



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 6

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

April 19, 2022

MOTION

Made By: Mr. Stant **Seconded By:** Mr. Coleman

Action: Motion carried, unanimously

Title: SMART SCALE Project Budget Increase for Nike Park Extension from Reynolds Drive to US Route 17 UPC 109314 in Isle of Wight County

WHEREAS, section 33.2-214.1 of the Code of Virginia, provides that the Commonwealth Transportation Board (Board) shall develop a statewide prioritization process for certain projects funded by the Board, including those projects allocated funds pursuant to sections 33.2-358, 33.2-370 and 33.2-371 of the Code of Virginia, and

WHEREAS, on December 8, 2021, the Board adopted a revised SMART SCALE Prioritization Process to govern screening, scoring and selecting projects for funding pursuant to section 33.2-214.1; 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

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- 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, or the Highway Construction District Grant Programs pursuant to section 33.2-371, or the Interstate Operations and Enhancement Program pursuant to section 33.2-372, or capital projects funded through the Virginia Highway Safety Improvement 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, Nike Park Extension from Reynolds Drive to US Route 17 UPC 109314 Project (the Project) was submitted for consideration and selected for \$11.7 million in funding through the Construction District Grant Program in the first round of the prioritization process pursuant to section 33.2-214.1; and

WHEREAS, the Project was ranked 17 out of 21 projects selected in Round 1 in the Hampton Roads District with a score of 1.3; and

WHEREAS, the Project is in the preliminary engineering phase, and has had a cost estimate increase due to additional preliminary engineering requirements, higher than anticipated right-of-way and utilities impacts, and higher than anticipated unit prices; and

WHEREAS, the Project has been reevaluated to reduce costs, including the reduction in the total typical section of the roadway, the reduction in the shared-use path width, the reduction of the overall footprint of the two new intersections, and the transference of a portion of right-of-way acquisition to Isle of Wight County; and,

WHEREAS, the Project is in the preliminary engineering phase and the estimated cost of the project exceeds the approved budget of \$11.7 million by approximately \$4.6 million; and,

WHEREAS, on November 18, 2021 Isle of Wight County committed \$2.2 million in local funding to help address the project's shortfall; and,

WHEREAS, repurposed earmark funding of \$0.4 million has been committed to the project to help address the project's shortfall; and,

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase in the remaining amount of up to \$2.1 million using surplus Construction District Grant funds in the Hampton Roads District (UPC -21763).

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NOW THEREFORE BE IT RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase of \$2.1 million for the Project, using surplus Construction District Grant funds in the Hampton Roads District (UPC -21763), is approved.

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CTB Decision Brief
SMART SCALE Project Budget Increase
Nike Park Extension from Reynolds Drive to US Route 17 UPC 109314

Issue: The Nike Park Extension from Reynolds Drive to US Route 17 UPC 109314 project (Project) was selected for funding in the first round of the Commonwealth Transportation Board's (Board) SMART SCALE Prioritization Policy/Process and the current estimated cost for completion of the Project exceeds the approved budget by approximately \$4.6 million. The Virginia Department of Transportation (VDOT) recommends Board approval of a SMART SCALE budget increase in the amount of up to \$2.1 million using surplus Construction District Grant funds in the Hampton Roads District from UPC -21763. Board approval of the budget increase is required.

Facts: Item 12 of the Board's SMART SCALE Prioritization Policy/Process, adopted December 8, 2021, 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 12.a. 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 Nike Park Extension from Reynolds Drive to US Route 17 UPC 109314 (Project) was submitted for consideration and selected for \$11.7 million in funding through the Construction District Grant Program. The Project was ranked 17 out of 21 projects selected for funding in Round 1 in the Hampton Roads District with a score of 1.3.

The Project is currently in the preliminary engineering phase and has experienced a beyond threshold cost increase due to additional preliminary engineering requirements, higher than anticipated right-of-way and utilities impacts, and higher than anticipated unit prices.

The Project was reevaluated to reduce costs; efforts taken include the reduction in the total typical section of the roadway, the reduction in the shared-use path width, the reduction of the overall footprint of the two new intersections, and the transference of a portion of right-of-way acquisition to Isle of Wight County.

On November 18, 2021, Isle of Wight County approved a commitment of \$2.2 million. In addition, the Federal Highway Administration approved the application of \$0.4 million from a repurposed earmark.

VDOT recommends Board approval of a SMART SCALE budget increase to address the remaining shortfall of \$2.1 million using surplus Construction District Grant funds in the Hampton Roads District (UPC -21763).

Recommendation: Approval of a SMART SCALE budget increase in the amount of up to \$2.1 million using surplus Construction District Grant funds (UPC -21763) in the Hampton Roads District.

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