

TECHNICAL ADVISORY COMMITTEE

Wednesday, January 15, 2025

7:00 p.m. EDT

2600 Park Tower Drive, Suite 601

Vienna, VA 22180

This meeting will be held in person and livestreamed via YouTube.

MEETING SUMMARY

1. Call to Order/Welcome

- ✓ The meeting was conducted in-person. Chair Boice called the meeting to order at 7:02 p.m.
- ✓ **Attendees:**
 - **TAC Members:** Randy Boice; Karen Campblin; Michelle Cavucci; Armand Ciccarelli; Amy Morris; Dr. Shanjiang Zhu
 - **NVTA Staff:** Keith Jasper, Principal, Transportation Planning and Programming; Sree Nampoothiri, Senior Manager, Transportation Planning and Programming; Michael Longhi, CFO; Alyssa Beyer, Regional Transportation Planner.
 - **Others:** None.

2. Summary Notes of November 20, 2024, Meeting

- ✓ Motion to approve the summary notes of the November 20, 2024, meeting was made by Mr. Ciccarelli. Seconded by Dr. Zhu. The motion passed unanimously.

3. 2025 Meeting Calendar

- ✓ Motion to approve the proposed 2025 meeting calendar was made by Ms. Cavucci. Seconded by Ms. Morris. The motion passed unanimously. Mr. Ciccarelli noted that the April meeting date aligns with spring break in the Arlington County school district.

4. Policy 30 Update and Recommendation

- ✓ Mr. Longhi began by reviewing the history of the draft policy's development.

- Mr. Longhi reintroduced the memo from the 2015/2016 contingency funding analysis. He shared that the matter of NVTa providing contingency funds was so complex that the committee recommended the NVTa not to become involved in funding contingencies.
 - Part of this complication results from NVTa's governance structure, which differs from organizations like VDOT. While VDOT can typically reallocate funding to support a particular program or project as needed, NVTa cannot transfer funds from one project to support financial shortfall in another.
 - In addition, NVTa is legislatively required to prioritize funding based on Congestion Relief Relative to Cost (CRRC), a calculation that is determined for each funding cycle and would be impacted by contingency funding.
- The issue of contingencies arose again during the most recent update to the Six Year Program (SYP), when two projects – both of which were previously indicated to be fully funded – came back through the program application process to address cost underestimates / overruns. While the Authority approved funding transfers from other NVTa-funded projects on this occasion, it instructed staff to come up with a policy regarding future resubmitted projects seeking to cover cost underestimates or overruns.
- The Authority indicated that the policy should set a high bar for any such projects seeking additional funding for cost underestimates, overruns, and transfers, with a petition process to potentially allow for rare exceptions.
- Mr. Armand clarified that the proposed policy will generally not fund contingencies but will accept requests for exceptions. Mr. Longhi confirmed this and emphasized the high standards for approval through the petition process.
- Ms. Cavucci asked about the frequency of encountering issues with cost underestimates and overruns. Mr. Longhi responded that it has been an infrequent issue. This is due largely because NVTa often works with project sponsors to find alternatives and has historically discouraged project sponsors to seek out additional NVTa funding, following the precedent laid out by the 2015/2016 analysis and the subsequent decision not to provide contingency funds.

- Ms. Cavucci asked if the projects that received accommodations in the most recent SYP would have successfully passed the proposed petition process. Mr. Longhi stated that it would have been unlikely given the threshold to do so. If NVTa were to continue to fund contingencies, the estimated cost to NVTa would be \$1 billion. That amount of money is equivalent to approximately two (2) 2-year updates to the SYP and is too high of a risk for NVTa to take on.
- ✓ Mr. Longhi provided an overview of the draft Policy 30: Funding Cost Underestimates, Overruns, and Transfers in detail, which is included in the meeting packet.
 - There was one meaningful change to the draft policy. The more recent inclusion of the disallowance of transfers, as well as cost underestimates and overruns, is to eliminate the risk associated with cancelling projects that had previously allocated funds to other projects. According to current Standard Project Agreements (SPAs), project sponsors are required to return funding to NVTa for projects that are cancelled. However, if transfers are allowed, it is unclear if project sponsors would have to return the entire sum initially approved for funding or if they would only have to repay the funding that remained in the project when it was cancelled.
- ✓ Discussion followed the conclusion of the policy review.
 - Ms. Cavucci asked for examples of conditions that would meet the criteria for a policy exception, especially given that burial grounds were considered by the Authority members as anticipated. Mr. Longhi began by illustrating circumstances that the Authority had determined were insufficient: COVID-19 (not unique), inflation (not unique), supply chain issues (not unique), and tariffs (neither unique nor unanticipated). The one item discussed that could potentially qualify would be if a specific project was targeted.
 - Ms. Cavucci expressed concern that failing to identify allowable examples could make it difficult to build the framework of the petition process.
 - She asked if the petition process would consist of a form submitted by project sponsors. Mr. Jasper responded that only projects previously considered to be fully funded would participate in the petition process; all other projects would simply go through the application process in the next SYP update. The policy exception petition will consider the measures outlined in

Policy 30 and require project sponsors to provide proof of their qualifications, giving them the opportunity to show that an unforeseeable circumstance has arisen.

- Ms. Cavucci asked to clarify what the petition process will specifically entail for project sponsors, highlighting point J in the Petition for Policy Exception section. Mr. Jasper said that the form will be drafted by May 1, but not until NVTa approves the policy. Substantive documentation will be required from the project sponsor in the petition process.
- Chair Boice asked to confirm the purpose of the petition process in comparison to the typical application process in the two-year update to the SYP. Mr. Longhi clarified that there are projects receiving funding through FY29 which have been considered to be fully funded but may return to NVTa for contingency funding. The petition process is to be used for these situations.
 - Route 28 is an example of a project that returned for additional funding for another project phase and would thus use the normal SYP application process, not the petition process.
 - Mr. Longhi acknowledged that, in the SYP funding evaluation, qualitative points are awarded to projects that indicate they are fully funded as it gives assurance to NVTa on its investment. While this policy may change application strategies of project sponsors, it could result in more accurate CRRC ratings based on total project cost. Project applicants who indicate a project is fully funded are likely to be more confident in their cost estimates. In addition, it may encourage project applicants to limit funding requests to fewer project phases until cost estimates are more solidified after preliminary planning and engineering.
- Chair Boice asked to clarify what counts as a unique circumstance, and Mr. Longhi explained that it will be determined on a case-by-case basis.
- Ms. Morris inquired whether NVTa has historically declined to provide contingency funds. Mr. Longhi confirmed that it has. While requests were made during the previous funding cycles due to lack of a firm policy on the matter, staff followed the precedent based on the NVTa's decision not to maintain a contingency fund.
- Ms. Morris asked if the policy development was largely in response to the most recent funding requests. Mr. Jasper reiterated that staff

recommendations in the last funding cycle were consistent with the NVTAs precedent.

- Mr. Jasper explained that the response to requests for contingency funding has been more nuanced in the past when matters of a funding shortage arose outside of the SYP funding cycle. In those events, NVTAs helped project sponsors to identify alternative funding sources, such as NVTAs Local Distribution (30%) revenues.
- Mr. Longhi stated staff honored the precedent due to NVTAs unique position in funding projects. Staff are not aware of an equivalent grant funding system that allows project sponsors to receive additional funds when the project runs out of money. NVTAs is not the sole funding source for these projects, and it does not make sense for NVTAs to take on the full risk of cost underestimates and overruns.
- Ms. Campblin asked if a project would be penalized in the application process if its petition for policy exemption had been approved. Mr. Jasper said that the project would undergo the same evaluation process as other project applications during the petition process. If the appeal is unsuccessful, either due to inadequate or insufficient responses from the project sponsor, the project will be removed from consideration during that SYP update. However, if the appeal is granted, the project will move forward with scoring from a standard evaluation. Mr. Longhi stated that, while a project under appeal likely would not lose direct points in a standard evaluation, it would impact the qualitative consideration of a project sponsor's history. Historically, if a project's design characteristics need to be changed due to a cost underestimate or overrun, the project needs to be re-modeled and re-ranked, with the project sponsor covering the associated costs. If there is no substantive difference in the project ranking and impact, the change is approved. However, project sponsors have made a commitment through SPAs to deliver the project in a particular way and within a particular budget; NVTAs considers the breach of SPA as a qualitative component of consideration for future allocations.
- Ms. Morris asked why staff are recommending an option with a difficult petition process, when it would be easier to simply deny funding cost underestimates and overruns. Mr. Longhi indicated that

it is the result of the Authority members' direction and the political environment surrounding our elected officials.

- ✓ Motion to recommend Authority adoption of proposed Policy 30 – Funding Cost Underestimates, Overruns and Transfers as presented in the attached draft was made by Chair Boice. Seconded by Ms. Campbell. The motion passed unanimously.
- ✓ Mr. Longhi thanked the TAC members for their time. He explained that Ms. Backmon was not present during the meeting due to illness.

5. FY 2025 Transportation Planning and Programming Activities

- ✓ Mr. Jasper reviewed the Transportation Planning and Programming (TPP) team's work in the coming year and how it might appear in front of members of the TAC.
- ✓ The next TransAction update will be adopted by December 2027, but preliminary work will begin this year. This work is likely to be conducted internally and will not come before the TAC in 2025.
- ✓ The next Call for Regional Transportation Projects for the SYP will be in May 2025. Most committee action will take place in 2026.
- ✓ Findings from the Preliminary Deployment Plan for a Regional Bus Rapid Transit System (PDP BRT) should conclude this spring/summer and will be shared with the TAC when available. Chair Boice asked if there was any concern of a conflict of interest regarding this information, given the professional roles of the committee members. Mr. Jasper shared that the information will be in the public domain during or shortly following the committee presentation. In addition, committee feedback is expected to be high-level and will not have a direct impact on the project.
- ✓ Transportation Technology-related work is expected to ramp up in 2025, through the implementation of more elements from the Transportation Technology Strategic Plan (TTSP) and likely expansion of duties for the Transportation Technology Committee. The increase in interest in Intelligent Transportation System (ITS) projects encouraged NVTa's action regarding transportation technology.
 1. Other transportation technology related work includes ongoing Lunch and Learn events, the annual Roundtable event, the Driven by Innovation (DBI) newsletter, and involvement with the Regional Multi-Modal Mobility Program (RM3P).

2. Mr. Jasper asked the TAC members if they had recommendations for other topics. Chair Boice indicated that he supported NVTA's partnership with the Intelligent Transportation Society of Virginia (ITSVA), of which he is a board member.
- ✓ Mr. Jasper shared that NVTA staff would likely not have any items of substance to bring to the TAC in the next month, so the February meeting might be cancelled.
 - ✓ Ms. Campblin asked if NVTA staff were continuing efforts to study the direct impact of NVTA funding on congestion reduction. Mr. Jasper and Mr. Nampoothiri asked if she was referring to the model-based analysis in the PDP BRT. Ms. Campblin said that sounded correct, but she would double-check her notes.

6. NVTA Update

- ✓ Mr. Jasper provided the NVTA update on behalf of Ms. Backmon. Mr. Jasper drew the TAC's attention to the new NVTA logo and the recently published 2024 NVTA Report. He shared that the next Authority meeting will be held on February 13, 2025.

7. Adjourn

- ✓ The meeting was adjourned at 8:12 p.m.
- ✓ The next meeting is scheduled for February 19, 2025, at 7:00 p.m. in-person at the NVTA Offices.