



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 14

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 25, 2022

MOTION

Made By: Ms. Hynes **Seconded By:** Mr. Yates
Action: Motion carried, unanimously

Title: Revised Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2023 – 2028

WHEREAS, Section 33.2-214 (B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (Program) of anticipated projects and programs and that the Program shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, the Appropriation Act authorizes the Secretary and all agencies within the Transportation Secretariat to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth; and

WHEREAS, the Board is required by Section 33.2-214 (B) and 33.2-221 (C) of the *Code of Virginia* to administer and allocate funds in the Transportation Trust Fund based on the most recent official Commonwealth Transportation Fund revenue forecast; and

WHEREAS, the Board is required by Section 33.2-221 (C) of the *Code of Virginia* to ensure that total funds allocated to any highway construction project are equal to total project expenditures within 12 months following completion of the project; and

WHEREAS, the Board adopted the Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 on June 21, 2022; and

WHEREAS, the Governor and General Assembly included actions in Chapters 1 and 2 of the 2022 Special Session I that were not incorporated into the Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 adopted by the Board on June 21, 2022; and

WHEREAS, there are significant transportation needs across the Commonwealth that stand to benefit from the provisions set out in the Chapters 1 and 2 of the 2022 Special Session I; and

WHEREAS, the Revised Six-Year Improvement Program for Fiscal Years 2023 through 2028 accounts for and includes allocations to existing and new programs based on Chapters 1 and 2 of the 2022 Special Session I; and

WHEREAS, VDOT reviewed projects scheduled for advertisement in FY 2023 and recommends adjustments in project allocation to address impacts of updated unit costs and ongoing inflation; and

WHEREAS, Item 12 of the Board’s SMART SCALE Prioritization Process 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, Item 12.a. of the Board’s SMART SCALE 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, VDOT recommends Board approval of a SMART SCALE budget increase for the Richmond-Henrico Turnpike – South Segment Project (UPC 111716) in Richmond District of \$2,767,120 using surplus Richmond Construction District Grant Program funds (UPC -21766) to address updated unit costs and ongoing inflation; and

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase for the Rivermont and Bedford Avenue Intersection Improvement Project (UPC 115489) in Lynchburg District of \$182,000 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation; and

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase for the Arnett Boulevard – Sidewalks, Bike Lanes, Crosswalks Project (UPC 110764) of \$217,583 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation; and

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase for the Route 15 – Construct Roundabout at Route 360 Project (UPC 110767) of \$1,238,467 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation; and

NOW, THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board that the allocations of construction funds provided by Section 33.2-358, Maintenance and Operations funds, and Rail and Public Transportation funds in the Revised Six-Year Improvement Program for Fiscal Years 2023 through 2028 are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the revised Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 for Interstate, Primary and Urban Highway Systems, and Rail and Public Transportation is approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase for the Richmond-Henrico Turnpike – South Segment Project (UPC 111716) in Richmond District of \$2,767,120 using surplus Richmond Construction District Grant Program funds (UPC -21766) to address updated unit costs and ongoing inflation, is approved; and

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase for the Rivermont and Bedford Avenue Intersection Improvement Project (UPC 115489) in Lynchburg District of \$182,000 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation is approved; and

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase for the Arnett Boulevard – Sidewalks, Bike Lanes, Crosswalks Project (UPC 110764) of \$217,583 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation, is approved; and

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase for the Route 15 – Construct Roundabout at Route 360 Project (UPC 110767) of \$1,238,467 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation, is approved; and

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner of Highways and the Director of the Department of Rail and Public Transportation are authorized to enter into agreements for respective programmed projects for Fiscal Year 2023 and prior within the Six-Year Improvement Program satisfactory to the Commissioner and the Director, to the extent otherwise consistent with authorities set forth in the Code of Virginia; and

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the transfers of previous allocations necessary to maximize the use of federal transportation funds as reflected in the Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028, are approved.

BE IT FURTHER RESOLVED, by the Commonwealth Transportation Board that the Commissioner and Director, or their designees, are granted the authority to make transfers of allocations programmed to projects in the approved Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<\$5 million	up to a 20% increase in total allocations
\$5 million to \$10 million	up to a \$1 million increase in total allocations
>\$10 million	up to a 10% increase in total allocations up to a maximum of \$5 million increase in total allocations

BE IT FURTHER RESOLVED, that the Commissioner and Director shall notify the Board on a monthly basis should such transfers or allocations be made.

BE IT FURTHER RESOLVED, that if such request for transfer of allocation exceeds the thresholds established herein, the Commissioner and Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action.

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CTB Decision Brief

Revised Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2023 – 2028

Issue: Chapters 1 and 2 of the 2022 Special Session I included certain provisions not incorporated into the Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 adopted by the Board on June 21, 2022.

Facts: The Board adopted the Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 on June 21, 2022. There are significant transportation needs across the Commonwealth that stand to benefit from the provisions set out in Chapters 1 and 2 of the 2022 Special Session I. The Revised Six-Year Improvement Program for Fiscal Years 2023 through 2028 accounts for and includes allocations to existing and new programs based on Chapters 1 and 2 of the 2022 Special Session I.

In addition, VDOT reviewed projects scheduled for advertisement in FY 2023 and recommends adjustments in project allocations to address the impacts of updated unit costs and ongoing inflation. Four of these projects are SMART SCALE projects where the recommended adjustment in project allocations exceeds the thresholds set out in the Board’s SMART SCALE Prioritization Process.

Recommendations: VDOT and DRPT recommend the adoption of the Revised Program and that authority be granted to the Commissioner and Director, or their designees, to make transfers of allocations programmed to projects in the approved Program to release funds no longer needed for the delivery of the projects and to provide additional allocations to support the delivery of eligible projects in the approved Program consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the following thresholds based on the recipient project:

Total Cost Estimate	Threshold
<\$5 million	up to a 20% increase in total allocations
\$5 million to \$10 million	up to a \$1 million increase in total allocations
>\$10 million	up to a 10% increase in total allocations up to a maximum of \$5 million increase in total allocations

The CTB shall receive a report on a monthly basis regarding any such transfers. If a request for a transfer of allocation exceeds the thresholds above, the Commissioner and Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action.

VDOT recommends Board approval of a SMART SCALE budget increase for the Richmond-Henrico Turnpike – South Segment Project (UPC 111716) in Richmond District of \$2,767,120 using surplus Richmond Construction District Grant Program funds (UPC -21766) to address updated unit costs and ongoing inflation.

Decision Brief

Revised Six-Year Improvement Program and Rail and Public Transportation Allocations For
Fiscal Years 2023 – 2028

October 25, 2022

Page 2 of 2

VDOT recommends Board approval of a SMART SCALE budget increase for the Rivermont and Bedford Avenue Intersection Improvement Project (UPC 115489) in Lynchburg District of \$182,000 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation.

VDOT recommends Board approval of a SMART SCALE budget increase for the Arnett Boulevard – Sidewalks, Bike Lanes, Crosswalks Project (UPC 110764) of \$217,583 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation.

VDOT recommends Board approval of a SMART SCALE budget increase for the Route 15 – Construct Roundabout at Route 360 Project (UPC 110767) of \$1,238,467 using surplus Lynchburg Construction District Grant Program funds (UPC -21764) to address updated unit costs and ongoing inflation.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to adopt the Revised Six-Year Improvement Program of Construction funds, Maintenance and Operations funds, and Rail and Public Transportation funds for Fiscal Years 2023 through 2028, including approval of the transfers of allocations completed as part of the revision. The resolution will include authorization for the Commissioner and Director or their designees to make transfers of allocations programmed to projects in the Revised Six-Year Improvement Program of projects and programs for Fiscal Years 2023 through 2028 necessary to release funds no longer needed for the delivery of the projects and to apply said funds to projects in the approved program needing funds, consistent with Commonwealth Transportation Board priorities for programming funds, federal/state eligibility requirements, and according to the thresholds identified above.

The resolution will also include approval of the following SMART SCALE budget increases to address updated unit costs and ongoing inflation:

- Richmond-Henrico Turnpike – South Segment Project (UPC 111716) in Richmond District of \$2,767,120 using surplus Richmond Construction District Grant Program funds (UPC -21766).
- Rivermont and Bedford Avenue Intersection Improvement Project (UPC 115489) in Lynchburg District of \$182,000 using surplus Lynchburg Construction District Grant Program funds (UPC -21764).
- Arnett Boulevard – Sidewalks, Bike Lanes, Crosswalks Project (UPC 110764) of \$217,583 using surplus Lynchburg Construction District Grant Program funds (UPC -21764).
- Route 15 – Construct Roundabout at Route 360 Project (UPC 110767) of \$1,238,467 using surplus Lynchburg Construction District Grant Program funds (UPC -21764).

Decision Brief

Revised Six-Year Improvement Program and Rail and Public Transportation Allocations For
Fiscal Years 2023 – 2028

October 25, 2022

Page 3 of 3

Options: Approve, Deny, or Defer.

Public Comments/Reactions: Given the need to have allocations available to continue and/or initiate projects and programs in the Program and Rail and Public Transportation allocations, the public expects the CTB to fulfill its statutory duty by approving the Revised Six-Year Improvement Program and Rail and Public Transportation allocations for Fiscal Years 2023 through 2028.