



# COMMONWEALTH of VIRGINIA

## Commonwealth Transportation Board

W. Sheppard Miller, III  
Chairperson

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*Agenda item # 6*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

May 14, 2024

#### MOTION

**Made By:** Ms. Hynes **Seconded By:** Mr. Kasprowicz

**Action:** Motion Carried, Unanimously

#### **Title: SMART SCALE Project Budget Increase for Widen East Elden Street from Monroe Street to Fairfax County Parkway (UPC 50100) in the Town of Herndon**

**WHEREAS**, the Board's SMART SCALE Project Prioritization Process last approved December 4, 2023 and as revised January 16, 2024, provides that a project that has been selected for funding must be re-scored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed; and

**WHEREAS**, the Board's SMART SCALE Project Prioritization Process further provides that 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; and

**WHEREAS**, section 33.2-214 requires projects funded wholly or partially with funds from the State of Good Repair Program pursuant to section 33.2-369, the High Priority Projects Program pursuant to section 33.2-370, the Highway Construction District Grant Programs pursuant to section 33.2-371, the Interstate Operations and Enhancement Program pursuant to section 33.2-372, or capital projects funded through the Virginia Highway Safety Improvement

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Program pursuant to section 33.2-373 in the Six-Year Improvement Program to be fully funded within the six-year horizon of the Six-Year Improvement Program; and

**WHEREAS**, the Widen East Elden Street from Monroe Street to Fairfax County Parkway (UPC 50100) project (the Project) was submitted for consideration by the Town of Herndon and selected for \$26,096,621 in funding through the High Priority Projects Program in the second round of the prioritization process pursuant to section 33.2-214.1; and

**WHEREAS**, at application, the Project had a total cost of \$43,995,010 with the Town of Herndon leveraging \$17,898,389 in additional funding;

**WHEREAS**, the Project demonstrated benefits primary related to land use and received a score of 5.69 resulting in a rank of 20 out of 21 projects selected for funding in the Northern Virginia District;

**WHEREAS**, the Project is being administered by the Virginia Department of Transportation (VDOT), has thus far incurred expenditures of approximately \$17,522,760, and is in the right of way phase; and

**WHEREAS**, while efforts were pursued to construct a utility duct bank along East Elden Street to accommodate underground utility. The duct bank portion of the project was advertised, it was not awarded due to budget shortfalls resulting in project delays; and

**WHEREAS**, delays have exacerbated increases in the estimate due to inflation and updated unit prices. Eliminating scope will not result in significant cost savings the since right of way has already been acquired; and

**WHEREAS**, since application, the Town has committed an additional \$11,612,073 in leveraged funding; and

**WHEREAS**, the Project's cost estimate is currently \$71,240,514, resulting in a shortfall of \$15,633,431; and

**WHEREAS**, the Project is recommended to receive an additional \$321,321 in Regional Surface Transportation Program (RSTP) funds and an additional \$10,812,110 in Revenue Sharing state and local match in the Draft FY2025-2030 SYIP; and

**WHEREAS**, while the Project was originally funded with High Priority Projects Program funding, it is also eligible for Highway Construction District Grant Program funds because it was submitted by the Town for funding consideration through SMART SCALE; and

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**WHEREAS**, VDOT recommends Board approval of a SMART SCALE budget increase of \$4,500,000 using surplus Northern Virginia District Highway Construction District Grant Program funds (UPC -21765); and

**WHEREAS**, taking into consideration the proposed SMART SCALE budget increase, the Project was re-scored resulting in a revised score of 4.86 and no corresponding change in rank.

**NOW THEREFORE BE IT RESOLVED**, by the Commonwealth Transportation Board, that the SMART SCALE budget increase for the Project of \$4,500,000 using surplus Northern Virginia District Highway Construction District Grant Program funds (UPC -21765), is approved.

####

## CTB Decision Brief

### SMART SCALE Project Budget Increase for the Widen East Elden Street from Monroe Street to Fairfax County Parkway (UPC 50100) in the Town of Herndon

**Issue:** The Widen East Elden Street from Monroe Street to Fairfax County Parkway (UPC 50100) project (the Project) was submitted for consideration by the Town of Herndon and selected for \$26,096,621 in funding through the High Priority Projects Program in the second round of the Commonwealth Transportation Board's (Board) SMART SCALE Prioritization Process. Since the Project was selected for funding through SMART SCALE, estimated Project costs have increased and the Virginia Department of Transportation (VDOT) is seeking Board approval of a SMART SCALE budget increase of \$4,500,000 using surplus Northern Virginia District Highway Construction District Grant Program funds (UPC -21765)

**Facts:** The Board's SMART SCALE Prioritization Process, last approved December 4, 2023 and as revised January 16, 2024, provides that a project that has been selected for funding must be re-scored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed.

Item VI.2 of the Board's SMART SCALE Prioritization Process states that 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

The Project demonstrated benefits related primarily to land use and received a score of 5.69 resulting in a rank of 20 out of 21 projects selected for funding in the Northern Virginia District.

The Project is administered by the Virginia Department of Transportation (VDOT) and is in the right of way phase. Thus far, the Project has incurred an estimated \$17,522,760 in expenditures.

Efforts were pursued to construct a utility duct bank to provide underground utility accommodations and while the duct bank portion of the project was advertised, it was not awarded due to budget shortfalls resulting in significant project delays. Delays have exacerbated increases due to inflation and updated unit prices and eliminating scope will not result in significant cost savings since right of way has already been acquired.

Since application, the Town has committed in addition to the \$17,898,389 originally committed, an additional \$11,612,073 in leveraged funding. The Project's cost estimate is currently \$71,240,514, resulting in a shortfall of \$15,633,431. The Project is recommended to receive an additional \$321,321 in Regional Surface Transportation Program (RSTP) funds and an additional \$10,812,110 in Revenue Sharing state and local match for the Project in the Draft FY2025-2030

SYIP. While the Project was originally funded under SMART SCALE with High Priority Projects Program funding, it is also eligible for Highway Construction District Grant Program funds because the Town submitted the SMART SCALE application.

Taking into consideration the proposed SMART SCALE budget increase, the Project was re-scored resulting in a revised score of 4.86 with no corresponding change in rank.

On April 16, 2024, VDOT fully briefed the Board on this matter and recommends Board approval of a SMART SCALE budget increase of \$4,500,000 using surplus Northern Virginia District Highway Construction District Grant Program funds (UPC -21765).

**Recommendation:** Approval of a SMART SCALE budget increase of \$4,500,000 using surplus Northern Virginia District Highway Construction District Grant Program funds (UPC -21765).

**Action Required by CTB:** The CTB will be presented with a resolution for a formal vote to approve the SMART SCALE budget increase.

**Result, if Approved:** If approved, funds will be transferred so that the project can advance.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None