



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item # 5

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 19, 2020

MOTION

Made By: Mr. Miller, Seconded By: Mr. Rucker

Action: Motion Carried, Unanimously

Title: Adoption of Updated Policy for Implementation of the SMART SCALE Project Prioritization Process

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, it is the responsibility of the Office of Intermodal Planning and Investment (OIPI), in coordination with the Virginia Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT), to implement the statewide prioritization process developed by the Board pursuant to Section 2.2-229; and

WHEREAS, Section 33.2-358 sets forth requirements relating to the allocations and establishment of a High Priority Projects Program established pursuant to section 33.2-370 and a Highway Construction District Grant Program established pursuant to section 33.2-371; and

WHEREAS, Chapter 726 of the 2014 Acts of Assembly, required the Board to select projects for funding utilizing the project prioritization process established pursuant to section 33.2-214.1; and

WHEREAS, Section 33.2-214.1 (B) requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process; and

WHEREAS, Section 33.2-214.2 requires OIPI to make public, in an accessible format, a recommended list of projects and strategies for inclusion in the Six-Year Improvement Program based on results of the evaluation of submitted projects and the results of screening and evaluation of such projects no later than 150 days prior to the Board’s vote to adopt the Six-Year Improvement Plan.

WHEREAS since adoption of the most recent SMART SCALE Prioritization Policy on February 21, 2018, modifications to improve and strengthen the policy have been identified and were recommended to the Board by OIPI on January 14, 2020, pursuant to a presentation entitled *Proposed Changes to SMART SCALE Policies and Methods—Round 4.*

NOW THEREFORE BE IT RESOLVED, the Commonwealth Transportation Board hereby updates the SMART SCALE Prioritization Policy adopted on February 21, 2018 to address the issues noted herein and adopts the following policy and process to govern screening, scoring and selecting projects for funding pursuant to Section 33.2-214.1 (SMART SCALE Prioritization Process):

1. Application for funding through the SMART SCALE Prioritization Process must be made by qualifying entities based on project type and as follows:

Eligibility to Submit Projects

Project Type	Regional Entity (MPOs, PDCs)	Locality* (Counties, Cities, and Towns)	Public Transit Agencies
Corridor of Statewide Significance	Yes	Yes, with a resolution of support from relevant regional entity	Yes, with resolution of support from relevant regional entity
Regional Network	Yes	Yes, with a resolution of support from the MPO*	Yes, with resolution of support from relevant entity
Urban Development Area	No	Yes, with a resolution of support from the relevant MPO*	No
Safety	No	Yes, with a resolution of support from the relevant MPO*	No

Note*: Projects within established MPO study areas that are identified in or consistent with the regionally adopted Constrained Long Range Plan (CLRP) do not require a resolution of support from the respective MPO Policy Board. For projects outside MPO areas a resolution of support is required only from the submitting locality.

2. Application for funding through the SMART SCALE Prioritization Process must be made for a qualifying need and, pursuant to Section 33.2-214.1 (B)(2) and 33.2-358, for the High Priority Projects Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for all corridors of statewide significance and regional networks, and for the construction District Grant Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for corridors of statewide significance, and regional networks, improvements to promote urban development areas established pursuant to Section 15.2-2223.1, and identified safety needs.
3. Applications for funding through either the High Priority Projects Program or the Construction District Grant Programs must relate to projects located, in part or wholly, within the boundaries of the qualifying entity. In the case of an application that traverses the submitting entity's boundaries, the submitting entity must provide resolution(s) of support from the affected jurisdiction(s) or regional planning organization(s).
4. A resolution of support from the relevant governing body or policy board, approved in a public forum with adequate public notice, is required at the time of application.
5. By majority vote of the Board, the Board may choose to submit up to two projects to be evaluated for funding in each biennial application cycle.
6. In the event the CTB elects to submit up to two projects to be evaluated and considered for funding, the projects will be considered for funding in the Construction District Grant Program with the endorsement of the applicable local government(s) and/or the High Priority Projects Program.
7. The factors specified in Section 33.2-214.1 will be measured and weighted according to the following metrics:

ID	Measure Name	Measure Weight
Safety Factor		
S.1	Number of Fatal and Injury Crashes*	70%
S.2	Rate of Fatal and Injury Crashes	30%
Congestion Mitigation Factor		
C.1	Person Throughput	50%
C.2	Person Hours of Delay	50%
Accessibility Factor		
A.1	Access to Jobs	60%
A.2	Access to Jobs for Disadvantaged Populations	20%
A.3	Access to Multimodal Choices	20%

ID	Measure Name	Measure Weight
Environmental Quality Factor		
E.1	Air Quality and Energy Environmental Effect	100%
E.2	Impact to Natural and Cultural Resources	**
Economic Development Factor		
ED.1	Project Support for Economic Development	60%
ED.2	Intermodal Access and Efficiency	20%
ED.3	Travel Time Reliability	20%
Land Use Factor		
L.1	Transportation Efficient Land Use	50%
L.2	Increase in Transportation Efficient Land Use	50%

Note*: 100% for Transit and Transportation Demand Management Projects

Note**: E2 will serve as a subtractive measure (subtracting up to 5 benefit points) based on the acreage of sensitive areas potentially impacted.

- The factors will be evaluated according to the following typology categories and weighting frameworks within the state’s highway construction districts:

Region in which the Project is Located	Typology	Construction District
Accomack-Northampton PDC	Category D	Hampton Roads
Bristol MPO	Category D	Bristol
Central Shenandoah PDC	Category D	Staunton
Central Virginia MPO	Category C	Lynchburg/Salem
Charlottesville-Albemarle MPO	Category B	Culpeper
Commonwealth RC	Category D	Lynchburg/Richmond
Crater PDC	Category D	Richmond/Hampton Roads
Cumberland Plateau PDC	Category D	Bristol
Danville MPO	Category D	Lynchburg
Fredericksburg Area MPO (FAMPO)	Category B	Fredericksburg
George Washington RC	Category D	Fredericksburg
Hampton Roads PDC ⁱ	Category D	Hampton Roads
Hampton Roads TPO (HRTPO) ^{i,ii}	Category A	Hampton Roads/Fredericksburg
Harrisonburg-Rockingham MPO	Category C	Staunton
Kingsport MPO	Category D	Bristol

Region in which the Project is Located	Typology	Construction District
Lenowisco PDC	Category D	Bristol
Middle Peninsula PDC ⁱⁱ	Category D	Fredericksburg
Mount Rogers PDC	Category D	Bristol/Salem
New River Valley MPO	Category C	Salem
New River Valley PDC	Category D	Salem
Northern Neck PDC	Category D	Fredericksburg
Northern Shenandoah Valley RC	Category D	Staunton
Northern Virginia RC	Category A	Northern Virginia
Northern Virginia Transportation Authority (NVTa) / Transportation Planning Board (TPB) ⁱⁱⁱ	Category A	Northern Virginia/Culpeper
Rappahannock-Rapidan RC ⁱⁱⁱ	Category D	Culpeper
Region 2000 LGC	Category D	Salem/Lynchburg
Richmond Regional PDC	Category D	Richmond
Richmond Regional TPO (RRTPO)	Category B	Richmond
Roanoke Valley TPO (RVTPO)	Category B	Salem
Roanoke Valley-Alleghany PDC	Category D	Salem/Staunton
Southside PDC	Category D	Lynchburg/Richmond
Staunton-Augusta-Waynesboro MPO	Category C	Staunton
Thomas Jefferson PDC	Category C	Culpeper/Lynchburg
Tri-Cities MPO	Category C	Richmond
West Piedmont PDC	Category D	Salem/Lynchburg
WinFred MPO	Category C	Staunton

Note*: PDC is defined as the remainder of the region outside the MPO boundary. In many cases, these regions include partial counties (e.g. Goochland County is partially within RRTPO and the Richmond Regional PDC). If a project is within the MPO boundary in a partial county, the project shall use the weighting associated with the MPO with the following exceptions:

- i. The portion of Southampton County and the City of Franklin within the Hampton Roads TPO boundary shall use the weighting associated with the Hampton Roads PDC.
- ii. The portion of Gloucester County within the Hampton Roads TPO boundary shall use the weighting associated with the Middle Peninsula PDC.
- iii. The portion of Fauquier County within the Transportation Planning Board Boundary shall use the weighting associated with the Rappahannock-Rapidan Regional Commission.

Note** For projects that cross multiple typology boundaries, the project shall use the weighting associated with the typology for which the majority of the project is located.

Weighting Frameworks

Factor	Congestion Mitigation	Economic Development	Accessibility	Safety	Environmental Quality	Land Use
Category A	45%**	5%	15%	5%	10%	20%*
Category B	15%	20%	25%	20%	10%	10%*
Category C	15%	25%	25%	25%	10%	
Category D	10%	35%	15%	30%	10%	

Note* - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain metropolitan planning areas with a population over 200,000, the prioritization process shall also include a factor related to Land Use.

Note** - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain highway construction districts congestion mitigation must be weighted highest among the factors.

- Qualifying entities are limited in the number of pre-applications and full applications they may submit. A pre-application requires applicants to fill out basic information about their projects to allow for the state to conduct pre-screening. In turn, pre-screening provides early applicant feedback to ensure that a project meets a VTrans need adopted by the CTB, is eligible for SMART SCALE, and meets the CTB’s readiness policy. The limits are based on population thresholds as defined in the table below. A Board member may allow one additional application from one county within their district if (i) the project is located within a town that is ineligible to submit projects and (ii) the county in which the town is located submitted the maximum number of applications allowed. Only one such additional application is allowed per district.

Application Limits

Tier	Localities*	MPOs/PDCs/ Transit Agencies*	Max # of Pre-Applications	Max # of Full Applications
1	< 200K	< 500K	5	4
2	>= 200K	>= 500K	12	10

Note* - The source of population data for localities, MPOs and PDCs is the last preceding United States census (2010). Application limits for transit agencies were determined based on service area population in the 2010 National Transit Database (NTD). If service area population was not available in NTD, Census 2010 population was used to determine population in jurisdictions served by transit agency.

10. Candidate projects will be scored based on the factors and weights identified above relative to other projects submitted for evaluation, the cost of the project and based on information included in the project application.
11. The final project score is determined by calculating the anticipated benefits relative to the amount of funding requested pursuant to section 33.2-358 of the *Code of Virginia*.
12. A project that has been selected for funding must be re-scored and the funding decision re-evaluated 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.
 - a. 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.
 - b. If the project scope is reduced or modified such that the revised score is less than the lowest ranked funded project in the district for that cohort of projects, Board action is required to approve the change in scope.
 - c. If the project scope is increased then the applicant is responsible for the additional cost attributable to the increase in scope regardless of budget impact. The scope of a project may not be substantially modified in such a manner that the proposed improvements do not accomplish the same benefits as the original scope.
13. A project that has been selected for funding must be initiated and at least a portion of the programmed funds expended within one year of the budgeted year of allocation or funding may be subject to reprogramming to other projects selected through the prioritization process. In the event the Project is not advanced to the next phase of construction when requested by the Commonwealth Transportation Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the *Code of Virginia*, to reimburse the Department for all state and federal funds expended on the project.
14. A project that has been selected for funding cannot be resubmitted to address cost increases or loss of other sources of funding.
15. Once a project is selected for funding, an entity must wait for two rounds of SMART SCALE following the end date of construction before submitting a new project application for the same location that meets the same need as the project that was selected for funding.

16. Once a project is selected for funding, an entity may not resubmit the project with a revised scope in a subsequent round unless the previously selected project has been cancelled.
17. A project that has been selected for funding may be cancelled only by action of the Board. In the event that a project is not advanced to the next phase of construction when requested by the Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the Code of Virginia, to reimburse the Department for all state and federal funds expended on the project.
18. In the cases where a project has been selected for funding which identified other sources of funding, the qualifying entity is committed to pay the difference if other sources of funding are not provided. An applicant may only identify State of Good Repair, Transportation Alternatives Set-Aside, Highway Safety Improvement Program and Revenue Sharing funds as committed funds if the funding has already been approved by the Board. Applicants must have an approved or pending application for other sources of committed funds, such as local/regional or other federal funds, at the time of the SMART SCALE application submission.
19. Pursuant to 33.2-214 E, any project added to the SYIP funded wholly or in part with funding from the High Priority Projects Program or Construction District Grants Program shall be fully funded within the six-year horizon of the SYIP.
20. Applications for funding through the SMART SCALE Prioritization Process may not request funding to replace other committed funding sources identified in a local capital improvement program or a transportation improvement program, or required to be paid by a developer as a result of a local zoning process.
 - a. The CTB may waive this requirement for projects that:
 - i. have an anticipated total cost in excess of \$1 billion; and
 - ii. were not eligible for submission in the previous round of SMART SCALE due to readiness considerations, but initiated procurement prior to award of the current round of SMART SCALE.
 - b. If a fully funded project is submitted with additional features that are not yet funded, the benefits associated with the fully funded or committed project element(s) will be excluded from consideration in evaluating and rating the project benefits for SMART SCALE.
21. The Board may adjust the timing of funds programmed to projects selected in previous SMART SCALE cycles to meet the cash flow needs of the individual projects, but will not (1) reduce the total amount of state and federal funding committed to an individual project unless it is no longer needed for the delivery of the project or the project sponsor is unable to secure permits and environmental clearances for the project or (2) increase the total amount of state and federal funding committed to an individual project beyond the thresholds established in item 10. Projects from a subsequent round will not be advanced or accelerated by delaying projects selected in a previous SMART SCALE cycle.
22. In cases where programmed funds are no longer needed for delivery of a project due to estimate decreases, contract award savings, schedule changes, etc., the unexpended surplus funds are SMART SCALE unless superseded by the terms of a signed project agreement.

- a. Surplus Construction District Grant Program funds no longer needed for delivery of a project will remain within the applicable Construction District Grant Program and may not be used in other districts.
- b. Surplus High Priority Projects Program funds will remain within the High Priority Projects Program.
- c. Such surplus funds will be reserved to address budget adjustments on existing SMART SCALE projects or reserved for allocation in the next solicitation cycle for SMART SCALE.

BE IT FURTHER RESOLVED, the methodology outlined in the SMART SCALE Technical Guide shall direct the screening, scoring and selection of projects for funding and may continue to evolve and improve based upon advances in technology, data collection and reporting tools, and to the extent that any such improvements modify or affect the policy and process set forth herein, they shall be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, the SMART SCALE Project Change Guide shall direct the evaluation of changes to the scope and/or budget of projects selected for SMART SCALE funding, and to the extent that changes to the scope and/or budget are contrary to the policy and process set forth herein, they shall be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, the development and management of SMART SCALE projects in the SYIP shall be conducted in accordance with the Board's current Six-Year Improvement Program Development Policy.

BE IT FURTHER RESOLVED, the Board hereby directs OIPI, in coordination with VDOT and DRPT, to take all actions necessary to implement and administer this policy and process as modified, including but not limited to update of technical and policy documents consistent with the SMART SCALE Prioritization Policy adopted herein.

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CTB Decision Brief

Title: Adoption of Updated Policy for Implementation of the SMART SCALE Project Prioritization Process

Issue: On February 21, 2018, the Board approved and adopted an updated prioritization policy incorporating improvements to both the policy and the evaluation process for implementation to enhance the SMART SCALE prioritization process for subsequent rounds. This proposed action would make additional changes to the Board's SMART SCALE policy related to project eligibility and readiness requirements as well as modifications to weighting criteria used in the evaluation and scoring process. In addition, changes also focus on formalizing existing practices related to topics such as project changes, project cancellation, resolutions of support, and CTB project submissions.

Facts: Section 33.2-214.1 of the *Code of Virginia* requires the Board to develop a prioritization process for certain projects funded by the Board. Section 33.2-214.1 (B) of the Code of Virginia requires the Board to solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process. In June 2015, the Board adopted an initial statewide prioritization policy and process and directed VDOT, DRPT, and OIPI to implement and administer the policy and process. The proposed action would update the previously adopted prioritization policy and incorporate feedback and observation from the previously completed cycle of SMART SCALE. The proposed modifications to the Board's prioritization policy adopted February 21, 2018 were presented to the Board on January 14, 2020 and are as follows:

- Minor deletions to remove unnecessary elements and edits to clean up and clarify previous language.
- Clarification of the policy regarding required resolutions of support for entities submitting applications.
- Clarifications to the policy relating to Board submission of up to two projects for scoring and consideration each cycle of SMART SCALE.
- Adjustments to weighting of measures in the Safety factor from 50% for S1 and 50% for S2 to 70% for S1 and 30% for S2.
- Adjustments to weighting of measures in the Land Use factor from 70% for L1 and 30% for L2 to 50% for L1 and 50% for L2.
- Transition of the E.2 measure to a "subtractive" measure, removing up to 5 points based on acreage of sensitive areas potentially impacted and changing the E1 measure from a weighting of 50% to 100%.
- Reclassification of the Fredericksburg Area MPO from Area Type A to Area Type B.
- Reclassification of the New River Valley Regional Commission from Area Type C to Area Type B.
- Establishment of a pre-application cap limit of 5 for localities less than 200K in population and regional organizations less than 500K in population.
- Establishment of a pre-application cap limit of 12 for localities greater than or equal to 200K in population and regional organizations greater than or equal 500K in population.
- Formalization of a policy providing that projects selected for funding may only be cancelled by action from the Board.
- Formalization of a policy requiring projects added to the SYIP through the SMART SCALE prioritization process shall be fully funded within the six-year horizon of the SYIP.
- Establishes that the SMART SCALE Project Change Guide directs the evaluation of changes to the scope and/or budget of projects selected for SMART SCALE funding.

A resolution reflecting the above referenced recommendations has been prepared for consideration by the Board. The SMART SCALE Technical Guide will be revised to include the modifications identified in this resolution

Recommendation: VDOT, DRPT, and OIPI recommend that the Board approve the project prioritization policy and process adopted in February 2018, with the modifications proposed herein to govern screening, scoring and selecting projects for funding and to be implemented for the fourth round of the SMART SCALE prioritization process, which begins March 2, 2020. VDOT, DRPT and OIPI further recommend that the Board (i) direct updates to the current SMART SCALE Technical Guide to reflect any modifications made to the project prioritization policy and process pursuant to this action and (ii) maintain the SMART SCALE Project Change guide which provides direction relating to the evaluation of changes to the scope and/or budget of projects selected for SMART SCALE funding.

Action Required by the CTB: The Board will be presented with a resolution for a formal vote to adopt the updated SMART SCALE Prioritization Process and to direct update to the current SMART SCALE Technical Guide in implementation of the updated prioritization policy and process. Approval of the resolution by majority vote of the Board is required.

Result, if Approved: VDOT, DRPT, and OIPI will implement the SMART SCALE Prioritization Process in accord with the updated SMART SCALE Technical Guide and maintain the SMART SCALE Project Change Guide.

Options: Approve, Deny or Defer

Public Comments/Reactions: N/A