocation review.
- The Revenue Sharing Program Manager will provide to the designated local VDOT Manager a list of potential projects for de-allocation.
- The designated local VDOT Manager will coordinate with each affected locality to determine the project status and provide an action plan and recommendation whether funds should be de-allocated or whether there is justification to retain the funds. This action plan and recommendation will be provided back to the LAD Revenue Sharing Program Manager within 45 days.
- Projects that are identified by the designated local VDOT Manager as complete will be closed and the designated local VDOT Manager will be asked to provide proper documentation within 45 days

to transfer funds to another qualifying project, in accordance with CTB Policy. A qualifying project is a revenue sharing project that is completed and in deficit, or an on-going project that needs additional funds to meet a scheduled advertisement or award within 12 months.

- Once a project is identified for de-allocation a list will be presented at the January CTB meeting for consideration in the removal of Revenue Sharing project funds. Localities will be notified of proposed de-allocations at least 30 days prior to presentation to the CTB.
- If the decision is made to de-allocate the funds, those funds will be removed from the project and made available for statewide redistribution at a later date. Any locality matching funds that had been provided to VDOT by the locality for the funds being de-allocated will be refunded to that locality through the respective District office.
- For completed projects, after notification that a project has been completed, the Revenue Sharing Program Manager will notify the locality of the amount of surplus funds and that the Locality has six (6) months from the project's completion date (as identified by a submitted C-5, final invoice, or other notification by the District Office) to request a transfer of those funds in accordance with the CTB Policy and these Guidelines, or those funds will be subject to deallocation. Prior to the six-month deadline, the locality's County Administrator or City/Town Manager, as applicable, must submit a written request for a transfer to their local VDOT Manager, or provide written justification to their local VDOT Manager for a deferral of the deallocation. Deferrals will only be provided under extenuating circumstances.

As previously noted, surplus funds from a cancelled project must be deallocated and returned to the statewide Revenue Sharing program account; these funds can only be reallocated by the Commonwealth Transportation Board.

Office of Intermodal Planning and Investment (OIPI)

VTrans Update Kick-off

Commonwealth Transportation Board

October 29, 2018

Nick Donohue

Deputy Secretary of Transportation

Jitender Ramchandani, AICP, PMP

Transportation Planning Program Manager





PURPOSE

- Update - VTrans Implementation Plan
- Kick-off – VTrans Update



UPDATE – VTRANS IMPLEMENTATION PLAN

- VTrans2040 Guiding Principles were adopted by the Board in December 2015.
- VTrans Implementation Plan includes specific high-priority strategic actions.
 - All actions are linked to one or more Board-adopted Guiding Principles.
- The Board will receive two status updates per calendar year from OIPI.



UPDATE – VTRANS IMPLEMENTATION PLAN

- VTrans lays out the overarching vision and guiding principles for transportation in the Commonwealth.
 - GP 1: Optimize Return on Investments
 - GP 2: Ensure Safety, Security, and Resiliency
 - GP 3: Efficiently Deliver Programs
 - GP 4: Consider Operational Improvements and Demand Management First
 - GP 5: Ensure Transparency and Accountability, and Promote Performance Management
 - GP 6: Improve Coordination Between Transportation and Land Use
 - GP 7: Ensure Efficient Intermodal Connections
- These Guiding Principles will be updated as part of the VTrans Update.



UPDATE – VTRANS IMPLEMENTATION PLAN

- Actions that will be executed as part of [the VTrans Update](#):
 - Evaluate mid- and long-term viability of federal, state, and regional revenues for multimodal transportation investments.
 - Identify surface transportation infrastructure needs and associated policy and legislative requirements to ensure Virginia’s readiness for shared mobility, and autonomous & connected vehicles.
 - Complete a resiliency assessment of Virginia's multimodal network from a transportation planning perspective.
 - Promote multimodal planning efforts by making VTrans the planning document for all mid- and long-range statewide modal planning efforts.
 - Evaluate opportunities to establish stronger connections between VTrans and investment decisions.



UPDATE – VTRANS IMPLEMENTATION PLAN

- Actions that **promote best practices** across agencies and divisions:
 - Evaluate the feasibility of extending functionality of the SMART PORTAL to the remaining application-based capital and transit operating funding programs administered by OIPI, VDOT, and DRPT.
 - Evaluate the feasibility of a combined dashboard to monitor performance and delivery of projects, programs, and activities included in SYIP.
 - Create a state-led training and technical assistance program to promote performance-based planning practices, and build capacity at local and regional agencies, system operators, and mobility service providers.



UPDATE – VTRANS IMPLEMENTATION PLAN

- Discrete activities **to be initiated in the coming months:**
 - Develop processes to evaluate and monitor performance of SMART SCALE investments.
 - Develop a grant program to prepare local jurisdictions and regions for emerging planning trends and to inform VTrans needs assessment.
 - Create and fund a pilot program to collaborate with local jurisdictions and shared mobility companies to fund more effective and efficient delivery of mobility services.
 - Promote multimodalism by developing new processes or modifying existing processes to ensure existing and anticipated multimodal needs are considered where appropriate.



KICK-OFF – VTRANS UPDATE

- Overview of Approach to VTrans Update
 - VTrans requirements
 - Key modifications
 - Major components
 - Expected outcomes
 - Tentative timeline



VTRANS REQUIREMENTS

- Key Requirements
 - Federal requirements per 23 U.S.C. 135 and other
 - § 33.2-353: OIPI to assist the CTB in the development and update of a Statewide Transportation Plan.
 - § 2.2-229: OIPI to assist the Commonwealth Transportation Board in the [development of a comprehensive, multimodal transportation policy](#), which may be developed as part of the Statewide Transportation Plan pursuant to § 33.2-353.
- Several other business requirements



KEY MODIFICATIONS



- VTrans Update aims to:
 - Identify challenges and opportunities associated with trends
 - Demographic and land development
 - Economic
 - Financial (Sustainable funding)
 - Accessibility
 - Provide a more complete picture for transportation investments
 - Convey trade-offs and opportunity cost associated with policy options
 - Relative return on investments for different investment categories



KEY MODIFICATIONS

- VTrans Update aims to provide compelling, easy-to-communicate snapshot of existing and envisioned transportation in Virginia.
 - Convey economic benefits associated with transportation investments
 - Identify changes in economic output and productivity
 - Identify regional connectivity needs





KEY MODIFICATIONS (Themes)



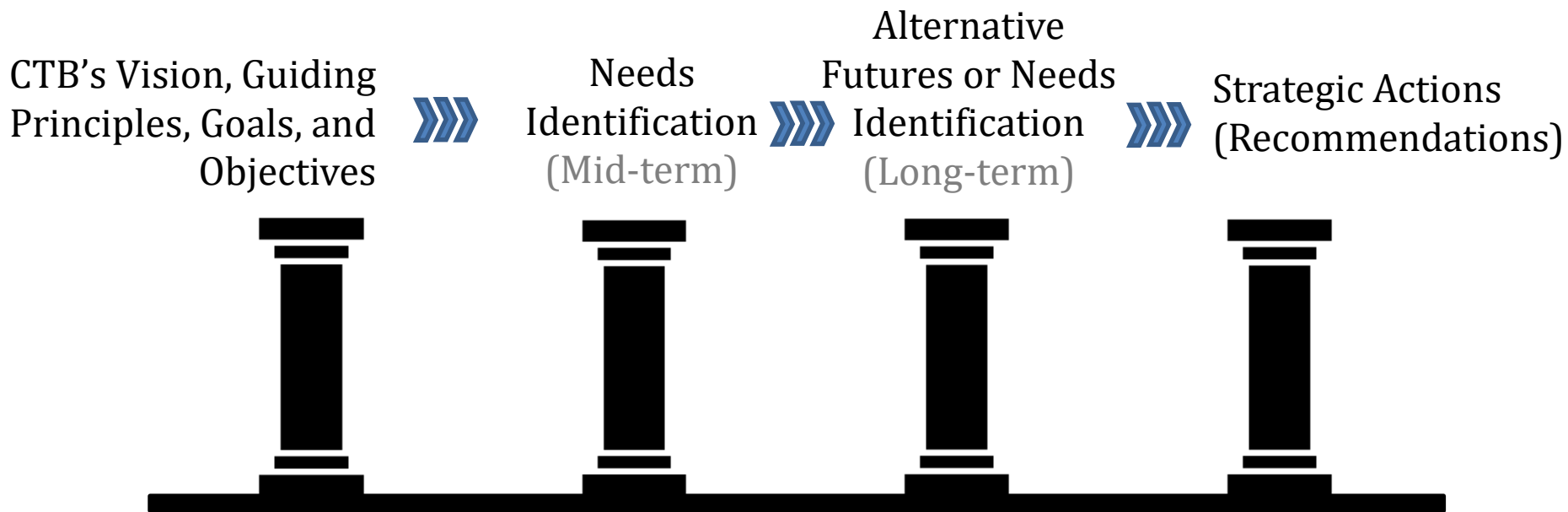
Image Source: USDOT

- Themes to be shared throughout the VTrans development process:
 - Resilient Transportation Infrastructure
 - Smart Transportation Infrastructure
 - Smarter Investments
- Increase awareness among public and local agencies
 - Share CTB and agency initiatives



MAJOR COMPONENTS

- VTrans – CTB’s Vision and Plan for Transportation in the Commonwealth





MAJOR COMPONENTS (REAFFIRMATION OF VISION)



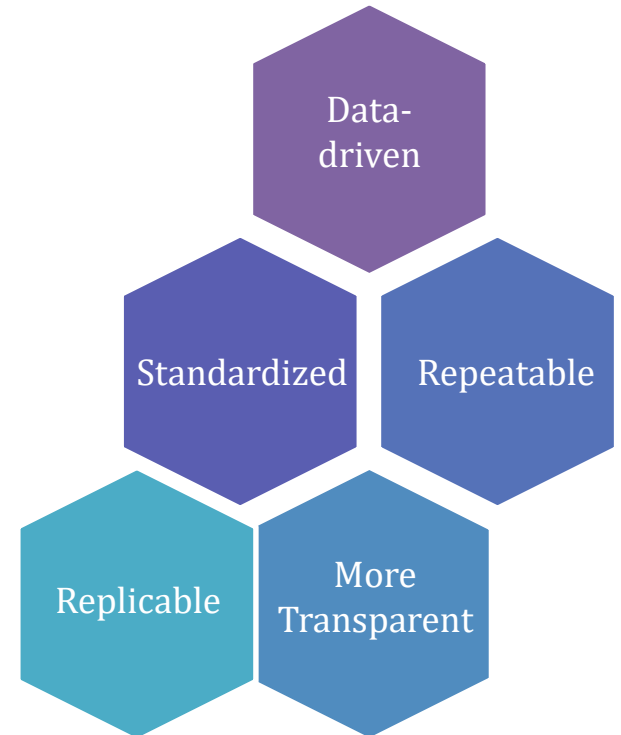
- Review existing system condition
 - Physical condition
 - Performance
 - Financial scenario
- Evaluate impacts of trends and drivers
- Reaffirm or, if needed, modify vision, goals, and guiding principals
- **By June 2019**



MAJOR COMPONENTS (MID-TERM NEEDS)

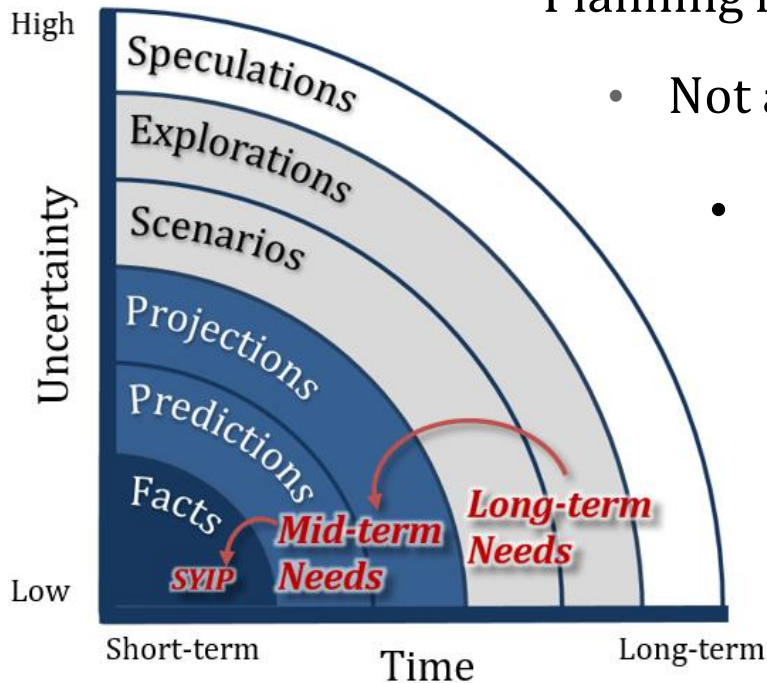
- Planning horizon: 0- 10 years
- **CTB to adopt a policy for needs identification**
 - Define “transportation need”
 - Review of VTrans need categories (e.g. CoSS, RN, UDA, Safety)
 - Utilize adopted Performance Targets, new measures or Key Performance Indicators (KPIs)
- **Adoption of the mid-term needs by December 2019**
 - Inform SMART SCALE Round 4 (application intake in 2020)

Ensure that methods are:





MAJOR COMPONENTS (LONG-TERM NEEDS)



- Planning horizon: 10+ years
 - Not an attempt to predict, but to be prepared
 - Develop three scenarios, associated needs and revenue impacts
 - Establish connection between mid-term and long-term needs
 - **Finalize by 2020**



MAJOR COMPONENTS (STRATEGIC ACTIONS)



- Develop strategic actions for Board's consideration:
 - Policy options and recommendations
 - Priorities for project planning activities



EXPECTED OUTCOMES

- Provide policy options for investment decisions to prepare for the future
 - How to ensure that transportation investments support desired growth and economic development?
 - What is the opportunity cost associated with delaying or not pursuing certain investments?
 - Is there a need to change approach to transportation investments to be better prepared for technological changes and associated revenue impacts?
 - How to reflect planning considerations for making transportation infrastructure less vulnerable to extreme natural events?



ONGOING ENGAGEMENT

- With CTB Members
 - VTrans-specific workshop in May or June 2019
 - Presentations at scheduled CTB workshops
 - Briefings at key project milestones
 - Monthly updates
- With Agencies and Public
 - Public meetings in all nine districts
 - Presentations at MPOs and PDCs throughout the Commonwealth
 - **Statewide survey in Spring 2019 to gauge opinions, attitude, and preferences towards transportation issues**
 - Continued involvement through Fall and Spring Transportation Meetings
 - Active online and social media presence



VITAL INFRASTRUCTURE REPORT OVERVIEW

Garrett Moore, Chief Engineer

John Lawson, Chief Financial Officer

October 30, 2018

Topics

Budget Language report – Chapter 2 (2018)

What makes a structure VITAL

Other state DOTs' practices

State of Good Repair Program Funding scenarios

Other options

Next steps

Chapter 2 (2018) Requirements for Virginia's Large & Unique Bridge and Tunnel Structures

CTB Report by December 2018

Overall condition

Funding needs

Recommendations for addressing funding within the State of Good Repair Program

Assess the Impact of

Establishing a set-aside from the State of Good Repair Program

Limited use of allowing district minimum cap waiver (§ 33.2-369(B))

Other options the Board identifies

State of Good Repair Program

Section 33.2-369, Code of Virginia

Description	Pavement	Bridge
Purpose	Reconstruction/Rehabilitation (Deteriorated)	Reconstruction/Replacement (Structurally Deficient)
System	Interstate/Primary/Primary Extensions	All Systems (VDOT and Locally Maintained)
Priority Ranking Consideration	Mileage, Condition, Costs	Number, Condition, Costs
Distribution	<p>All nine construction districts receive allocations each year Based on needs Minimum allocation of 5.5% and maximum allocation of 17.5% per district per year</p>	
CTB Approved Waivers (Optional)	Key Project - extraordinary circumstances only – the maximum allocation of 17.5% can be waived in a given year	
	20% - Secondary Pavements (Optional if VDOT secondary target not met)	N/A

What makes a structure VITAL

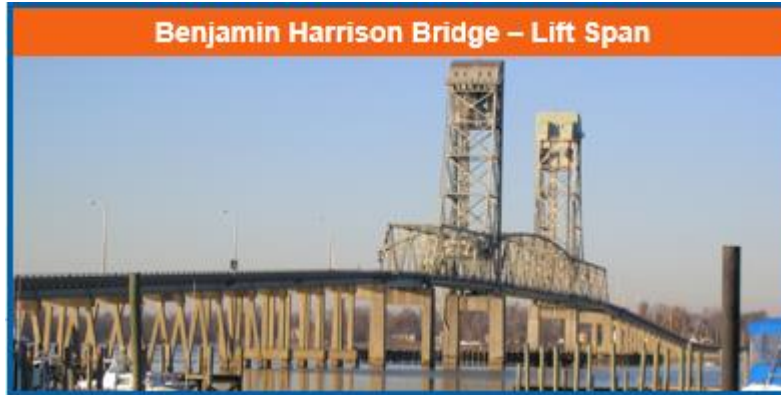
(*VITAL Infrastructure – Very Large, Indispensable, Transportation Asset List*)

Tunnels



Unique components and operational needs

Movable Bridges



Large, Complex Structures



Reviewed entire inventory for all bridges
All segmental post-tensioned
Complex structures over 2,000 feet in length

What makes a structure VITAL

Risk

Fracture Critical
Safety

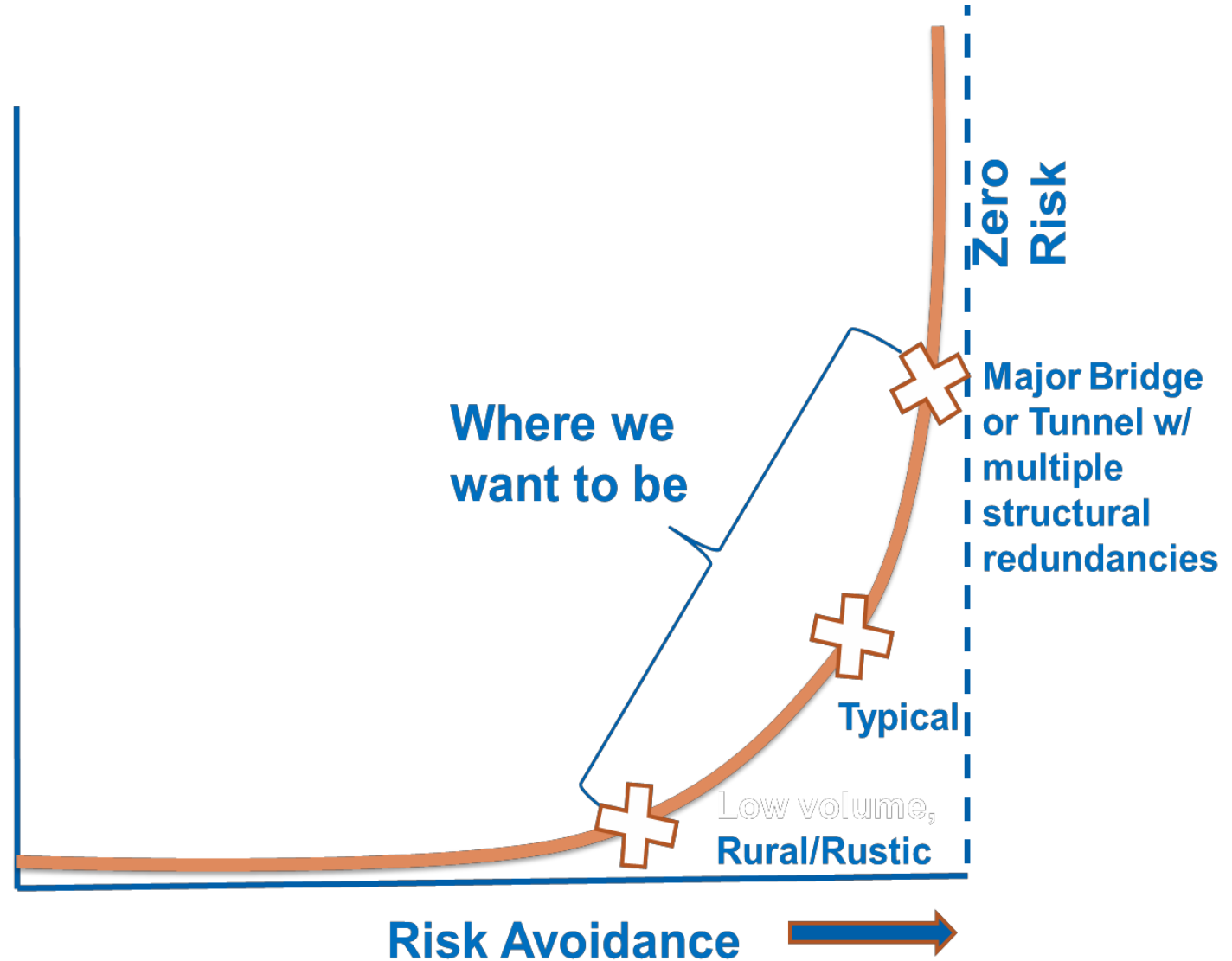
Complexity

Maintenance Cost

Importance

Long Detours
High Traffic
Economic Significance
(Shipping and Vehicular)
Access to Critical Facilities
(Military and Ports)

↑
Cost



Other State DOTs' Practices

Public-Private Partnership

PennDOT – small bridge program

Fuel Tax Increase

South Carolina – dedicated funding for infrastructure maintenance and 10-year plan

Tolling provides dedicated funding

New Jersey

Rhode Island

State of Good Repair Funding Scenarios

1. Off the Top (VITAL Infrastructure - First)

Prior to distribution of available amounts to the districts

2. From the Host District's Existing State of Good Repair Program distribution for VITAL Infrastructure

Reduces funding available for pavements and bridges in the host district

3. Include VITAL Infrastructure Needs in the State of Good Repair Program distribution

1. Keep districts percentages (minimum and maximum)
2. Remove maximum and minimum district percentages

Other Options

Fund needs through the Maintenance Program – reduces amount available for construction

Establishment of a reserve fund to smooth annual budgetary impacts

Use of debt financing – would require a dedicated revenue

Next Steps

Finalize the VITAL Infrastructure report

Share findings with the CTB

Present in CTB December Workshop

Request approval in CTB December Action Meeting

Questions



FINANCIAL UPDATE

 John Lawson, Chief Financial Officer

October 29, 2018

Financial Update Items

- **VDOT Financial Performance through September**
- **August State Revenue Update**
- **Federal Fiscal Year 2020 Rescission**

September Revenue Overview

Commonwealth Transportation Fund (CTF) revenues increased 6.3 percent over the same period in last year

4.1 percent higher than the estimated annual growth rate of 2.2 percent

Motor Fuel Taxes increased by 10.2 percent, exceeding the anticipated growth rate of 6.0 percent

The transportation share of the State Retail Sales and Use Tax revenues increased 10.6 percent over the previous year through September.

Performing above the annual target growth rate of 2.3 percent.

Federal revenue collections, remain steady, supporting program activities as expected.

Commonwealth Transportation Fund Highway Maintenance & Operating Fund and Transportation Trust Fund Revenues

Revenue	FY 2019 Estimate	(Dollars in Thousands) September Year to Date			% Annual Growth Required by Estimate
		FY 2019	FY 2018	% Change	
Motor Fuel Taxes	\$908,700	\$192,894	\$175,060	10.2	6.0
Priority Transportation Fund (PTF)	168,655	131,543	131,066	0.4	0.4
Motor Vehicle Sales and Use Tax	995,000	266,006	258,153	3.0	1.1
State Sales and Use Tax	1,067,800	224,767	203,234	10.6	2.3
Motor Vehicle License Fees	259,200	70,033	65,948	6.2	0.1
International Registration Plan	64,200	14,496	12,221	18.6	(7.2)
Recordation Tax	48,300	12,095	12,928	(6.4)	1.1
Interest Earnings	4,200	219	78	180.8	(52.7)
Misc. Taxes, Fees and Revenues	17,200	5,108	4,242	20.4	(12.3)
Total State Taxes and Fees	<u>\$3,533,255</u>	<u>\$917,161</u>	<u>\$862,930</u>	6.3	2.2

Source: Commonwealth of Virginia/Department of Accounts, HMOF and TTF Revenues, Summary Statement of Selected Revised Revenue Estimates & Collections, Fiscal Years 2018 and 2019.

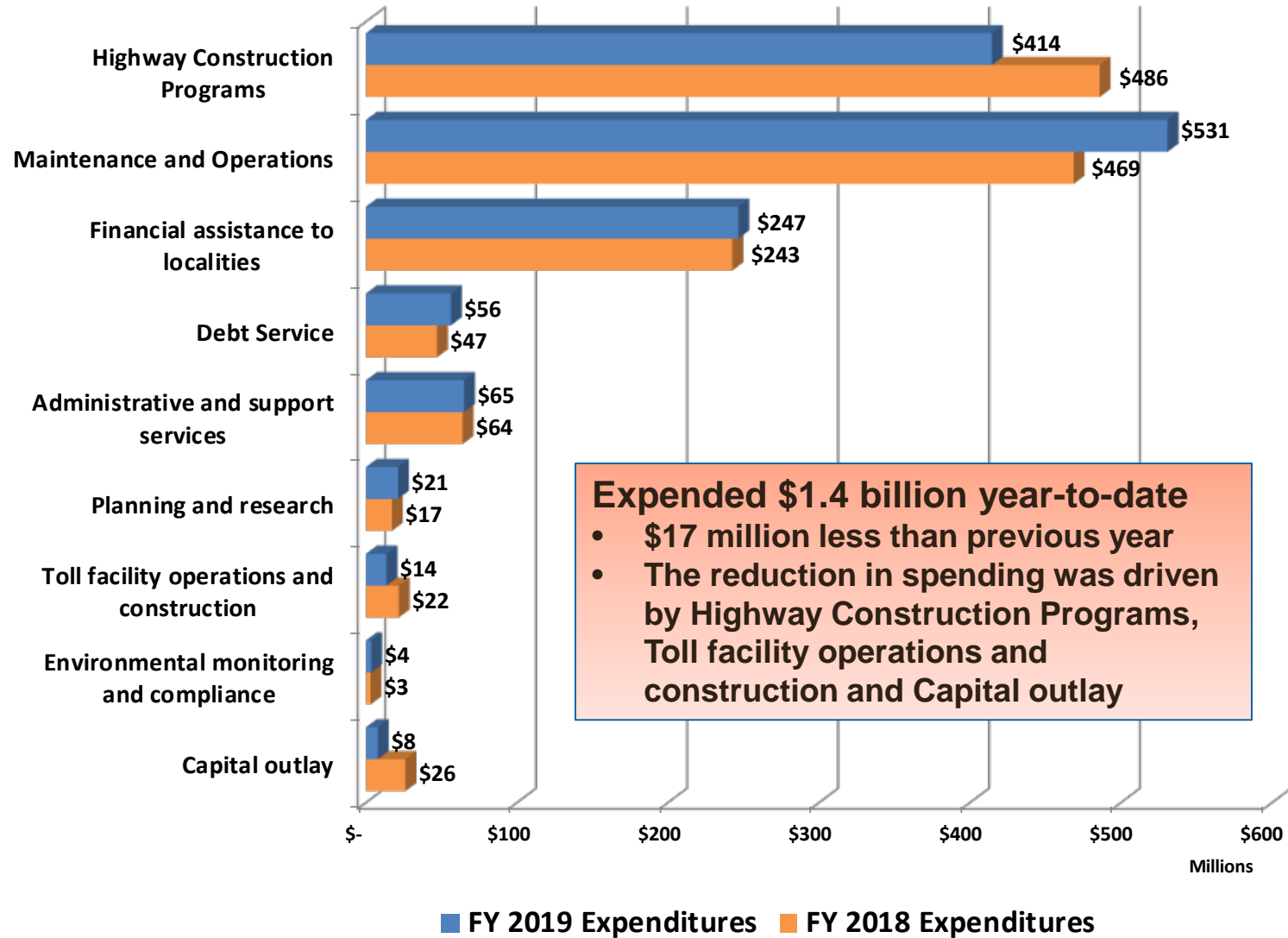
VDOT Federal Revenue

Federal revenue collections totaled \$641.8 million;
\$47.2 million more than through September 2017

(Dollars in Thousands)

Program	FY 2019		FY 2018		Difference
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	
Construction	\$316,236.9	49.3%	\$296,319.6	49.8%	\$19,917.3
Maintenance	260,718.2	40.6%	244,520.2	41.1%	16,198.0
Planning & Research	7,214.1	1.1%	3,932.7	0.7%	3,281.4
Debt Service	56,247.3	8.8%	47,038.0	7.9%	9,209.3
Other Programs	1,401.6	0.2%	2,854.8	0.5%	(1,453.2)
Total VDOT Programs	\$641,818.2	100.0%	\$594,665.4	100.0%	\$47,152.8

First Quarter Expenditures by Program



FY 2019 Construction Program Summary

Total spending through September
 \$414.5 million;
 \$71.4 million less than the prior year

Actual spending was \$15.5 million less
 than anticipated.

Spending by Service Area shows the
 transition to the new program structure

	(Dollars in millions)			
	FY 2019	FY 2018	Difference	
	Expenditures to Date	Expenditures to Date	Amount	Percentage
State of Good Repair	\$ 13.04	\$ 23.08	\$ (10.04)	-43%
High Priority Projects	21.38	1.37	20.02	1465%
Construction District Grant	19.37	7.72	11.65	150.9%
Specialized State and Federal	310.25	391.96	(81.71)	-20.8%
Legacy Construction Formula	40.22	52.00	(11.78)	-22.7%
Total Systems Construction	\$ 404.26	\$ 476.13	(71.86)	-15.1%
Program Management & Direction	\$ 10.23	\$ 9.77	\$ 0.46	4.8%
Total	\$ 414.50	\$ 485.90	\$ (71.40)	-14.7%
Anticipated Spending Year to Date	<u>\$ 430.0</u>			
Variance	<u>\$ (15.5)</u>			

FY 2019 Maintenance Program Summary

Expended \$530.9 million through September 2018

Year-to-date spending was \$62.2 million higher than in FY 2018

(Dollars in millions)

Service Area	FY 2019			FY 2018			Difference
	Allocations	Expenditures to Date	% Expended	Allocations	Expenditures to Date	% Expended	
Interstate Maintenance	\$426.0	\$94.0	22%	\$408.6	\$92.7	23%	\$1.3
Primary Maintenance	602.2	143.6	24%	569.2	109.0	19%	34.7
Secondary Maintenance	581.2	212.3	37%	581.6	195.0	34%	17.4
Services	128.9	54.3	42%	180.5	45.2	25%	9.0
Program Management & Direction	80.2	26.6	33%	76.9	26.8	35%	(0.2)
TOTAL	\$1,818.4	\$ 530.9	29.2%	\$1,816.8	\$468.7	25.8%	\$62.2
Anticipated Spending Year to Date		\$560.8					
Variance		\$ (29.9)					

Financial Assistance to Localities - Special Funds

Northern Virginia Transportation Authority Fund

	Annual Forecast	Forecast YTD	Actual YTD	Difference
Revenue Collected	\$266.8	\$58.3	\$59.4	\$1.1

Dollars in millions

Hampton Roads Transportation Fund

	Annual Forecast	Forecast YTD	Actual YTD	Difference
Revenue Collected	\$188.2	\$37.7	\$41.1	\$3.4

Dollars in millions

Major Fund Cash Balances

Fund	(in millions)		
	FY 2019 Balance	FY 2018 Year End Balance	Change
<u>Operating Funds</u>			
Highway Maintenance and Operating	\$ 190.3	\$ 177.0	\$ 13.3
Transportation Trust Fund - Construction	654.4	485.5	168.9
Total	<u>844.7</u>	<u>662.5</u>	<u>182.2</u>
<u>Dedicated Funds</u>			
Concession Fund	564.5	569.1	(4.6)
Priority Transportation Fund	384.6	246.0	138.6
Toll Facility Revolving Account	44.4	43.1	1.3
Transportation Partnership Opportunity Fund (TPOF)	27.5	27.5	-
Virginia Transportation Infrastructure Bank (VTIB)	196.7	196.7	-
Total	<u>1,217.7</u>	<u>1,082.4</u>	<u>135.3</u>
<u>Bond Funds Held by Trustee</u>			
CPR Bonds Fund	56.1	115.4	(59.3)
GARVEE Bonds Fund	339.5	360.9	(21.4)
Total	<u>395.6</u>	<u>476.3</u>	<u>(80.7)</u>
Grand Total	<u>\$ 2,458.0</u>	<u>\$ 2,221.2</u>	<u>\$ 236.8</u>

AUGUST STATE REVENUE UPDATE



State Revenue – August update, Difference since December 2017

Highlights of the 2019-2024 outlook period

Reduction of \$264 million in Motor Fuel Tax Revenues

Increase of \$134.8 million in Motor Vehicle Sales and Use Tax

Reduced Insurance Premium estimate impacting PTF expectations

Official revenue forecast update in December

Impact to SYFP and SYIP will be outlined in January 2019

State Revenue – August update, Difference since December 2017

	(In millions)						
STATEWIDE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Impact by Fund							
HMOF	\$ 0.4	\$ 0.6	\$ 0.6	\$ 0.4	\$ 0.1	\$ 0.3	\$ 2.4
TTF	(26.4)	(26.9)	(27.5)	(28.1)	(28.8)	(29.2)	(166.9)
Total	\$ (26.0)	\$ (26.3)	\$ (26.9)	\$ (27.7)	\$ (28.7)	\$ (28.9)	\$ (164.5)
TTF Breakdown							
Modal Distribution							
Highway Construction	(9.2)	(9.3)	(9.4)	(9.6)	(9.7)	(9.8)	(56.9)
Transit	(1.7)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(10.6)
Ports	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(3.0)
Airports	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(1.7)
Mass Transit	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(8.5)
IPROC	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(4.1)
WMATA Capital Fund	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.2)
Recordation Tax	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(3.0)
3.7% to Mass Transit Fund (Fuel Tax)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(12.0)
PTF	(10.1)	(10.4)	(10.7)	(11.1)	(11.6)	(11.9)	(65.8)
	\$ (26.4)	\$ (26.9)	\$ (27.5)	\$ (28.1)	\$ (28.8)	\$ (29.2)	\$ (166.9)

FAST ACT RESCISSION



What is a Rescission?

- Legislation enacted by Congress that cancels the availability of budget authority (e.g., contract authority (CA) or apportionment) before that authority would otherwise expire
- Does not affect obligation authority (OA)
- Used to reduce spending
- Rescissions have been implemented in the past

FAST Act Rescission

- \$7.569 billion of unobligated CA
- Based on unobligated apportionment balances as of September 30, 2019
- Will be applied and funds taken on July 1, 2020
- Reduces unobligated balances in eligible funding categories
- Congressional action would be required to eliminate or change the rescission

FAST Act Rescission – Exempted Categories*

Generally, it does not apply to the least flexible fund sources

- Safety
- Rail
- STP/STBG funds suballocated by population (i.e., RSTP, STP 5k<200k, STP<5k)
- Earmarks
- Other allocated funds, grants, or loans (e.g., TIGER, INFRA, BUILD, TIFIA)

***Not all inclusive**

FAST Act Rescission – Impacted Categories*

- In general, impacts larger, more flexible and widely used fund sources
 - STP/STBG Flexible
 - NHPP
 - CMAQ and CMAQ Set-Aside
 - NHFP
- Also impacts some required and special programs
 - Enhancement and Transportation Alternatives Program (TAP)
 - TAP Statewide
 - TAP suballocated by population
 - State Planning and Research (SPR)
 - Metropolitan Planning (PL)

*Not all inclusive

Why does this rescission matter?

- Amount is large
- Calculation and application is very prescriptive
- May require VDOT budget and program adjustments if amounts exceed unbudgeted apportionment
- Ultimately reduces flexibility in programming and obligation of federal funds
- Wide impacts, including:
 - Obligation strategy and planning
 - August Redistribution approach
 - Projects if budget adjustments are required

What is the anticipated impact?

- Exact impact unknown
- \$152.4 million projected rescission if implemented as of 9/30/2017
- Largest impacts to funding categories with large unobligated balances relative to Virginia's overall share
- Rescission amounts likely to require VDOT budget adjustments in some programs

What is our strategy?

- Support legislative efforts to eliminate or minimize the rescission
- Mitigate impacts
 - Outreach to localities and MPOs
 - Plan and execute federal funds management and obligation strategy to reduce unobligated balances in categories subject to rescission
- Plan for the future
 - Obligation strategy and planning
 - August Redistribution approach

SMART SCALE AT-RISK PROJECTS BRIEFING

Commonwealth Transportation Board

 Commissioner Stephen C. Brich, P.E.

October 29, 2018

CTB Policy

- **If an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:**
 - **i. Total Cost Estimate <\$5 million: 20% increase in funding requested**
 - **ii. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested**
 - **iii. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested**

CTB Cost Overrun Policy

- **Information to consider**
 - Revised SMART SCALE score
 - List of any projects in the district that were funded with a lower score
 - Revised recommended funding scenario based on the project's new score, including a list of projects that would have either (i) been funded or (ii) not been funded due to the changes in the project's score and any other information considered when selecting the project for funding
 - Amount of unprogrammed and deallocated High Priority Projects Program and Construction District Grant Program funds available
 - Expenditures to date
 - List of other SMART SCALE projects known to be at-risk for a budget increase
 - Other information deemed appropriate for the Board's consideration

New Validation Policies for Round 3

- **Ensure District and Central Office Subject Matter Experts are engaged during validation**
- **Use risk checklist during validation**
- **Additional Central Office L&D Estimate Validation**
 - **Application requests of greater \$50M in SMART SCALE funds**
 - Estimate reviewed & certified by State L&D Engineer (~ 30 Applications)
 - **Thorough review of Preliminary Engineering, Right of Way and Construction estimates of all projects that have a Construction Estimate greater than \$10M (Tier 2) and have one or more of the following risks:**
 - Environmental
 - Right of Way
 - Design and Construction

SMART SCALE At-Risk Project Definition

- **Any SMART SCALE project with a potential SMART SCALE budget increase that meets or exceeds the thresholds established by the Board after scoping is complete**
- **Any SMART SCALE project with a scope change that results in a revised score less than the lowest ranked funded project in the district for that cohort of projects**

SMART SCALE At-Risk Project Identification

- **Project schedule and budgets reviewed monthly**
- **Follow Re-evaluation Process if changes are requested**
 - **Project scope must be reviewed to identify opportunities to remain within the original budget while maintaining substantially the same project benefits**
- **Districts, CO L&D, and IID work together to identify at-risk projects. Of those identified, some:**
 - **Are recoverable (still at an early stage of development)**
 - **Have increases covered by the applicant**
 - **Will require CTB action to cover increase**
- **VDOT Executive Team review of at-risk projects**
- **Quarterly briefings to CTB**

October Status

310 projects have been selected for funding in Rounds 1 & 2

93% of SMART SCALE projects are currently on or under budget

Number of Projects	Percentage of Total	SMART SCALE Budget Status
2	0.7%	Budget increase approved by CTB
31	10.0%	Released budget surplus at award
4	1.3%	Budget increase within threshold at award
14	4.8%	Potential budget issue above threshold

October Status (continued)

- **14 highway projects with a potential budget increase above thresholds**
 - 6 projects will be monitored as they are early in development and are likely to be recoverable (none have completed scoping)
 - 4 projects will be reviewed for opportunities to bring the budget in line with available funding and brief the CTB in December, if necessary (all have completed scoping or are about to close scoping)
 - 1 project will be briefed to the CTB, but additional coordination with the locality is warranted prior to CTB action
 - 3 projects require CTB action to continue to advance on schedule

Current Unprogrammed and Surplus Balances

District	Unprogrammed	Surplus	Total
Bristol DGP	\$0.00M	\$4.65M	\$4.65M
Culpeper DGP	\$0.45M	\$0.13M	\$0.58M
Fredericksburg DGP	\$3.18M	\$0.01M	\$3.19M
Hampton Roads DGP	\$11.03M	\$3.80M	\$14.83M
Lynchburg DGP	\$0.74M	\$0.74M	\$1.48M
NOVA DGP	\$0.00M	\$0.24M	\$0.24M
Richmond DGP	\$2.21M	\$0.00M	\$2.21M
Salem DGP	\$0.00M	\$0.69M	\$0.69M
Staunton DGP	\$0.00M	\$0.02M	\$0.02M
Statewide HPP	\$0.00M	\$25.7M	\$25.7M
Total	\$17.61M	\$35.98M	\$53.59M

*Balances as of October 2018

Project Briefing

- **Northern Virginia - Government Center Pkwy Extension (UPC 109299) in Fairfax City**

NOVA: Government Center Pkwy Extension (UPC 109299)

- **Project submitted by Fairfax City in Round 1**
- **RW and utilities underestimated**
- **Project is locally administered and in PE at preliminary field inspection**
- **Potential budget increase of \$1.9M**
- **Additional coordination with locality is warranted prior to CTB action**
- **Options to address**
 - **Require locality to fund**
 - **Increase SMART SCALE budget**
 - **Cancel**
- **Next Steps**
 - **Work with city to value engineer to realign scope with budget**
 - **Work with city to identify options to cover shortfall**
 - **Update CTB in December**

	Original Application
Total \$	\$3.14M
SMART SCALE \$	\$3.14M (DGP)
Score	13.47
Funding Scenario	8/19
Expended as of 10/22/18	\$104,907

Projects for CTB Action

- **3 projects require CTB action on a budget increase in order to avoid additional schedule delays**
 - **I-81 Exit 17 Interchange Modification (UPC 109419) in Bristol (in RW)**
 - **Laskin Road Widening (UPC 12546) in Hampton Roads (in RW)**
 - **Laskin Road Phase 1-A (UPC 111711) in Hampton Roads (ready to start RW)**
- **Potential CTB actions include**
 - **Approve/reject a SMART SCALE budget increase up to a specified cap**
 - **Approve/reject a scope change**
 - **Cancellation of project**

BRISTOL: I-81 Exit 17 Interchange Modifications (UPC 109419)

- **Project submitted by Town of Abingdon in Round 1**
- **RW estimate has increased**
- **Project is VDOT administered and authorized for RW total takes**
- **Recommended CTB action**
 - + \$4.6M from DGP surplus balance entry
 - + \$3M from anticipated surplus on I-81 Exit 19 (UPC 109440)
 - + \$3M from HPP surplus balance entry

 - \$10.6 SMART SCALE budget increase
- **Additional options**
 - Balance from DGP Round 3
 - Cancel Town of Abingdon UPC 110794 Rt 11/140 Int Imp and UPC 110793 Rt 11/19 Int Imp for a total of \$2.817M in DGP
 - Cancel project

	Original Application	Current
Total \$	\$21.2M	\$31.8M
SMART SCALE \$	\$21.2M (\$12.3 DGP+\$8.9M HPP)	\$31.8M (increase of \$10.6M)
Score	1.48	0.99
Funding Scenario	10/10	Drops 5 spots below lowest ranked funded project; would have funded Climbing Lane I77 NB to Exit 32 in Wythe County for SS\$10.57M leaving an additional \$10.6M HPP available for Step 4
Expenditures as of 10/22/18		\$1,306,153

HAMPTON ROADS: Laskin Rd Projects

- **Laskin Rd Widening project submitted by the City of Virginia Beach in Round 1**
 - Project is an old legacy project that first began PE in 1993
 - SMART SCALE application was for construction
 - \$17.2M in cost overruns in the PE and RW phases were addressed previously using formula, local and non-SMART SCALE funds
- **Laskin Rd Phase 1-A project submitted by the City of Virginia Beach in Round 2**
- **Both projects are being advanced together**
- **City has added scope and there are other increases due to underestimated RW and CN**
- **Combined SMART SCALE estimate increase of \$19.0M**
 - \$9.2M to be provided by the City
 - \$9.8M SMART SCALE increase requested
- **Recommended CTB action**
 - Split increase with the City
 - Balance from DGP deallocation balance entry and unprogrammed DGP balance entry
- **Additional options**
 - Require locality to fund
 - Cancel project

HAMPTON ROADS: Laskin Rd Widening (UPC 12546)

- **Project submitted by the City of Virginia Beach in Round 1**
- **Underestimated CN; added scope**
- **Project is VDOT administered and in RW on hold; being delivered with UPC 111711**
- **Recommended CTB action**
 - + \$1.17M provided by City of Virginia Beach
 - + \$1.25M DGP surplus and unprogrammed DGP balance entries
 - \$2.42M budget increase
- **Additional options**
 - Require locality to fund
 - Cancel project

	Original Application	Current
Total \$	\$57.6M	\$77.2M (\$17.2M in formula, local and non-SMART SCALE funds allocated to cover expenditures associated with legacy project not included in application)
SMART SCALE \$	\$10.0M (DGP)	\$11.25M (increase of \$1.25M) \$1.17M to be provided by City
Score	2.11	1.87
Funding Scenario	11/21	No change in rank; an additional \$1.25M DGP funding would have been required to fund App ID Indian River Road Phase VII-A in Virginia Beach (Step 3) leaving App ID 589 Rappahannock River Crossing SB short \$1.25M in Step 4
Expenditures as of 10/22/18		\$40,994,750

HAMPTON ROADS: Laskin Rd Phase 1-A (UPC 111711)

- **Project submitted by the City of Virginia Beach in Round 2**
- **Underestimated RW, utilities and CN; added scope**
- **Project is VDOT administered and is on hold pending RW authorization; being delivered with UPC 12546**
- **Recommended CTB action**
 - + \$8.03M provided by City of Virginia Beach
 - + \$8.56M DGP surplus and unprogrammed DGP balance entries
 - \$16.6M budget increase
- **Additional options**
 - Require locality to fund
 - Delay project to rescope within available budget and re-evaluate
 - Cancel project

	Original Application	Current
Total \$	\$29.0M	\$45.6M
SMART SCALE \$	\$15.0M (DGP)	\$23.56M (increase of \$8.56M) \$8.03M to be provided by City
Score	6.30	4.01
Funding Scenario	20/25	New rank 23/25; Hampton Roads DGP unallocated balance after Round 2 would have decreased from \$11.0M to \$2.5M
Expenditures as of 10/22/18		\$726,288

Next Steps

- **Consider action on Laskin Road projects and I-81 Exit 17**
- **Updated briefing in December**
- **Quarterly reports**
- **Additional reports as needed**





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SECRETARY of TRANSPORTATION

I-81 Corridor Improvement Plan

Nick Donohue

Deputy Secretary of Transportation

October 29, 2018



I-81 Corridor Improvement Plan

- **Summary of public feedback**
- **Prioritization of potential improvements**
- **Overview of recommended improvement package**
- **Financing options**
- **On-going items that require additional work**
- **Next steps**

I-81 Corridor Improvement Plan

Public Involvement- Summary

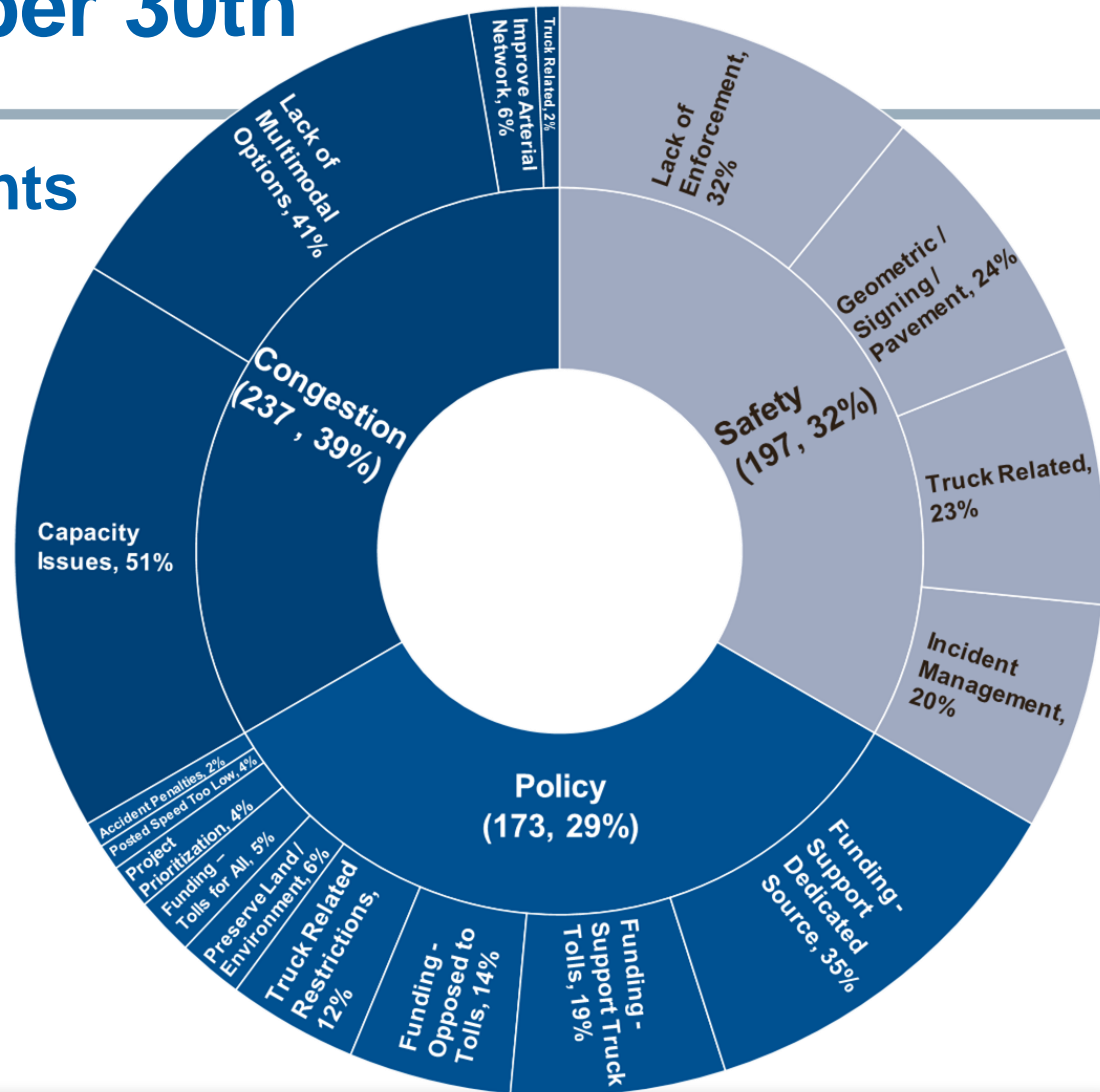
- **Meeting attendance at 8 Public Meetings: 659**
- **Location specific comments: 762**
- **General Comments via forms, email, and phone: 617**
- **Comments focused on safety, congestion issues- also many concerns about enforcement**

I-81 Public Involvement Summary

June 1 - September 30th

General Corridor Comments

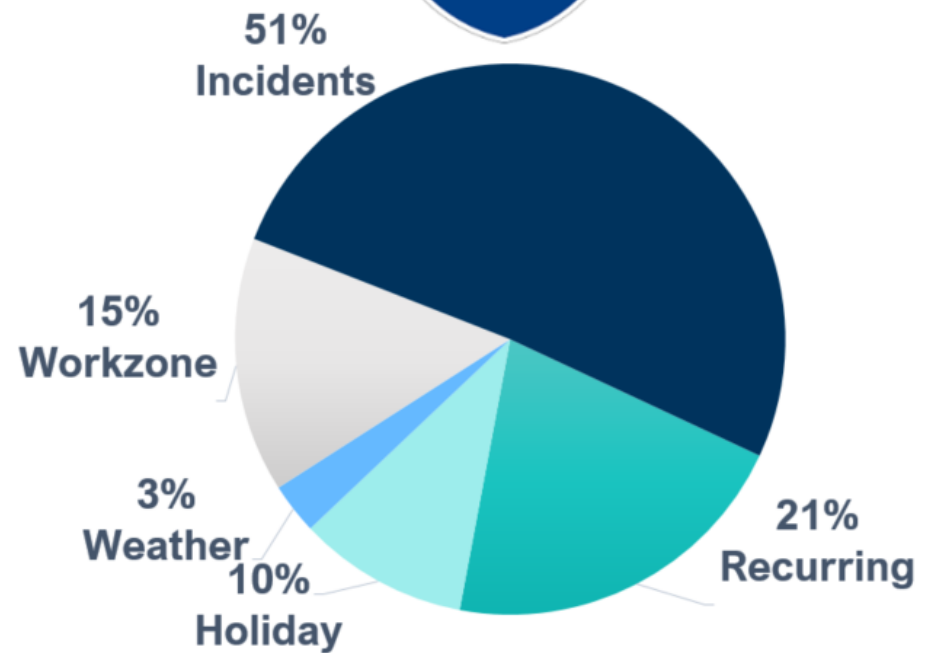
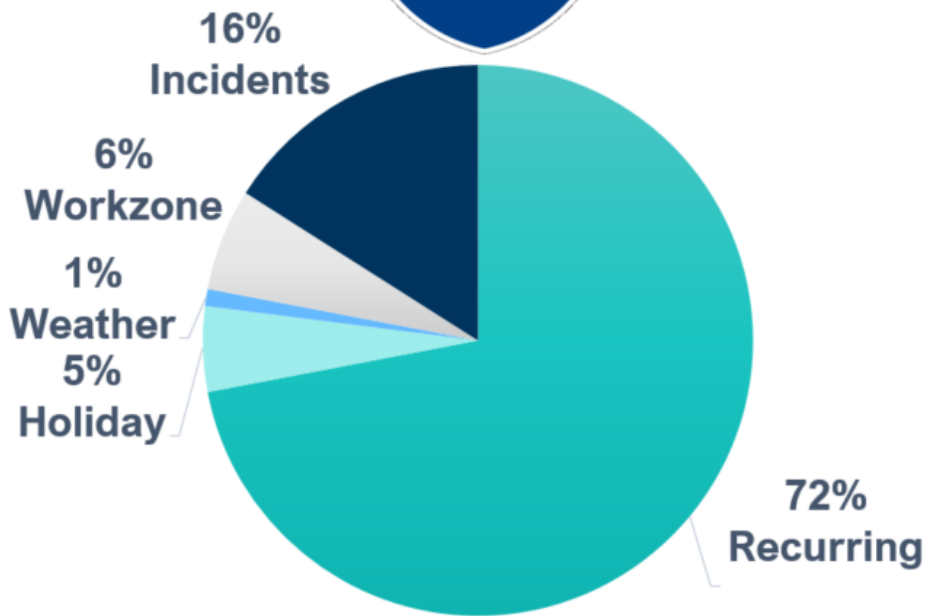
- Congestion (237, 39%)
- Policy (173, 29%)
- Safety (197, 32%)



**I-81 Corridor Plan
Operations Solutions-
Foundation for Corridor-wide
Improvements**

I-81 Corridor

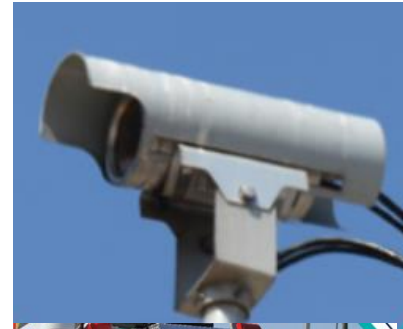
Delay Makes I-81 Unique



Operations Improvements

Key Components

- Changeable message signs and cameras
- Expanded safety service patrols
- Contract emergency clearance
- Detour routes and improvements to parallel facilities
- Operations improvements total \$40M- funded off the top



On-Going Items

On-Going Items

- **Several key items require extensive coordination with external parties**
 - **Truck parking solutions**
 - **Speed enforcement**
 - **Multimodal and local street improvements**

Truck Parking

Estimated Truck Parking Needs- I-81 In Virginia			
	Current Supply*	Estimated Current Need	Deficit
Northbound	1,550	1,900	350
Southbound	1,900	2,500	600
Totals	3,450	4,400	950

- **Truck Parking Preference Survey Results:**
 - Long-Term Parking – 76% prefer private rest areas
 - Short-Term Parking – 56% prefer public rest areas



Truck Parking

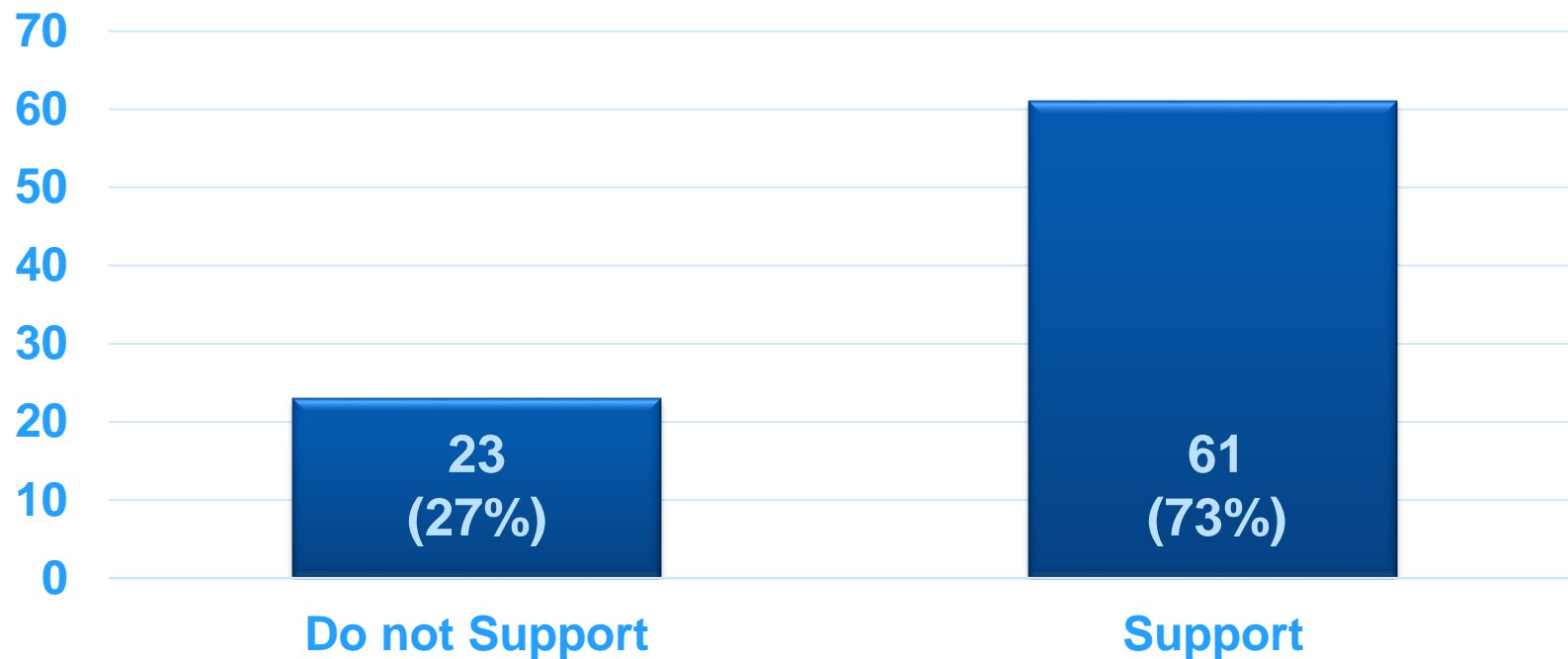
- **Currently a 9:1 ratio of private truck parking spaces to public truck parking spaces along the length of the I-81 corridor in Virginia**
- **Opportunities exist for adding both public and private truck parking spaces**
- **Focus on locations that allow drivers to maximize their driving time**

Truck Parking - Recommendations

- **Establish Truck Parking Solution Task Force**
 - **Coordinate with private truck parking providers**
- **Implementation of mobile technology with widespread participation by private truck parking providers**
 - **Provide truckers with certainty of parking through reservation system**
- **Investigate opportunities to fund expansion of public and private truck parking in targeted locations**

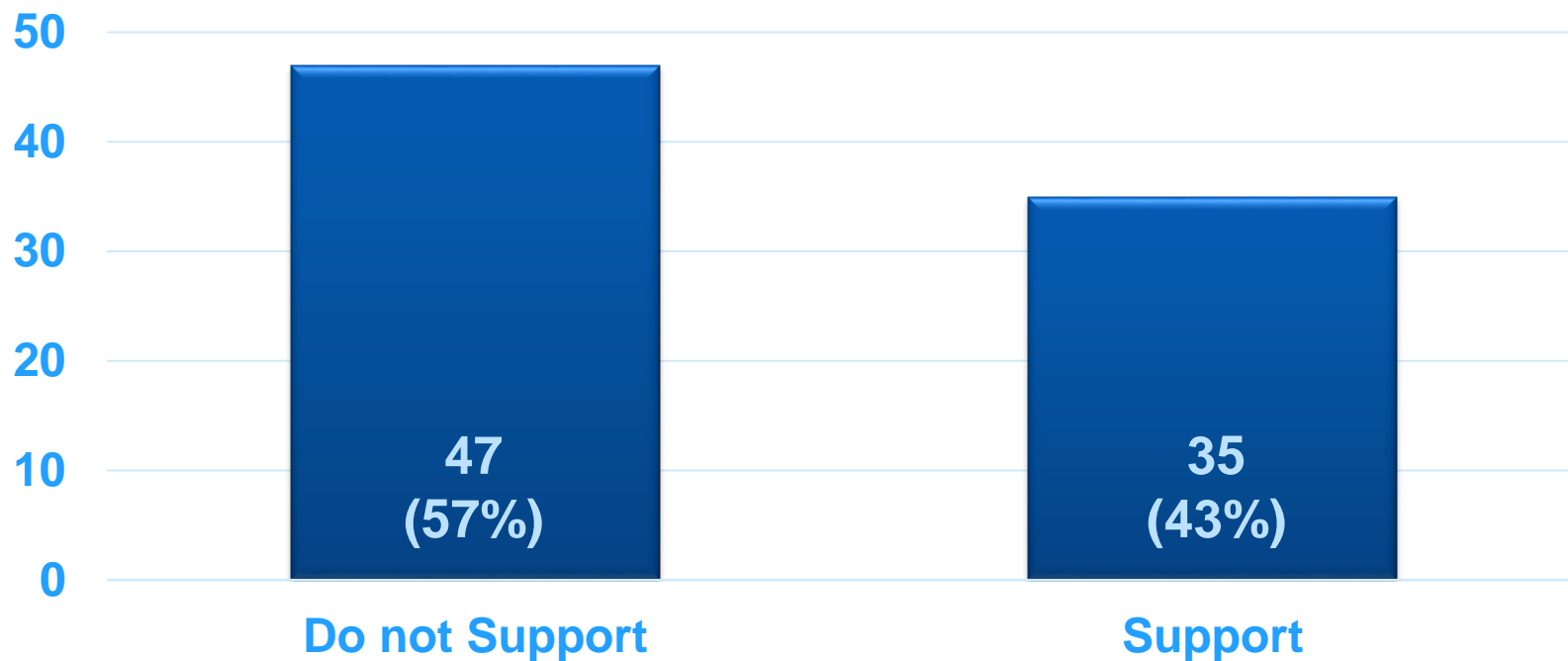
Speed Enforcement – Public Feedback

Would you support additional speed enforcement on the I-81 corridor?



Speed Limit – Public Feedback

Would you support reducing the posted speed limit on the I-81 corridor?



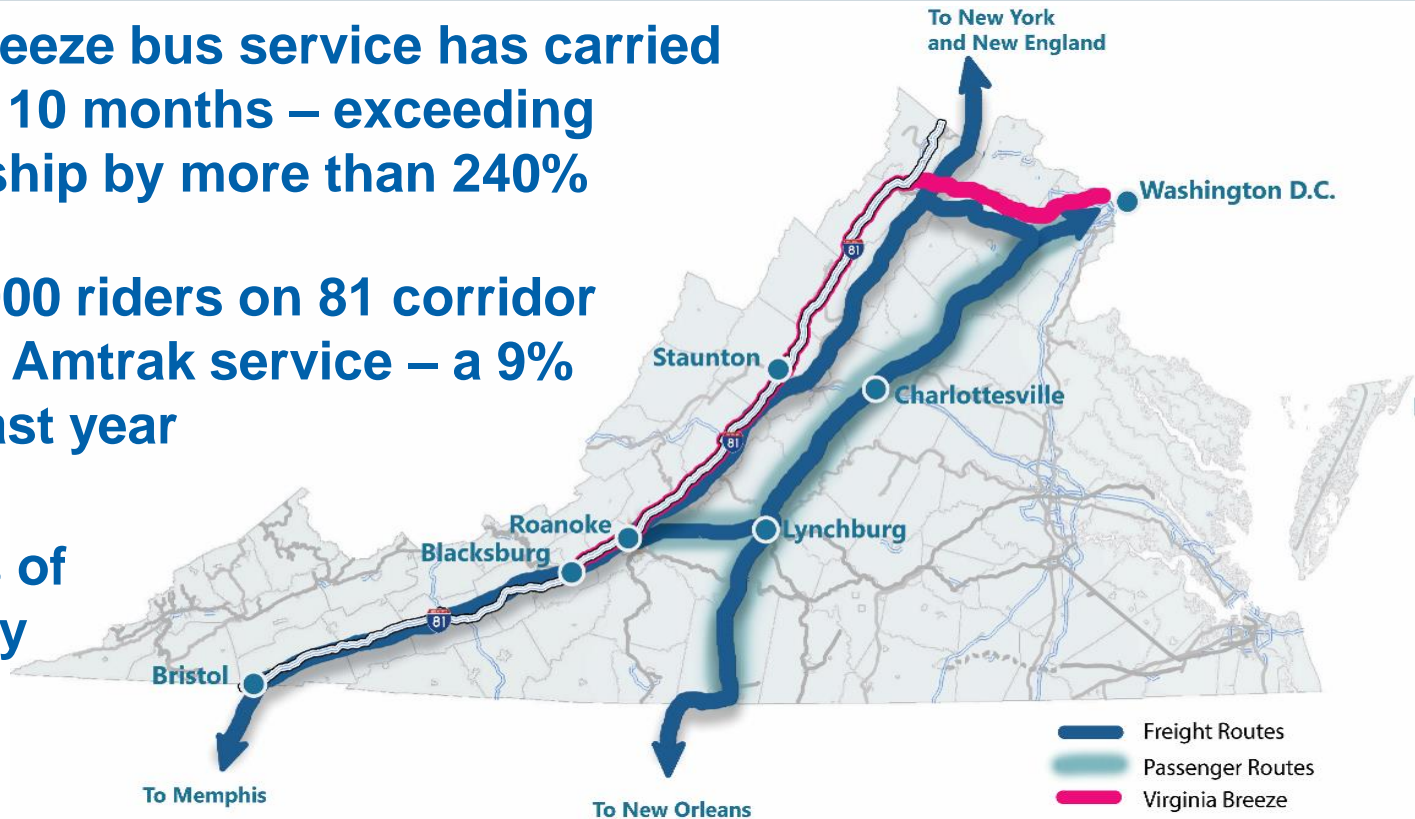
Speed Enforcement - Recommendations

- **Establish 81 Speed Enforcement Task Force**
- **Coordinate with local and state law enforcement to determine strategies**
- **Examine differences in existing enforcement practices throughout the corridor**
- **Evaluate technology solutions to assist with enforcement**



Multimodal Improvements

- New Virginia Breeze bus service has carried 14,000 riders in 10 months – exceeding projected ridership by more than 240%
- More than 200,000 riders on 81 corridor state supported Amtrak service – a 9% increase from last year
- ~70 million tons of freight moved by rail each year



I-81 Corridor Rail Investment



REF - \$70.1 M

- 2nd Mainline Improvements, Tunnel Clearances, and Siding Extension
- Since 2006



RPF - \$9.3 M

- Shenandoah Valley Railroad
- Winchester & Western Railroad
- Since 2006



RIA - \$12.3 M

- 31 Projects
- 15 Years



IPROC - \$100 M

- Extension of Amtrak Service: LYN - Roanoke
- NS Mainline Capacity Improvements
- Signal Upgrades



Amtrak Operating Support - \$3.6M **FY19 – FY24**

- Service between Roanoke and the Northeast

I-81 Corridor Rail Investment: Examples of Spurring Economic Development

- **Houff Corporation – Railside Industries**
 - \$450,000 Rail Industrial Access Grant
 - 17,415 trucks off road during 5-year performance period
 - 28 new full-time jobs
 - Located on Shenandoah Valley Railroad

- **Shenandoah Valley Railroad**
 - \$3.1M Rail Preservation Fund investment since 2006
 - 52,074 trucks off road
 - Preservation Fund investment has aided SVRR in doubling customer base



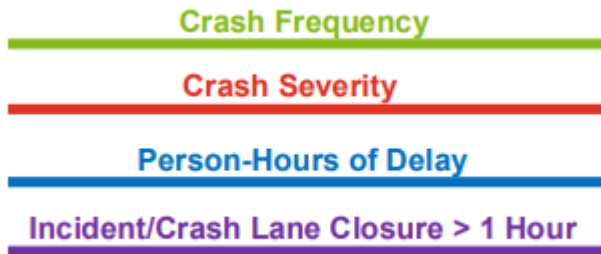
Passenger and Freight Rail

- Engage Norfolk-Southern on potential of 2nd train along the 81 corridor as well as extension of the Roanoke Train to Christiansburg
- Efforts underway with DRPT and Virginia Economic Development Partnership to improve strategies for marketing rail-served sites in the corridor
 - These efforts will remain on-going
- Rail Industrial Access Fund can establish 'last-mile' connections for distribution and manufacturing facilities
 - Will coordinate with VEDP to help market program to businesses along the corridor

I-81 Corridor Plan Capital Solutions

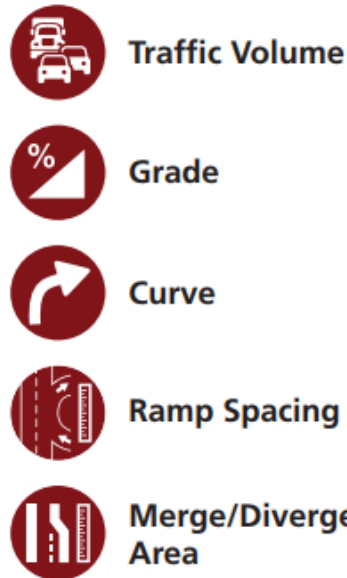
August: Potential Capital Improvements

- Reviewed each problem area identified by performance measures



- Determined contributing factors

Contributing Factors



- Developed potential solutions based identified contributing factors

Prioritization of Potential Capital Improvements

- Focused on an improvement package of approximately \$2 billion – approximately ½ of cost of potential improvements
- Evaluated all potential capital improvements using SMART SCALE-like process with benefits determined as follows:
 - 40% based on person hours of delay
 - 40% based on change in crash frequency
 - 20% based on change in access to jobs

Prioritization of Potential Capital Improvements

- **Bristol - \$252M**
 - **26/26 potential solutions recommended for funding**
 - Proposed 77/81 interchange solution was re-scoped to provide 50% of benefits for 12% of the original scope's cost
- **Salem - \$882M**
 - **22/33 potential solutions recommended for funding**
- **Staunton - \$886M**
 - **24/46 potential solutions recommended for funding**

Summary Benefit Results from Prioritized Potential Solutions

- **By deploying \$2 billion of capital improvements along the I-81 corridor*:**
 - **Annual vehicle hours of delay will be reduced, on average, by more than 6 million**
 - Trucks will capture more than 3.6 million vehicle hours of annual delay reductions
 - Reductions related to construction of capital improvements responsible for more than 90% of these results; operational improvements and reductions due to fewer accidents account for remaining share
 - **Annual statistical crashes are anticipated to be reduced, on average, by almost 450 across the entire corridor**
 - Approximately 29% of the reduction in annual statistical crashes (representing almost 130 crashes) involve an injury

* Estimated based on the share of vehicle delays generated by projects included in list of \$2 B improvements compared to total vehicle delays generated by all improvements considered in the corridor. Estimate includes benefits related to Operational Improvements

I-81 Financing Options

I-81 Financing Options

- **Legislation provided direction on the financing options to be considered**
 - Evaluate feasibility of using toll financing
 - Do not consider tolls on commuters
 - May consider tolls on heavy commercial vehicles
 - May consider High Occupancy Toll Lanes
 - Evaluate other financing means
- **Financing options should be sufficient to fund recommended package of capital improvements and incident management strategies**

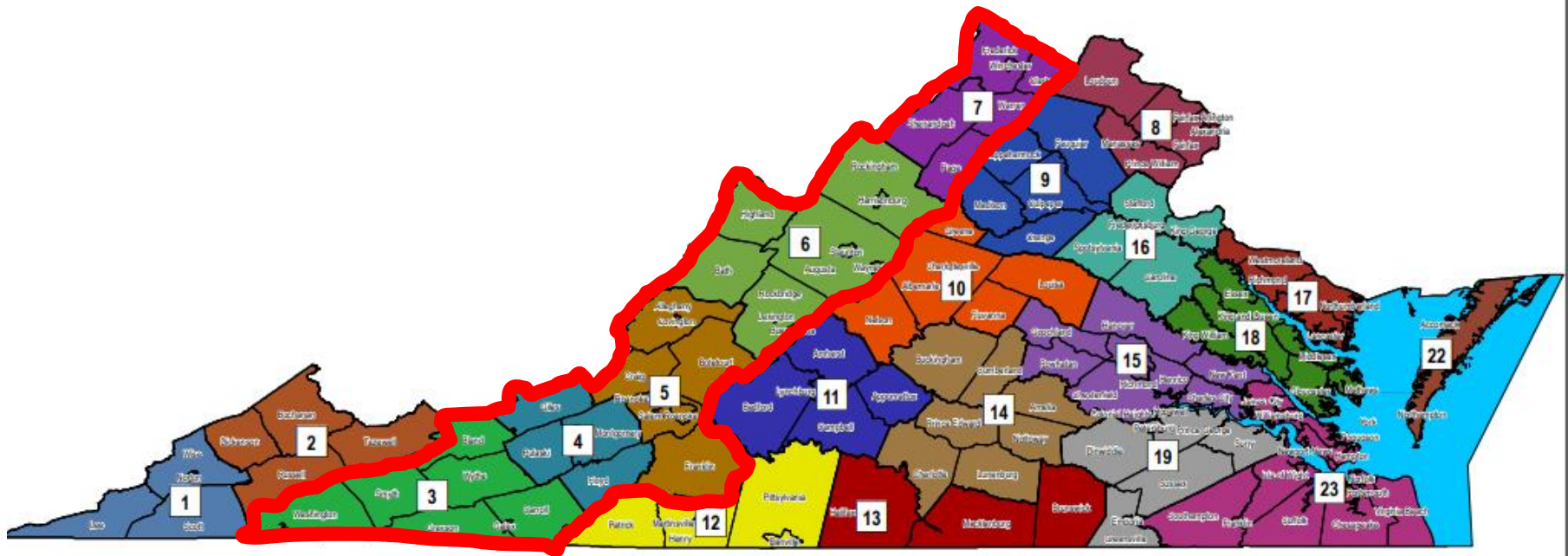
Key Financial Plan Assumptions

- **Use official Department of Taxation forecasts for revenue and inflation growth**
 - **Steady 2.6% CPI applied to proposed capital solutions**
 - **Steady 2.0% regional sales tax growth from 2017 Official Revenue Estimate and Constrained Long Range Plan (CLRP)**
 - **Varying 1.02%, 0.46%, 0.47% regional motor fuels tax growth from Official Estimate and CLRP with 1.02% growth in early years**
- **New operational improvements are paid annually out of dedicated revenue stream**
- **Apply historical trends for traffic growth**
 - **1.7% for trucks**
 - **0.7% for autos**

Key Financial Plan Assumptions

Regional Taxes

- Regions impacted by a potential motor fuels or retail sales and use tax for I-81 Corridor



Key Financial Plan Assumptions

Traffic and Tolls



































- **Collect per mile tolls without using a toll booth via:**
 - Transponder (E-ZPass)
 - Video (image-based)
 - I-81 Commuter Annual Pass
- **Toll Gantry Locations – Six along corridor**
 - Between urbanized areas
 - Parsing of ~50-60 miles



Key Definitions

Heavy commercial vehicle

- **Heavy Commercial Vehicle or “Trucks”**
 - No uniform definition of term
 - Study assumed FHWA Classes 6 – 13
 - Surrounding states define similarly but lower axles (Class 5)

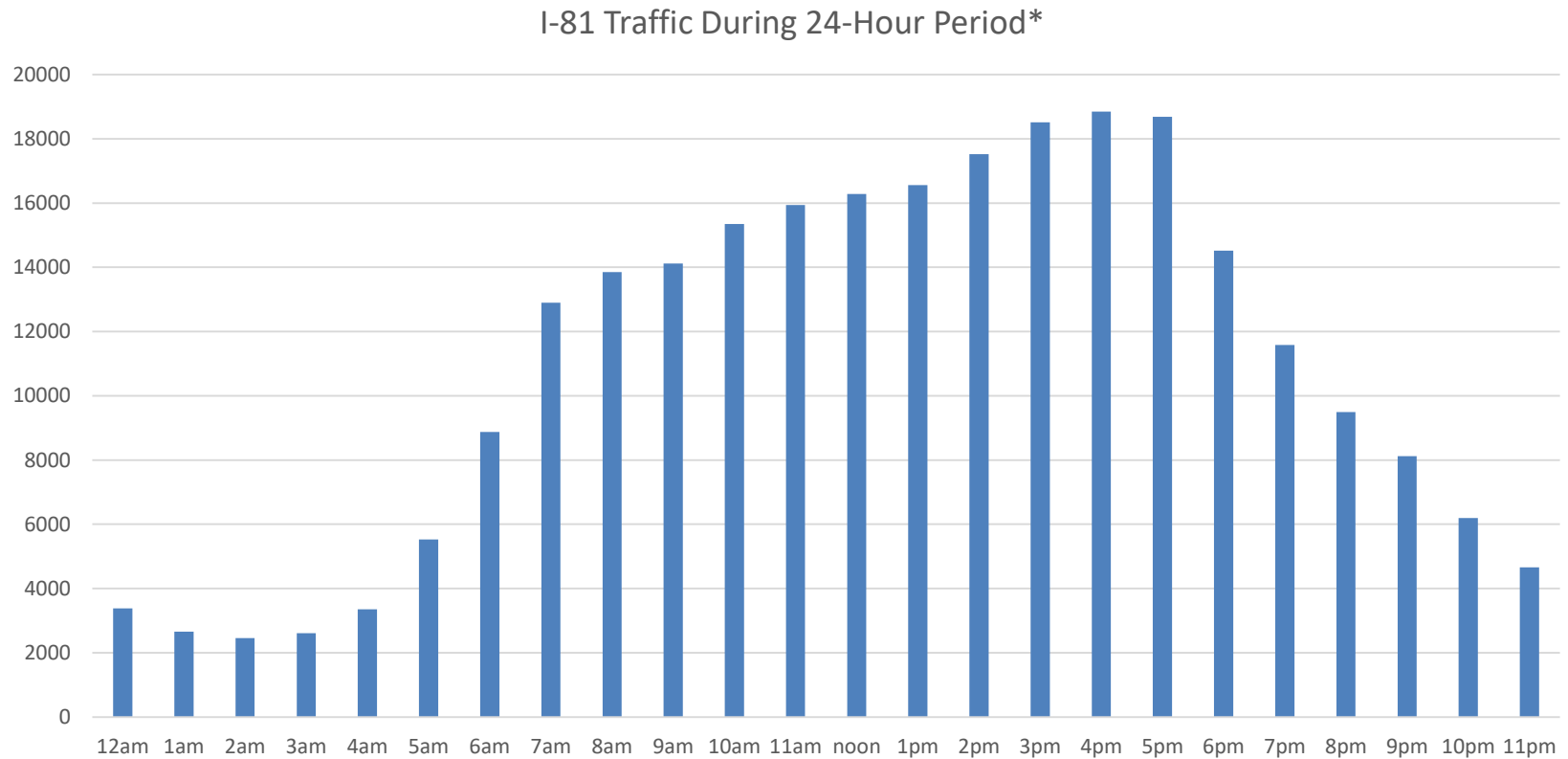
Class 1 Motorcycles		Class 7 Four or more axle, single unit	
Class 2 Passenger cars		Class 8 Four or less axle, single trailer	
			
			
			
Class 3 Four tire, single unit		Class 9 5-Axle tractor semitrailer	
			
			
Class 4 Buses		Class 10 Six or more axle, single trailer	
			
		Class 11 Five or less axle, multi trailer	
Class 5 Two axle, six tire, single unit		Class 12 Six axle, multi-trailer	
			
		Class 13 Seven or more axle, multi-trailer	
Class 6 Three axle, single unit			
			
			

Key Assumptions

Toll Rates

- **Plan examining various approaches to tolling**
- **Toll rates will vary between trucks and autos**
 - Trucks – less than \$0.17 per mile
 - Autos (non-commuters) – 1/3 to 2/3s of truck toll rate
 - Must be paid using transponder, sticker or by video
- **Time of Day Tolling**
 - Tolls would be variable with higher during ‘day-time’ – roughly 6:00am to 9:00pm and lower from 9:00pm to 6:00am
 - Goal is to encourage more efficient use of the corridor

I-81 Traffic by Time of Day



*Time of Day studies at key locations throughout the corridor

Key Assumptions

Toll Rates

- **I-81 Commuter Annual Pass**

- Explored in the financial analysis
- Allows "autos" ability to pay an annual fee for unlimited use of the facility
- Fee would not exceed cost of round-trip "auto" toll on I-81
- Fee could be collected through DMV
- Pass would be offered to auto commuters and other auto corridor users

- **Users of the corridor without I-81 Commuter Annual Pass would pay full auto toll rate**

Debt Financing Assumptions

- Debt financing cannot impact Commonwealth's debt capacity
- To assure bondholders that assets are kept in state of good repair O&M costs must be clearly defined; assumption is that dedicated I-81 revenue will pay for on-going operational and revenue collection costs only (operational improvements and tolling O&M)
- Term of debt will be 30 years or more based on useful life of assets being constructed; interest rates range between 3.5 & 4.5%
- Toll-supported debt – Assume Bond ratings are Aaa/AAA/AAA for toll revenue (9c) bonds issued by the Commonwealth and/or federal TIFIA Loan Program

Debt Financing Assumptions

- **Tax-supported debt - Assume Bond ratings of Aa2/AA/AA for special tax bonds supported by tax revenues directed to and issued by a regional authority**
 - **Hampton Roads Transportation Accountability Commission has issued \$500 million with plans for \$1.2 billion by 2020**
 - **Northern Virginia Transportation Authority has issued \$60 million in debt and \$1.2 billion in pay-as-you go projects**

Financing Options to Support Recommend \$2B Program of Projects

Regional Tax Option	Rate	Revenue Generated
Retail Sales and Use Tax	0.7%	\$105
Regional Fuels Tax	2.1%	\$60

Tolling Option	Rate	Revenue Generated
Time of Day Tolling with I-81 Commuter Annual Pass	Variable	\$135-\$155

* Figures in millions

Economic Impact Analysis

Economic Impact Analysis

- **Analyzed economic impacts of investment in improvements to the I-81 corridor and their impacts at the state level**
- **Analyzed the impact of heavy commercial vehicle tolls on Virginia agriculture, manufacturing, and logistics sectors**

Economic Impact Analysis- Preliminary

State Level Economic Impact

- **If all 105 projects (\$4.1 billion) are funded by 2060, \$7.2 billion in additional economic output will be generated in Virginia**
- **The \$2 billion recommend program (72 projects) will generate almost \$3.5 billion in additional economic output in Virginia**
 - **Direct result of the expenditures related to the construction of the capital improvements**
 - **19,800+ job/years, \$1.2 billion in labor income**

Economic Impact Analysis- Preliminary

Economic Impact of Tolling Heavy Commercial Vehicles

- Investments generate improved traffic conditions in the corridor that reduce the cost of doing business for trucking companies
- Between 2020-2060, these reduced costs (\$4.6 billion) for companies serving Virginia-based industries is higher than the payment of the toll for those companies to use I-81 (\$3.2 billion)
 - Reduced costs include: travel time savings, operational costs savings via less fuel spent, less overtime payments to drivers and less out-of-pocket costs related to crashes
- Net reduction in trucking costs at the state level of up to \$1.4 billion over a 40-year period
- Positive economic impacts to manufacturing (up to \$422 million); agriculture (up to \$26.1 million); and logistics (up to \$18.4 million) over a 40-year period*

* trucking cost reductions applied to individual industries based on their share of Statewide trucking expenditures

Next Steps

- **Feedback from Commonwealth Transportation Board**
- **Revise draft report, as appropriate, based on feedback**
- **Board to consider final report at December meeting**
- **Final report to be submitted to General Assembly by the first day of the 2019 session**

...VA81Corridor.org



Interstate 81 Corridor Improvement Plan

Project website: <http://www.VA81Corridor.org>

Project e-mail address: VA81CorridorPlan@OIPI.Virginia.gov



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COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine.
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

COMMONWEALTH TRANSPORTATION BOARD WORKSHOP AGENDA

Norfolk Waterside Marriott
Hampton V1-V11 Ballroom
235 East Main Street
Norfolk, VA 23510
October 29, 2018
10:00 a.m.

8. Director's Items

Jennifer Mitchell, Virginia Department of Rail & Public Transportation

This item does not have a formal presentation, but is the time when the Director updates the Board on various items.



COMMONWEALTH of VIRGINIA

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Norfolk Waterside Marriott
Hampton V1-V11 Ballroom
235 East Main Street
Norfolk, VA 23510
October 29, 2018
10:00 a.m.

9. Commissioner's Items
Stephen Brich, Virginia Department of Transportation

This item does not have a formal presentation, but is the time when the Commissioner updates the Board on various items.

###



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Norfolk, VA 23510
October 29, 2018
10:00 a.m.

10. Secretary's Items
Shannon Valentine, Secretary of Transportation

This item does not have a formal presentation, but is the time when the Secretary updates the Board on various items.

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