

SMART SCALE Process Review CTB Retreat

Meeting Notes

July 19, 2023

8:30 – 3:30 pm ET

Minutes from the SMART SCALE Process Review CTB Retreat on July 19, 2023, are below.

- Retreat Objectives
- Process Overview
 - History and Purpose (Brooke)
 - Slide 6: (Secretary Miller) Cautioned about not following the process (selecting projects other than those recommended through Staff Scenario too often).
 - Slide 14: (Secretary Miller) Have received feedback regarding the proposed application restrictions. Trying to make sure that we do not have a wasteful process. The question is – what is the right balance? The illustration of 33 is the extreme. It's a gray area. (Ms. Hynes) How did we decide on the size of the locality, MPO, or PDC that makes you eligible for a certain number of applications? It came from the public. [Staff recommended and public feedback.] (Dr. Smoot) What is the process for projects that involve more than one locality or MPO? [Require a resolution of support.] (Secretary Miller) We do not have a restriction – they could both submit. (Ms. Hynes) We do not give them a bonus for collaboration either. (Ms. Sellers) Population densities have changed. Concern that if we do not change this now applicants will either be in or out (close to number, but not enough to reach the higher limit).
 - Slide 15: (Secretary Miller) It requires a lot of work to ensure that all of the applications/projects go through the process.
 - Slide 16: (Secretary Miller) We have four different categories that you can fit into. That is the weighting within the areas. (Dr. Smoot) The selection of a type is totally up to the local government. The state does not assign types to the localities. (Secretary Miller) Under the rules, who decides? CTB makes the decision. (Dr. Smoot) At the request of a locality. (Secretary Miller) Referred to the few area type updates that have occurred. (Mr. Kasprovicz) That is what happened to the Fredericksburg District. *Add a column to show population densities.*
 - Slide 18: (Secretary Miller) Everyone clear about normalization?
 - Slide 22: (Ms. Hynes) *Add a row for completed projects.* Into a more stable funding and production schedule now. (Dr. Smoot) Requested clarification regarding the Total Funding Allocated in Round 5 compared to the Value of Projects Supported. (Mr. Coleman) Inquired about the difference between Submitted and Scored. (Secretary Miller) Looking at the ratio of Submitted to Funded. Consider how much staff time goes into one project. 150 hours x 230 projects is a lot of time. We do not want to waste resources. (Ms. Sellers) When did we put the limit on applications? (Secretary Miller) Applicant's position - why aren't we maximizing our

opportunity. They don't have the funding and staffing resources. We help them.

- Application Scoring Methodology
 - Slide 25: (Mr. Kasproicz) Good document to have a hard copy.
 - Slide 26: (Secretary Miller) C.1 Throughput change – cars/autos not included unless already maxed out. What would be included? (Ms. Hynes) What happens when it is congested? (Secretary Miller) Is there such a thing as max capacity for them (riders, walkers)? Trying to figure out why that is reflective of a congestion relief benefit. So, the number increases if they are on a bus, but not if they are in a car. Talking about actual throughout vs. capacity. People using a mode that was not available before. What does that have to do with congestion? That's the problem. (Mr. Lawson) Why are we spending resources on something until it becomes a problem? Here we don't have congestion. The definitions are troubling. (Secretary Miller) There are a lot of vagaries. This is complicated and there are a lot of pieces. We are trying to make it better, not perfect. (Ms. Hynes) The part of this whole system that is somewhat mitigating on all of the factors. For different typologies we have different weights. Congestion is more important in certain places. Leveling the ground based on the different needs throughout the Commonwealth. (Secretary Miller) So throughput should be a calculation that space, length, speed, how many can get through. The other criteria was hours of delay [person hours]. Struggled with separating them as discreet variables; they are interrelated. With less throughput, you will have hours of delay. (Mr. Kasproicz) For C.1 and C.2, are these generally highway correlated? It depends on its current condition.
 - Slide 27: (Secretary Miller) Requested clarification whether property damage is considered. (Mr. Kasproicz) Does the combination of S.1 and S.2 give a crash modification factor? (Secretary Miller) *Need to come back to the correlation between the safety measures.*
 - Slide 30: (Secretary Miller) Requested confirmation that it holds all of the other variables fixed. (Ms. Hynes) When looking at job accessibility within 45 minutes are we looking at today or further out (for what jobs are available)? [10 years into the future.] (Secretary Miller) With respect to jobs, are we really just talking about range? [Yes.] (Mr. Coleman) On A.1, if we have a locality that has a vision that by a certain date people will be working from home. Is there a way of separating people that have a vision that does not match reality? (Secretary Miller) Let's pretend remote work increases. This measure gets harder. I think it's okay. Pretend one half of the jobs were not remote. Still a number of fixed jobs. This factor should say, can I get there or not. (Ms. Hynes) If that were to happen, we would see a drop in congestion. Congestion would be the leading indicator of commuting patterns. Accessibility is about commuting to work, not about any other travel. (Mr. Kasproicz) There have been changes. We have changed the congestion factor substantially in that time. *Should we change the weighting to focus more on A.3 (than A.1 and A.2)?* (Secretary Miller) Does A.2 rely on pockets of people that are

disadvantaged? (Ms. Sellers) Are we doing A.2 because there are different pockets of money for disadvantaged populations? Have we thought of advocating for that, requesting money from the federal government? (Ms. DeBruhl) There is very little transportation funding for Medicaid. (Secretary Miller) Provide an example of an A.3 scenario (how the driving benefits are captured). (Mr. Kasproicz) For commuting because this is job-based. The allocation of percentages is somewhat dated. 10 years ago, our driving focus was congestion. We are in a position now where we need to assess levels of congestion. (Secretary Miller) Do we look at the singular thing we are doing as we generate a score for non-singular occupancy vehicles (e.g., crosswalk and/or sidewalk within certain geographic boundaries). Does it drive the accessibility score? Dealing with rules regarding flight restrictions (two airports in Northern Virginia). They are operated as a system, not individually. If we look at the town instead of just the sidewalk (narrow focus), not getting a lot of benefit but it would score well. (Mr. Kasproicz) Round 1 of SMART SCALE, congestion seemed to be the overriding concern. *The information from the VTrans reporting measures would be very helpful and beneficial to assist with making changes.* Great example of the need for measurable metrics. (Secretary Miller) Data regarding comparison of where are we now vs. where were we to confirm if what we got was what we expected. Did the projects deliver what we thought they would? (Ms. Hynes) We project benefit as a cost. The point of SMART SCALE is to do a couple of things really well – moving people more efficiently with less congestion. We don't have a baseline for that question today (how efficiently are we moving people today?). Do Virginians have fewer impediments to moving on our transportation network efficiently? The key question is are we giving Virginians more access to an efficient network. (Secretary Miller) We score and normalize applications. They all start with baselines. Those projects should all move the needle in the categories that they influence. Need to look at project performance. Are we better or worse off now? If we add all of the investments up, is it bringing us forward? (Mr. Kasproicz) Potential adjustment to these categories. *Is comparative, objective statewide data available? [Need to follow up with accessibility team.]* (Ms. Hynes) Maybe by shifting percentages... (Secretary Miller) I'm not sure how to calculate across the Commonwealth what the average job accessibility is. (Secretary Miller) We are not going to cherry pick categories.

- Slide 32: (Ms. Hynes) For ED.1, is it today or some period years into the future? And the locality has to demonstrate in hand or nearly in hand. (Secretary Miller) Square footage is not the best indicator, will see it later. (Mr. Lawson) Is it an existing business or a new business that is going to grow? It is industrial, commercial, certain type of commercial? Example of a hospital that will double its footprint. Someone is filing a site plan and the carrot is that they will have a road improvement 5-7 years from now (due to a SMART SCALE application that is being considered now). (Secretary Miller) Trying to measure the economic development benefits

for an application. Like jobs better than square footage. Not sure that the timing for the road construction/improvement obviates the benefit. (Mr. Lawson) If we could tell them that we are going to make improvements. (Secretary Miller) What would be ineligible? Focus on existing vs. new. (Mr. Lawson) Suggestion to count/include the existing mall. Concern about businesses relocating elsewhere. (Secretary Miller) Don't know how to parse the benefit for each business/employee. (Mr. Lawson/Secretary Miller) Should come up in congestion. (Dr. Smoot) Pending in the state budget a financing program related to infrastructure of economic development. Need to take that into consideration. (Mr. Kasprovicz) Could it be modified to be more specific (approved site plan square footage)? (Ms. Sellers) Concern that site plans are too late in some cases. Already projecting and proffering out. Need to get ahead of it. (Secretary Miller) We are working closely with VEDP and Commerce and Trade to make sure we get this right. (Ms. Sellers) Residential is where we can say need infrastructure in place by the time you get the occupancy permit. If you leave those out, you are missing a big piece. Talking about economic development in a much broader sense. (Ms. Hynes) *You do not have to get points in ED.1 to get points in ED.2 and ED.3, correct? Maybe this is a place where we want to shift percentages a bit.*

- Slide 36: (Mr. Stant) Requested confirmation that environmental is the only factor that can have a negative score.
- Slide 34: (Mr. Lawson) Requested clarification regarding the definition of the Land Use measure. (Secretary Miller) Requested an illustration of a high scoring Land Use project. (Mr. Lawson) This would only apply if I am developing a town center or on a greenfield site? It can't exist in a rural area or a subdivision. (Ms. Hynes) The most important – we care about this because it measures the capacity of people to not need to get in their car for daily living activities. In places like Arlington or downtown Fredericksburg, we already have the conditions where people do not need their cars. Are we measuring it in the right way? Are we forward-thinking enough? If people don't have choices, we don't have space to expand the roads. (Mr. Lawson) Need to work on VDOT's design standards to accommodate innovative solutions due to right of way limitations. (Mr. Kasprovicz) Land use is about facilitating future growth identified by local governments... (Dr. Smoot) Agree that land use is an important and worthy consideration. Concern about how measured. Example of a streetlight project that only scored in land use. Failed to understand why the project is so elevated by land use. (Secretary Miller) Land use measured by virtue of location. (Ms. Sellers) Opportunity to become more involved and engaged with local governments. The market is consistent enough. Use land use in coordination with economic development, we could see process work more effectively (not necessarily efficiently). Concern that definition needs to be broadened beyond walkable and for recreation. (Mr. Stant) Serious issues with land use. Land use is not a term used in any statute or regulation. Read from

VA Code. How does this methodology meet up with the statutory requirements? The whole thing needs to be reworked in accordance with the statute. (Ms. Coleman) All criteria need to be measurable, not based on unverifiable assumptions. Land use is being manipulated. That is a flaw that needs to be corrected. Need an understandable and measurable definition.

- Project Funding Steps
 - Slide 40: (Mr. Stant) HPP has different criteria compared to DGP? (Ms. Hynes) Across nine districts, how far into the MPO list you go will vary. Higher ranked SMART SCALE score projects might not be considered for HPP.
 - Slide 41: (Ms. Hynes) Requested confirmation that we are using the Project Benefit score in Step 3. (Mr. Folkes) How do we determine that district gets \$121.6M?
 - (Secretary Miller) HPP projects were intended to be larger projects with statewide impacts. That has not always been the case due to the current funding steps.
- Summary of Briefings to Date
 - Slide 42: (Mr. Coleman) Is ATCS involved in the Technical Advisory Committee?
 - Slide 44: (Mr. Stant) Agree that land use weighting is too high. Also think the methodology is flawed and not in accordance with the statute. (Mr. Coleman) Concerned about the \$10M; it has internal bias. Used the term multiplier effect. Favors small projects. [Will go through the math.] (Ms. Hynes) 4th bullet – Applicants are focused on submitting applications that will be accepted. If I can get a project funded with state money that I don't have to match that frees up money in my CIP to do something else that also has value. Caution against using "not necessarily add value." (Secretary Miller) Would change to say, "does not necessarily add the most value." Projects are not the most valuable in retrospect. They all add value, but are we getting the projects that add the most value? (Mr. Kasprovicz) Not working as efficiently as we hoped it would. Needs consideration and revision. One very different situation then – we had one more iteration of capacity expansion available to us (Silver Line, 66 Express Lanes, 495 Express Lanes, 395). We have reached the ultimate profile on our primary routes. Our capacity is now constrained – economically and politically. Land use attempting to add transportation facilities... Need to consider that we have a different set of circumstances. Need to consider impacts 5, 10, 15 years in the future. (Mr. Coleman) General consensus is that applications are submitted that are based more on quantity than quality. (Secretary Miller) I don't think we are going to stop expanding in Northern Virginia or anywhere else.
 - Slide 46: (Mr. Coleman) How do you define stakeholder?
 - Slide 50: (Mr. Coleman) Was there any consideration to limit breaking up the projects into smaller components? (Secretary Miller) You saw that with the land use scores. (Mr. Coleman) Concerned about the time to manage these projects – VDOT district offices and OIPI. (Ms. Sellers) Why can't the VDOT district offices submit applications for funding through HPP? (Ms. Hynes & Secretary Miller) CTB can put in two projects. (Mr. Kasprovicz) Refine HPP definition and eliminate Step 2. Each one of those would have an impact. Could we revise the

HPP definition and keep Step 2? (Secretary Miller) Just need to bring the modeling back. The benefit of eliminating Step 2 is that it simplifies the process.

- Analysis and Recommendations to Date
 - Slide 52: (Secretary Miller): The applicants are just playing by the rules that we gave them. Applicants are doing the best they can to get the best results for their constituents.
 - Slide 53: (Secretary Miller) 2nd bullet point is profound. 50% of submitted applications are not ready. That is terribly inefficient. (Mr. Lawson) What does not ready mean? Is it that they did not provide cost estimates, or you do not believe their cost estimates? The districts help a lot with these applications. Sounds like 50% do not even pass muster. Figure out a mechanism to screen them. (Ms. Hynes) Given the success rate of these applications, a lot of times the projects that do not make it come back. Locality received feedback from one round, addressed the feedback and resubmitted, was screened out again (study performed was inadequate). (Secretary Miller) Need to be clear about the requirements. We can and should be helpful. We should not move the goalposts on anyone. (Mr. Laird) I am not sure that reducing the number of applications will improve the quality. There should be some other guardrail to ensure that you are getting what you want. (Secretary Miller) Make the requirements crystal clear and help the applicants. There should be some impact on quality if you reduce the quantity. (Mr. Laird) We want to get quality applications and see meaningful projects.
 - Slide 54: (Secretary Miller) That is what we did in the past and went away from it. (Mr. Lawson) Are we working from the manual? [Technical Guide] Has anyone looked to determine how accurate the studies are? (Secretary Miller) You are talking about the criteria, as opposed to the time. That is a separate matter. They are independent of one another. If we do not look past today to see what is going to happen tomorrow, it doesn't make any sense. (Secretary Miller to Mr. Lawson) Bring some of that data. (Ms. Hynes) 1st bullet, do we mean growth in jobs and residents or major economic development? [Both.]
- Additional Analysis (Low Scoring Projects)
 - Slide 57: (Secretary Miller) The problem here is that 1 is a relative number. It could be a great project. It depends on what you judge it against. How much money do you have? How does it compare to the other projects? Not sure that we are going to fix this. You could have a round with terrible or fantastic projects.
 - Slide 58: (Dr. Smoot) Would like to hear (not today) a concise definition of what kinds of projects qualify for SMART SCALE. It is not as clear with regard to mass transit. Does that qualify for SMART SCALE? If someone wanted to extend passenger service, they could submit a SMART SCALE request? Would also like to hear more about concerns relative to cost estimating of SMART SCALE projects. (Secretary Miller) Drilled down to local level, which exacerbates the problem regarding resources. Concern at local level regarding differences of opinion between applicants and districts relative to cost estimate. (Commissioner Brich) We have revamped our cost estimating process. We have a consistent and robust methodology. Look at on time and on budget statistics.
- Factor Weighting Analysis

- Slide 61: (Secretary Miller) Exact same score for the land use measures. Saw an anomaly increase in projects with no score other than in land use and got funded. (Mr. Kasprovicz) There will still need to be criteria to get the bonus points, correct? (Secretary Miller) Some who think that the criteria that we use are not anticipated in the Code. Does this address the Code or not? How? (Mr. Kasprovicz) Last bullet point recommends that this be applied to Safety and Congestion Factors. Not sure why we would choose Congestion. Have Environmental Factors that... Don't see Congestion as being the major problem that it was 10 years ago. Consider making the shift to Safety and Environmental. (Ms. Sellers) I don't know that I would agree that Congestion is not a problem. Congestion is a problem. (Dr. Smoot) Congestion has negative Environmental consequences. (Ms. Hynes) Point out that the factor weightings are different based on typology.
- Slide 62: (Secretary Miller) Clarification regarding land use percentage if look at A&B vs. C&D.
- Slide 65: (Secretary Miller) We have a large pot of money in a program that just goes to safety. This is in addition to that.
- Slide 66 & 67: (Mr. Kasprovicz) That would be using the existing criteria to evaluate whether you get the 100%. (Ms. Sellers) So it's creating a multiplier?
- Slide 67: (Secretary Miller) Clarify that Safety is the most important criteria (vs. everyone needs more Safety). Let's review. Get rid of it as a separate and distinct category. Use it as a modifier. In this case, apply it to Safety. Using the same criteria that we have now. It's 42% bigger than it would have been. It would eliminate things that only had land use scores. If we removed them, would we see similar results? Will address the idea of changing the criteria separately. (Ms. Hynes) Hard to know if it makes sense if looking at a single example. Similar concern regarding any projects that only score based on a single factor. (Secretary Miller) Issue with land use is that it is solely based on the location. (Ms. Hynes) Maybe we need different criteria (as opposed to this approach). (Mr. Kasprovicz) Can you adjust the benefits based on the scope or the size of the project? Can we come up with a metric that measures the scaled benefit of land use? Can we adjust the allocation of points based on the expected benefit? (Ms. Sellers) Comprehensive plan is in the Code. As projected in the comprehensive plan. FAMPO is trying to scope out what land use is.
- Slide 69: (Secretary Miller) All of the factors are very important. If we don't have economic growth, we can kiss all of this goodbye.
- Slide 70: (Mr. Kasprovicz) In this scenario we lose bus transit completely. It's a troubling example – taking that mode out, given the desire for mode balance. (Secretary Miller) What if you ran it across all rounds? (Ms. Hynes) NVTA does a lot of multimodal and shows numbers based on PIT. Create a grid to show that we are moving the needle across modes. Show beyond principal improvement type to reflect improvement across all modes.
- Slide 72: (Mr. Kasprovicz) Requested clarification regarding how it is being applied. I do not understand how it is being calculated and applied in this model. Using the same criteria. Applying it to those that got land use benefit in this round. (Secretary Miller) What does it mean to apply a 100% bonus?

- (Secretary Miller) Can work with members individually, if needed. (Ms. Hynes) Recall previous refinements of the process. If applied across Round 5, this many projects moved from funded to unfunded and from unfunded to funded.
- Slide 73: (Mr. Kasprowicz) Not aware of how we analyze bike & ped applications. (Secretary Miller) In our process, do we want to give any advantage whatsoever that tends to reduce demand?
- (Secretary Miller) We have a formula. Do we ever validate that? Is that underestimating, overestimating, spot on? (Ms. Hynes) We/VDOT are not consistent with the types of counters that are put on trails. We are not going to have good data until...
- (Mr. Coleman) Based on review of applications in Hampton Roads, question the information provided in the application. Application promoted getting people out of cars. Need to define what is recreational. Need to determine whether for application to be successful, accuracy of information. Not a fan of road diet.
- Slide 74: (Secretary Miller) This is part and parcel of a total safety program. You can have very different needs within an area. What if two locations within an area want something different (e.g., Norfolk and Suffolk)? (Mr. Kasprowicz) One of the challenges with putting more emphasis on Safety is the timing of SMART SCALE. (Secretary Miller) What do we do in the interim? (Mr. Kasprowicz) Should there be an accelerant?
- Slide 76: (Mr. Kasprowicz) Want to see what remains (transportation bike & ped and recreation bike & ped) before we make a step that significant.
- (Ms. Hynes) Provide a definition of HPP.
- Summary of Feedback Heard Today
- Schedule and Next Steps
- Final Comments and Questions
 - (Mr. Lawson) Get a report as if meeting in August. Would like to see the September presentation a month ahead of time (3rd week of August). Compliance with the Code is important. (Secretary Miller) We will get you what we can in August, but not the September presentation. Will provide it as soon as possible. Package information/data/responses to questions and provide as soon as possible.
 - (Mr. Coleman) Acknowledged Brooke and staff. Have done a wonderful job.