



COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

House Bill 2 Update

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House Bill 2 Outreach

- **Significant outreach to stakeholders across the Commonwealth**
 - Presented to 11 metropolitan planning organizations and scheduled to visit the remaining 3
 - Spoke at association conferences including Virginia Association of Counties, Virginia Municipal League, Virginia Transportation Construction Alliance, Virginia Association of Metropolitan Planning Organizations and the VDOT Local Programs Workshop
 - House Bill 2 is the main focus of the Fall Six-Year Improvement Program hearings
- **Additional outreach is necessary as this process moves forward**

Key Issues Raised in Outreach

- **Concern that one area of the state would be advantaged over another**
- **Funding to be considered when determining a project's benefits**
- **Weighting of factors and the geographic areas for weighting**
- **Concern that prioritization is on a statewide basis**
- **Desire additional opportunities for public comment prior to Board adoption of program**
- **Measures need to consider future as well as current impacts from projects**
- **Concern over initial project development and preparing projects to be scored**

Items for Discussion and Input

- **Need input and direction from the Board on several structural issues**
 - Solicitation of candidate projects
 - Geographic scale of weighting areas
 - Number of weighting frameworks
 - Treatment of Co-funded projects
- **Board will have additional input on issues after Staff have been able to further develop issues and receive input from stakeholders**

Solicitation of Candidate Projects

- **Candidate projects will be solicited in summer of 2015**
- **Need Board's guidance on entities that should be eligible to submit projects for screening and scoring**
- **Staff have developed 3 options for the Board's consideration**
 - **Any government entity with responsibility for transportation**
 - **Only regional entities**
 - **Only local governments**
 - **Hybrid model based on capacity need being addressed by the project**

Solicitation of Projects – Option 1

- **Allow any governmental entity to submit a project for consideration**
 - **Local governments, transit agencies, regional organizations (MPOs, MPCs, authorities and commissions)**
- **Considerations**
 - **All levels of government are given an opportunity to compete**
 - **Anticipate a large number of potential candidate projects**

Solicitation of Projects – Option 2

- **Allow only regional entities to submit projects for consideration**
 - **MPOs, PDCs, Authorities and Commissions**
- **Considerations**
 - **Requires regional priorities setting**
 - **Certain jurisdictions may be unable to advance projects forward for consideration due to structure of regional entities**

Solicitation of Projects – Option 3

- **Allow only local governments to submit projects for consideration**
- **Considerations**
 - **All jurisdictions will be able to advance projects for consideration**
 - **Some capacity needs may not be addressed because they extend beyond the boundaries of a single jurisdiction**

Solicitation of Projects – Option 4

- Vary types of projects an applicant can submit based on the type of capacity need being addressed
- Capacity needs on Corridors of Statewide Significance – only regional entities may submit projects
- Capacity needs on Regional Networks – both regional entities and local governments may submit projects
- Improvements to promote Urban Development Areas – only local governments may submit projects

Solicitation of Projects – Option 4

- **Considerations**
 - Links the type of project an applicant may submit to the scale of the capacity need being addressed
 - Requires regional priority setting for projects that address capacity needs on Corridors of Statewide Significance
 - Ensures local governments will be able to submit projects

Solicitation of Projects - Recommendation

- **Staff recommend Option 4 to the Board**
- **Other recommendations**
 - **Eligible entities can only submit projects in areas under their jurisdiction**
 - **Secretary with consultant from the Board has the right to submit up to 2 projects for consideration in each scoring round**

Geographic Scale – Discussion

- **House Bill 2 requires that the CTB establish different weighting of factors for different areas of the state**
- **Several options may be considered by the Board**
 - **District-based weighting of factors**
 - **Urban and rural weighting of factors**
 - **PDC-based weighting of factors**
 - **PDC and MPO-based weighting of factors**
- **Staff analyzed various indicators looking at the PDC and MPO level to facilitate Board’s discussion**

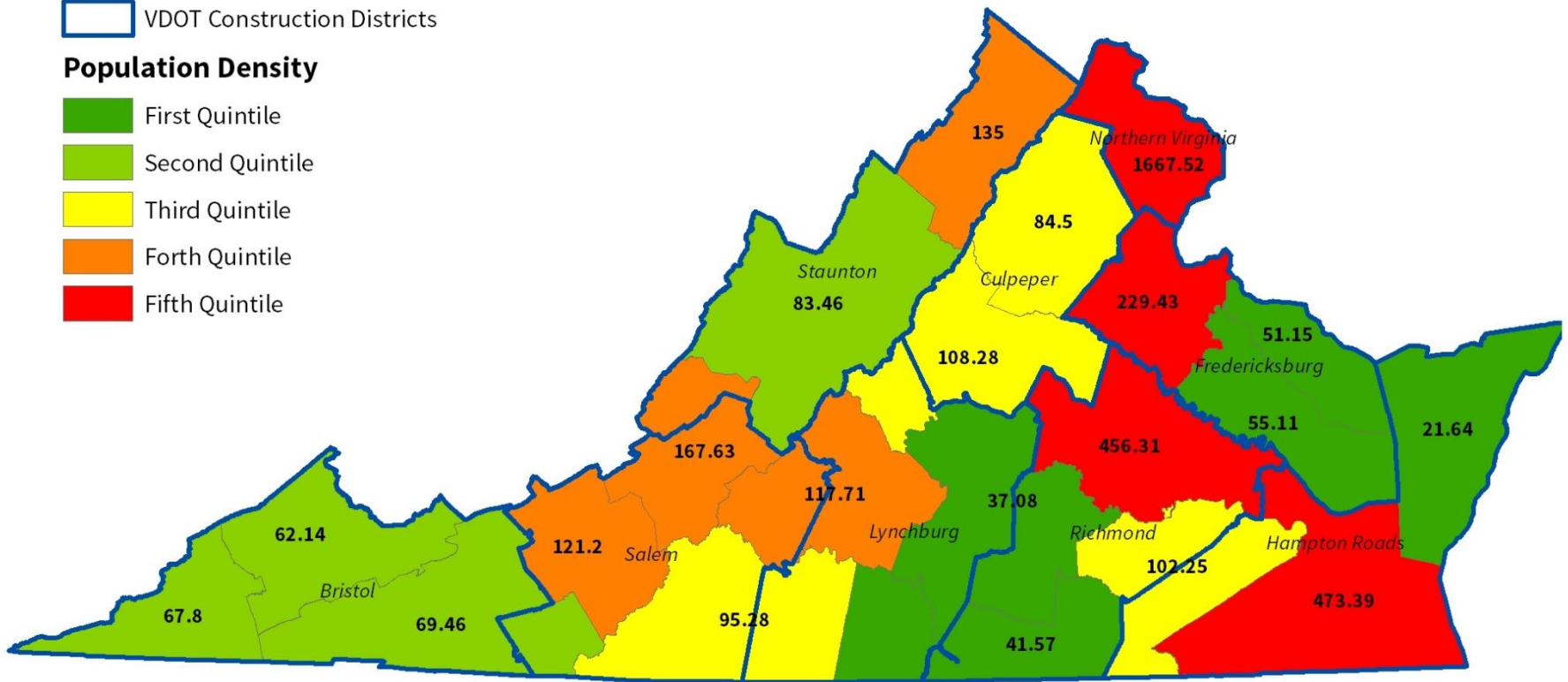
Geographic Scale – Population Density by PDC

Legend

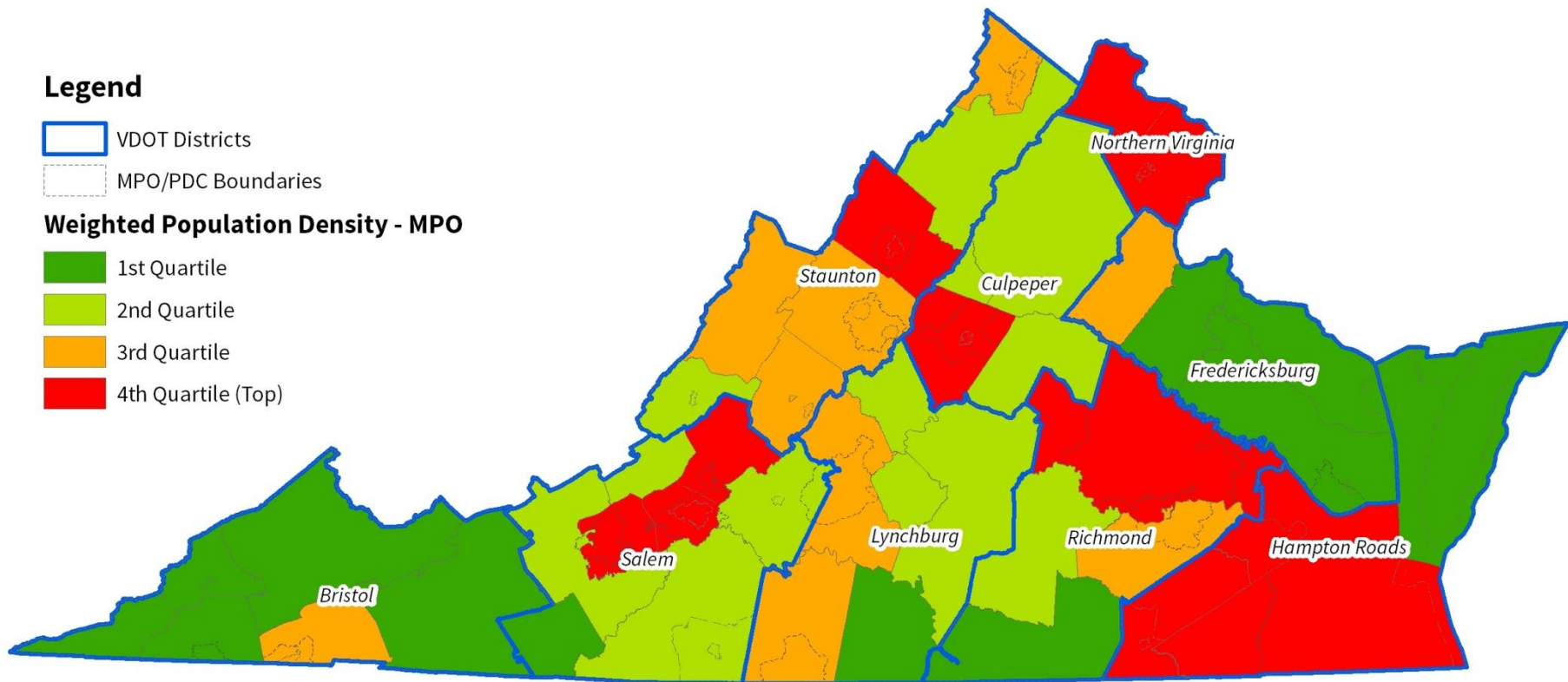
 VDOT Construction Districts

Population Density

-  First Quintile
-  Second Quintile
-  Third Quintile
-  Forth Quintile
-  Fifth Quintile



Geographic Scale – Weighted Population Density by PDC and MPO



Source: 2010 US Census

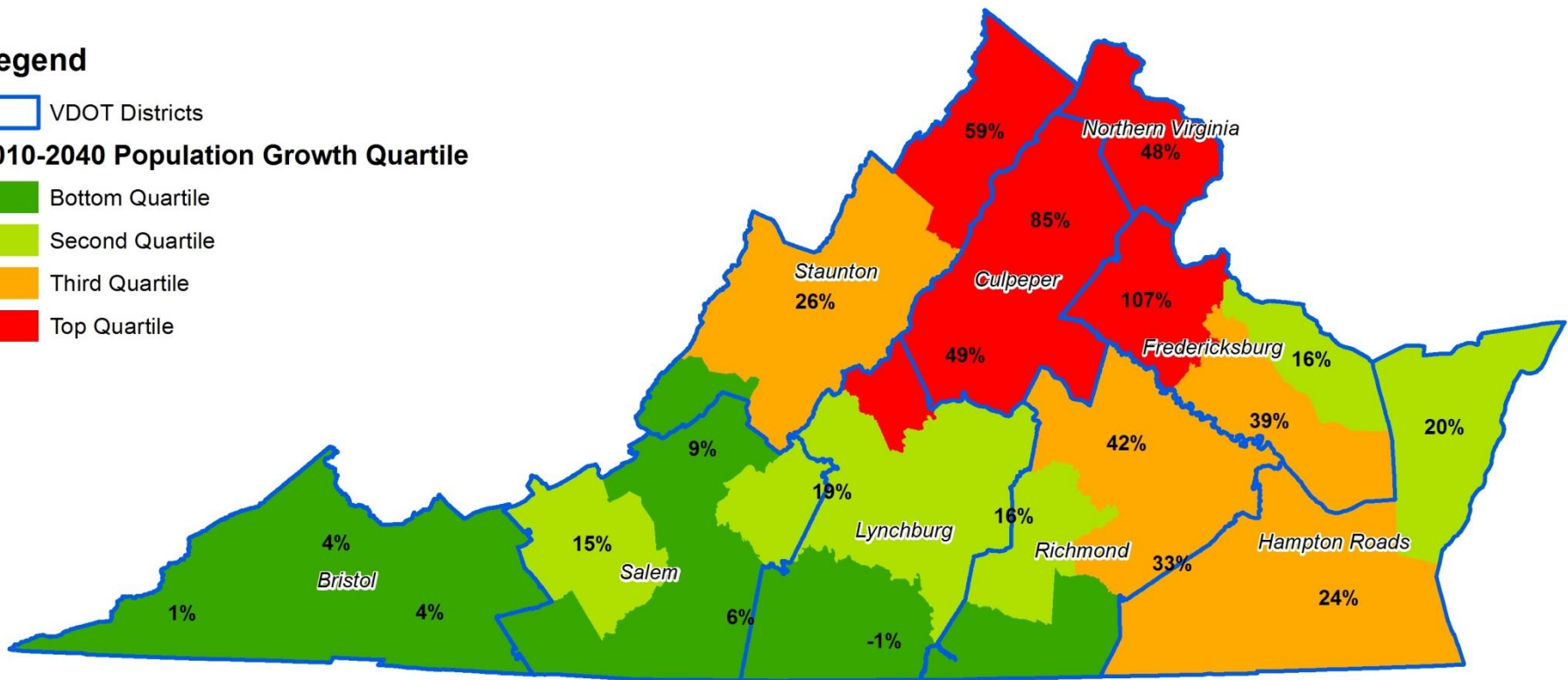
Geographic Scale – Projected Population Growth by PDC

Legend

 VDOT Districts

2010-2040 Population Growth Quartile

-  Bottom Quartile
-  Second Quartile
-  Third Quartile
-  Top Quartile



Geographic Scale – Annual Fatalities and Injuries per Capita by PDC and MPO

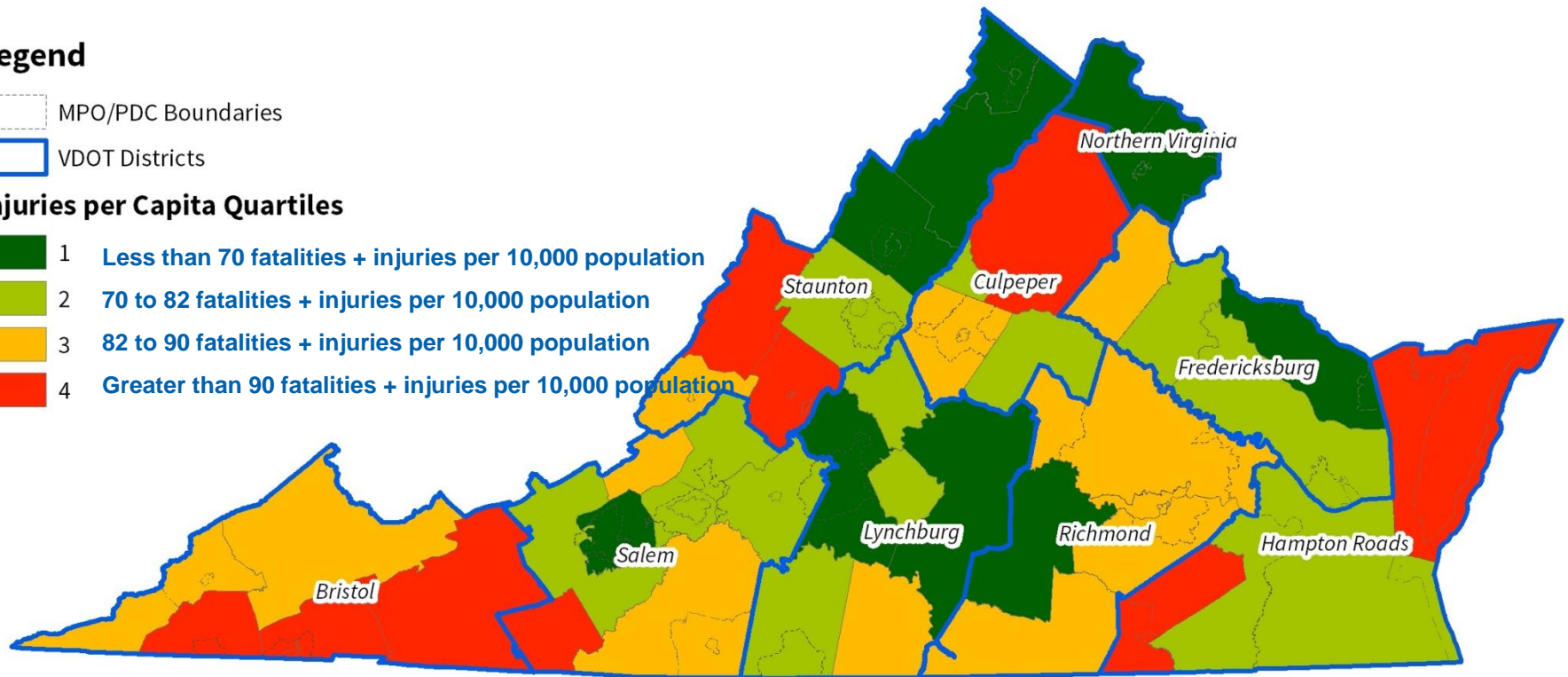
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 MPO/PDC Boundaries

 VDOT Districts

Injuries per Capita Quartiles

-  1 Less than 70 fatalities + injuries per 10,000 population
-  2 70 to 82 fatalities + injuries per 10,000 population
-  3 82 to 90 fatalities + injuries per 10,000 population
-  4 Greater than 90 fatalities + injuries per 10,000 population



Source: Virginia Department of Motor Vehicles, TREDS





Geographic Scale – Annual Gross Domestic Project per Capita by PDC and MPO

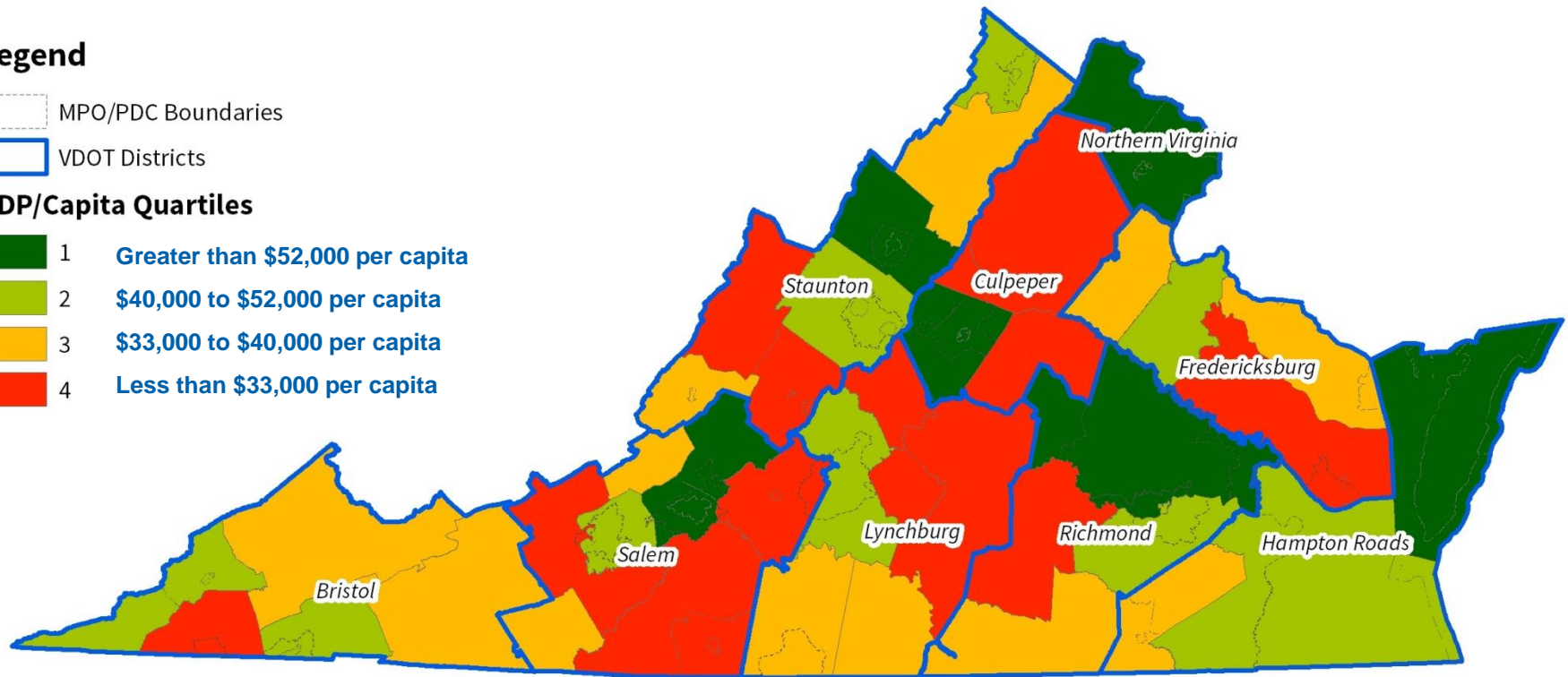
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 MPO/PDC Boundaries

 VDOT Districts

GDP/Capita Quartiles

-  1 Greater than \$52,000 per capita
-  2 \$40,000 to \$52,000 per capita
-  3 \$33,000 to \$40,000 per capita
-  4 Less than \$33,000 per capita



Source: US Census, County Business Patterns

Geographic Scale – Discussion

- **Across the Commonwealth there are significant variances across the Commonwealth regarding transportation outcomes and needs**
 - **Between the 9 construction districts**
 - **Within the 9 construction districts**
 - **Within planning district commission boundaries**
- **Using too many weighting frameworks would reduce the transparency and ease of use of the House Bill 2 process**
 - **For example, if each MPO and PDC had their own weighting frameworks there would be 35 frameworks**

Geographic Scale – Staff Recommendations

- **Board should use a blended approach**
- **Develop 4-6 weighting frameworks based on analysis of relevant factors across the Commonwealth including population growth, density, safety, economic performance, pollution, etc**
- **Allow MPOs and PDCs to select which one of the 4-6 weighting framework they would like to apply within their boundaries for projects**
 - **PDCs would not select weighting typology for areas covered by an MPO**

Evaluation of Co-Funded Projects

- **House Bill 2 requires that the benefits produced by a project be analyzed on a basis of relative costs**
- **Many local governments, some regions, and private entities co-invest their own transportation funds with the state to bring projects to completion**
 - **Regional funding sources in Hampton Roads and Northern Virginia**
 - **Local bond programs**
 - **Federal funds controlled by MPOs**
 - **Private equity**
 - **Toll-based financing**
 - **State exempt project funding**

Evaluation of Co-Funded Projects

- **Guidance is needed from the Board on the scope of costs that should be considered when determining a project's relative benefit to its costs**
- **Options for the Board**
 - **Total cost of a project**
 - **Cost of a project minus any non-state controlled funding**
 - **State cost to complete project, excluding toll-based financing costs, and non-state controlled funding sources**
 - Should all tolls be treated the same? HOT Lanes vs. full facility tolling
 - **Cost of a project minus non-state funding sources, toll-based financing costs, and exempt state funding sources**

Evaluation of Co-Funded Projects

- **495 HOT Lanes under potential options**
 - \$2,068M represents the projects total costs
 - \$1,673M in costs when private equity is excluded
 - \$495M in costs to the state to complete the project
- **Illustrative Project A**
 - \$35M represents the project's total costs
 - \$30M in costs when local match for revenue sharing program is excluded
 - \$17M in costs when non-state funds, and \$5M state revenue sharing and \$3M in Highway Safety Improvement Program funds are excluded

Evaluation of Co-Funded Projects – Staff Recommendations

- **Staff recommends to the Board that funds directly under the control of the Board be included and other funds be excluded from a project's cost for purposes of determining the project's relative benefits**
- **Excluded funds would include:**
 - **Non-state public funding (local and regional funds)**
 - **Private equity**
 - **Federal Regional Surface Transportation Program funds and Congestion Mitigation Air Quality funds controlled by MPOs**
- **Included funds:**
 - **Federal Highway Safety Improvement Program**
 - **State revenue sharing program funds**
- **No recommendation at this time on toll-based financing**

Schedule for House Bill 2 Implementation

- **Develop weighing typologies and potential measures for Board October through December 2015**
- **Discussion and selection of measures and weighing typologies by Board and public January to March 2015**
- **Draft HB2 process released in March 2015**
- **Public comment solicited and regional workshops held March-May 2015**
- **Revised HB2 process presented to the Board in May 2015**
- **Approval of HB2 process by the Board in June 2015**

Discussion of Next Steps in HB2 Implementation

- **Board will consider revised FY15-20 Six-Year Improvement Program at November meeting. Staff recommends:**
 - Reducing \$130M in revenue reductions from Program in amounts proportionate with CTB Formula
 - De-allocating \$416M from 62 projects to prepare for the implementation of House Bill 2
- **Board may approve or modify these recommendations**
- **Staff will report to Board at future meetings on the status of issues discussed today**